

BROOKE
ANNUAL REPORT
& ACCOUNTS

2017/18



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CEO'S INTRODUCTION

I have recently returned from Pakistan where I was able to witness the positive impact of Brooke's work. I was delighted to see the improved welfare of working equines, but I also met with government officials who told me how they had taken on the Brooke approach and replicated it to help animals in many thousands of communities. It is action like this which expands our impact beyond our direct work and enables us to help many more animals. These results and others that you'll read in this report, make me proud to lead the Charity and grateful for all the hard work and dedication of our teams around the world.

2017/18 was a generally a challenging year for NGOs and headwinds remain. The ongoing uncertainty of Britain leaving the European Union, negative media coverage of charities, changes in fundraising regulation and the need for greater safeguarding by aid agencies, have led to calls for greater scrutiny and accountability. Brooke welcomes such calls and has invested in meeting all new measures. Increasing regulation and compliance, such as the General Data Protection Regulation (GDPR), has been skilfully managed by Brooke to limit any adverse impact on our relationship with supporters and our future income. Staff have been trained in refreshed funding regulations, while safeguarding policies have been reviewed and discussed by teams worldwide.

In this Annual Trustee Report, you will see that during the year Brooke has gone from strength to strength. We have expanded and deepened our global activities, increased our impact, achieved record levels of fundraising and significantly increased awareness of our work.

We are now two years into our Proud to be Brooke 2016–21 strategy. This strategy focusses on increasing the number of animals reached, ensuring that our interventions contribute to long-term changes for the welfare of working donkeys, horses and mules. While work has continued to build on the successful history of Brooke, we have also made some substantial changes in our programming. We have reflected on the way we understand long-term changes that can be made to animal welfare by updating our Theory of Change that will now guide our work for years to come. Underpinning this theory is the recognition that our impact on animal welfare must be cognisant of the welfare for people, the environment and the systems within which they co-exist so one is not at the expense of another. This concept has been called One Welfare.

Brooke operates at an international level to influence policies and practice for improved Animal Welfare. One example this year has been our work with the World Organisation for Animal Health (OIE) and other equine

welfare charities to support the development of training materials that will be rolled out globally to Veterinary Officers for well-being of working equids. These materials have drawn heavily on the evidence of work with communities on the ground. Similarly, Brooke was the key international organisation promoting the welfare of working equines at the Africa Platform for Animal Welfare.

At country level, Brooke's strength lies in two approaches: maintaining deep and strong ties with communities who depend on working equines for their livelihoods; and partnership with organisations whose work dovetails with that of Brooke. This approach has enabled some significant wins this year. The Brooke team in India successfully lobbied for a change in compensation for animals destroyed as a result of contracting Glanders. This deadly disease can affect people as well as animals and the increase in compensation has meant that owners can now come forward unafraid of the loss to their livelihood if their animal is destroyed. Our reach into hundreds of communities across the country coupled with our significant veterinary expertise and the trust of the authorities, means that Brooke has been able to successfully advise the government services on effective surveillance and management of the disease.

In Kenya, the Brooke East Africa team's work takes place through a network of partnerships with a deep reach into the communities, most of whom depend on working donkeys. Sharp increases of theft and slaughter of donkeys have left several communities in need. Brooke has supported the protection of hundreds of animals through community-led campaigns and practical safeguarding solutions. Our reach was further extended by the formal opening of a Brooke branch office in Nicaragua, serving our work in Central America.

In summary, 2017/18 has been an exciting year for Brooke. Strong contact and engagement with our loyal donors has supported a dialogue about our work as it evolves and expands. We welcome this exchange and are grateful for their ongoing generosity. While uncertainties in the external contexts in which we work remain I am confident that Brooke is ready for these challenges as it seeks to bring about sustainable change for working equines worldwide.



Petra Ingram
Chief Executive

OUR THEORY OF CHANGE

Brooke's activities take place in environments where a complex set of issues affect working animals and the livelihoods of the people who use them. Livelihood opportunities, effective health care services, the power of communities to demand improvements, and policy environments that support positive change, must come together for animals and their owners to thrive. To be long lasting, change must happen in a way that recognises the balance of human, animal and environmental well-being.

Our work recognises that working horses, donkeys and mules are an essential part of sustainable development. They are a largely invisible livestock group that significantly contribute to household livelihoods. Carrying water, market produce and people, used for hire, draught and ceremony; they are a key asset on which many women and men depend.

We intend to make a sustainable change to the welfare of working horses, donkeys and mules. This means that after we are gone, or when an owner takes on a new animal or moves to a new location, the working equids will continue to benefit. This will happen because Brooke has left behind functioning and affordable, but not free, health services. We have listened, understood and supported local livelihoods with improved welfare at the centre of our practices, and have successfully lobbied or influenced decision makers to improve the environment in which the animals work – as illustrated by 'Strengthened system for Animal Welfare' in our Theory of Change on page 5.

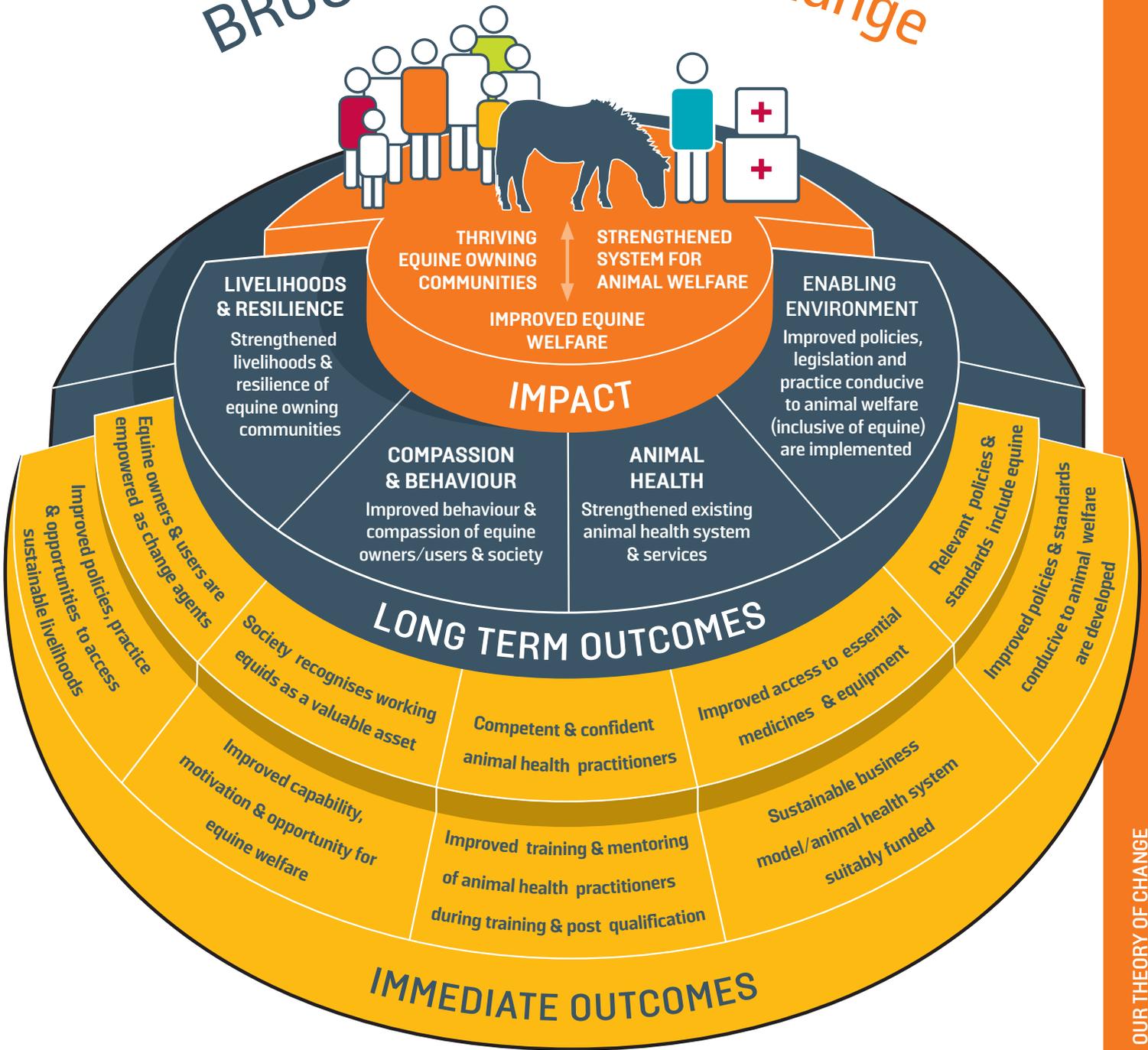
Brooke acknowledges the important developments in debates relating to animal welfare, from the five freedoms to the five domains, with a new emphasis on proactive management and supportive environments for improved welfare. We understand that equine owning communities must thrive for the needs of both people and animals to be adequately met. 'Improved Equine Welfare' and 'Thriving Equine Owing Communities' are mutually reinforcing as improved equine welfare will also enable an equine owning community to thrive through strengthened livelihood strategies.

Our work is delivered both directly through Brooke teams consisting of experts in community development, animal health care, animal welfare and external affairs; and indirectly through our engagement with partner organisations through mutually agreed partnership agreements. In addition, Brooke's influencing work has contributed to thousands more animal's lives being positively affected.

Creating a global team of excellence, Brooke encourages mutual support and technical exchange by diverse teams across the globe. Using digital technology to link and communicate, networks of managers and technical experts exchange information and support one another. At the same time, the Innovation Project has continued to support trial and error to lead us to success.

The way change happens is illustrated in the model for Brooke's Theory of Change overleaf.

BROOKE / Theory of Change



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WHERE WE WORK

Brooke is a global organisation, with established branches, affiliates and sister organisations in nine countries. We work extensively beyond the borders of our key countries, through partnerships and projects.

HQ

UK

AFFILIATES

Brooke East Africa
Brooke India
Brooke Pakistan

BRANCHES

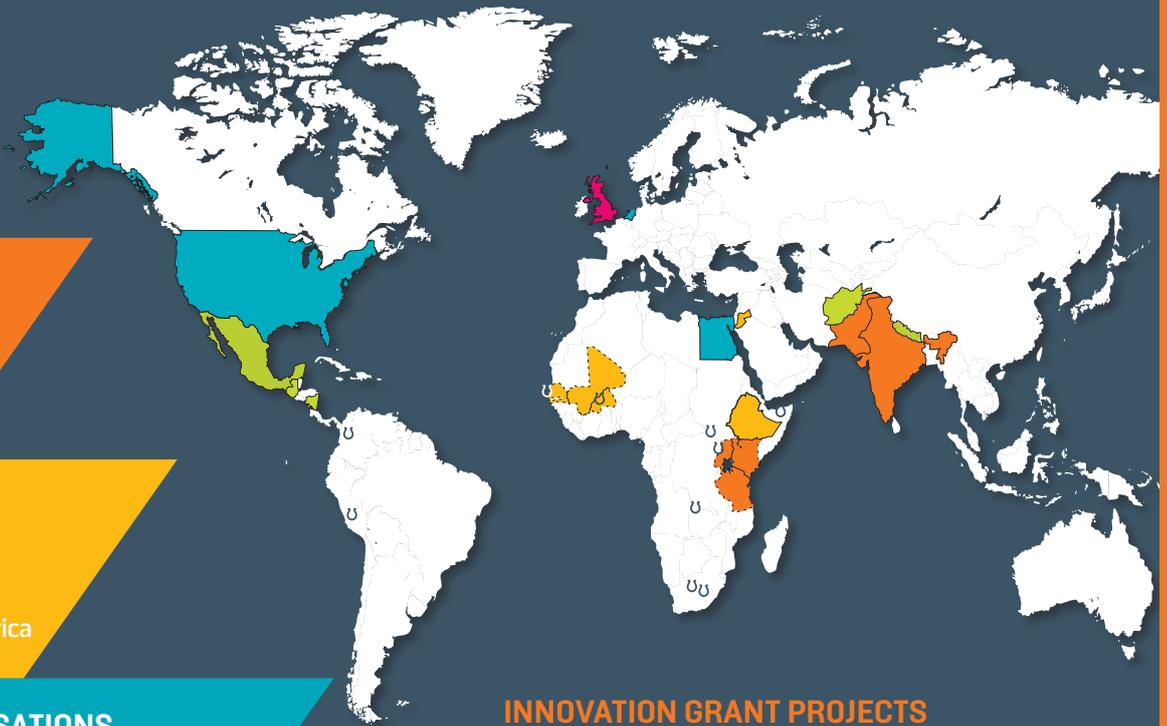
Brooke Ethiopia
Brooke West Africa
Brooke Central America

SISTER ORGANISATIONS

Brooke Hospital for Animals Egypt
Brooke Hospital for Animals Netherlands
Brooke USA

CONTRACT PARTNERS

DCA - Afghanistan
(Dutch Committee for Afghanistan)
ESAP - Guatemala
AHTCS - Nepal
(Animal Health Training and
Consultancy Service)
FDH - Mexico



INNOVATION GRANT PROJECTS from 2016 to present

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



Afghanistan
Burkina Faso
Ethiopia
India
Kenya
Lesotho

Nepal
Palestine
Senegal
South Africa
South Sudan

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.

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HIGHLIGHTS FROM OUR WORK

4.1 - Creating better services by improvement in the competencies of animal health care practitioners

Brooke's history lies in the delivery of expert treatment. For many years this was delivered for free. Recently, however Brooke has realised that our clinics are often too far from an animal whose owner does not have the means to reach the clinic; we are dependent on staff who may leave and we are often in unfair competition with local services. Our approach is now focused on building the capacity of local service providers for sustainable change.

Described in our accounts as "direct intervention to improve animal welfare", the total annual spend on this activity came to £4.8m. In order to create an impactful change to services that endures beyond our interventions and ensures that services are accessible to millions more animals, we have been developing ways to bring clinical expertise in equine health care to hard-to reach communities for several years. Using our unique and effective reach into communities, we have developed mentoring and training support for local vets and health technicians which is improving the equine welfare in all our areas of work.

This year, after two years of field based development, Brooke has finalised and launched the Animal Health Mentoring Framework. This vital tool is in use across Brooke programmes and supports the monitored improvements in all key aspects of successful practice from client management, animal handling to clinical diagnosis.

Using the framework, Brooke East Africa has reported an increase from 23% to 40% of "outstanding" scores for service providers monitored in 2017/2018 and a decrease in "unsatisfactory" scores, from 17% to 9%.

The future of the framework will be to continue development and expand its effectiveness beyond Brooke's immediate programmes. The Ethiopian government have noted the potential benefits of using the framework in supporting services to all livestock and international bodies, such as the OIE and World Veterinary Association (WVA), who have shown interest in the resource and acknowledged Brooke's contribution to sustainable service delivery.

At the WVA congress where the main theme was 'Caring for Animals= Caring for our World', the FAO keynote speaker highlighted Brooke's relevance and strength as a One Welfare organisation.

Brooke's veterinary expertise has also been recognised this year with awards for three of our staff; Dr. Ebony Escalona and Dr. Alemayhu Mariam by the Royal College of Veterinary Surgeons (RCVS) and for Dr. Mactar Seck by the WVA.

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4.2 - Prevention of equine welfare problems by changing human behaviour

Welfare and healthcare problems can occur for a range of reasons, many of which are man-made. Understanding the barriers to sustainable improvements in animal welfare, requires we understand the context and opportunities for change that are available to the owners of the animals. Ignorance, fear, a lack of power to demand improvements in services or conditions, poor materials for harnessing, and lack of resources to afford improvements, all play a part in governing the behaviour of owners and the treatment of their animals.

Described in our accounts as "prevention of welfare problems", the total spend on this activity came to £6.2m for the year. Brooke leads the animal welfare organisations reaching and engaging with communities in some of the hardest environments across the globe. Among others, we engage with thousands of workers in coalmines and brick kilns, many of whom share similarly appalling working conditions to their animals; we support thousands of farming families in remote areas of Africa and Asia; and we work in areas where owners depend on the tourists and pilgrims who use their animals. Each context presents its own challenges where cultural, social, environmental, economic and political issues play a part in shaping attitudes to animal welfare.

This year, Brooke is working with teams across the programme to refresh and revise our approach to listening and learning from communities so that we and our partners can best support those in need of these changes. Countless community case studies and community welfare assessments attest that Brooke's results are impressive.

An equid owner in Lucknow expressed,

"For me the health of my animal is important. If the equid will not be healthy and fit, from where will I earn to feed my children? Every morning I clean the eyes of equid, offer water, give fresh soaked feed mixed with salt and then do other work"

One male Equine Welfare Group (EWG) member in Aligarh said,

"I massage the horse after work and this helps in proper blood circulation"

An Ashwamitra in Aligarh conveyed,

"Before Brooke India (BI) came here, every other day the equids in the village were falling sick. Now, not only have the common problems such as wounds, tetanus been reduced but even dangerous diseases such as Surra is seen much less"

Brooke India Final Independent Evaluation Report (2018)

The way an animal is handled is critical to their welfare. Suffering as a result of poor handling can occur daily and over time can cause cumulative mental and physical damage to an animal, whereas good handling and positive human-animal interactions contribute to positive welfare. Brooke champions positive human-animal interactions. Humane and respectful handling of animals has little or no cost and can be done anywhere in the world, yet can have a large impact on an animal's welfare. This year, Brooke has launched what we hope will become a flagship endeavour: the demonstration and promotion of humane handling worldwide.

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4.3 - Influencing for improved animal welfare

The total annual spend on this activity came to £1.7 million.

In 2017/18, Brooke's advocacy and policy work continued to bridge the gaps between human development and working animal welfare, with notable successes at global and regional levels.

Brooke was granted Special Consultative Status with the United Nations (UN) Economic and Social Council (ECOSOC) in 2017. This offers opportunities to be involved in UN processes and access agencies who have a wider reach in the developing world. It means that Brooke has more opportunities to share its expertise on working livestock and smallholder farming, and influence how policies are implemented. For example, one of ECOSOC's priorities is promoting sustainable development. Working livestock play a fundamental role in ensuring people can access food and water and maintain their livelihoods, as articulated in our revised Theory of Change.

Building on this achievement, Brooke was also granted Specialized Consultative Status with the Food and Agriculture Organization of the United Nations (UN FAO) in January 2018. With this new status, Brooke is now a formally recognised partner, making our voice on working animals in UN agricultural and food security policy stronger. This is a new way for us to put animal welfare on the global policy agenda.

At the regional level, Brooke CEO Petra Ingram travelled to Ethiopia in July 2017 to speak at the launch of the Africa Animal Welfare Strategy (AAWS) and Africa Platform for Animal Welfare (APAW). We are proud to have been involved in the development of this strategy, which aims to improve the welfare of animals across Africa. The APAW is a task force made up of governments, international institutions, non-government organisations and academics that promotes animal welfare across the African Union.

At an institutional level, Brooke chaired the International Coalition for Working Equids (ICWE) in its first year of existence. The coalition's main goal is to support the practical implementation of OIE animal welfare standards throughout its 182-member countries. In 2018, implementation support work commenced with ICWE partners producing a series of training videos to support governments and communities to bring the standards to life.

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4.4 - Research

Brooke undertakes and commissions research so that we can continually improve our expertise and understanding of key issues affecting equine animal welfare. Our findings inform our field work and advocacy. The total annual spend on this activity came to £0.7m.

In 2017, we established an International Research Group (IRG) of staff from across our countries of operation. The IRG brings together research champions representing every Brooke branch & affiliate. Our aim is to create a shared vision for research throughout the organisation. We have a focus on research activities that build our understanding of the relationship between improved equine welfare and thriving equid-owning communities, one of the key assumptions of our Theory of Change.

The IRG is also accountable for ensuring Brooke's research meets externally-recognised quality and standards, and that our research findings are integrated into our programmes.

Key research projects conducted in 2017/18 cover a range of important areas in our Theory of Change, including:

- tackling Histoplasmosis in Ethiopia: a neglected disease impacting on equine health and human livelihoods;
- improving working livestock disease diagnosis, treatment and surveillance in Ethiopia by developing and evaluating a smartphone-based application;
- studying the economic contribution of equids to livelihoods and national economy in Senegal; and
- investigating the impact of trade in donkey hides on the livelihoods of smallholder farmers in Kenya, East Africa.

The findings of these projects and others, were presented by international Brooke staff at 14 conferences and in two peer reviewed published papers this year.

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4.5 - Partnering with other organisations to increase long term change for working horses, donkeys and mules

As can be seen on the following pages (36 to 37), much of Brooke's work is delivered in partnership with 53 other organisations. These range from small local organisations embedded deep within communities in India, Pakistan and West Africa; to national and international organisations in, for instance, in East Africa and Afghanistan where a portfolio of work enables Brooke's influence and approach to reach many more animals.

Following the Charity Commission's guidance, Brooke revisited the key enabler of our strategy in 2017/18 and developed a refreshed approach based on best practice used within the sector. This has resulted in clearer processes for partner organisations wishing to engage with Brooke's work, and more rigorous approaches to due diligence and accountability.

This year Brooke has refreshed existing partnerships to enable organisations to establish clearer longer-term goals for their work and cultivate relationships with new partners.

In Afghanistan, our new approach is welcomed by our long-term partner DCA, who say on their website "DCA is excited about this new contract that offers us the possibility to integrate the activities of Brooke for working equines into our other projects"¹.

For new partnerships, Brooke has had two initial agreements with Send A Cow (SAC). The first tested the integration of equine welfare assessments in a small community livestock project in Lesotho. The second partnership agreement was in East Africa where Brooke and SAC teams collaborated to co-create a new approach, which enabled SAC to enhance its whole farm system approach for sustainable livelihoods. This incorporated the assessment of donkey welfare and allowed Brooke to learn from SAC's integrated farm systems and livelihoods approach. For SAC the partnership helped them realise the value of 'an overlooked resource' (donkeys). They will now include them into wider resource mapping in other projects and consider the role of equines in livestock policy. And for the community reached by the project, the impact is clear:

"I understand now that my donkey is more than just transport...I want to allow it to graze now, it is a 'friend' to the community"

(Nmorio Enlightenment Group member)

¹ - <http://www.dca-livestock.org/wp-content/uploads/2018/04/180412-Website-news-Brooke-and-DCA-MM-RH-HN.pdf>

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4.6 - Innovation

2017/18 was the second year of the Innovation Project. In investing and supporting innovation Brooke has been working to encourage the development of an organisational culture and practice that explores and tests new ideas to address stubborn problems, creating new pathways to achieve our strategic goals even as new technology drives change.

Much innovation comes with a change of attitude and does not require money: multi-disciplinary project reviews; international information exchange; and health expert WhatsApp groups are all examples of no-cost changes positively impacting on the quality of Brooke's work.

In 2017/2018 Brooke continued to support five innovation projects that commenced in 2016 and received and reviewed 38 new funding proposals, of which eight new projects were approved and launched.

Among the most exciting is our project with SIDAI in East Africa. They will provide livestock and crop pharmaceutical supplies, training pastoralists and farmers and utilising their effective service delivery model to create awareness and provide an affordable supply of pain relief for all species of livestock, including working equines.

In West Africa, Inades and Brooke are trialling the use of donkey dung to produce biogas. The fuel will be for household use, supporting local livelihoods and leading to a cleaner environment. This positive impact on people will encourage a more compassionate approach to the donkey.

One of the extended projects from 2016 is a project using Hydroponics to grow fodder in highly drought prone areas. Initial findings have demonstrated very positive results with simple water efficient technology being spontaneously replicated. It is hoped that the extension will enable Brooke to see if the work can go to scale.

HOW DID WE DO?

Here is a brief summary of how we performed against our annual objectives.

5.1 - Scale: we will do more work with more animals in the most need

Brooke's interventions delivered directly to communities across three branches, three affiliate organisations and three independent partner organisations, reached 1.3 million equines based on our standard data collection methodology. In addition thousands more equines were helped through our indirect work, building capacity of service providers and advocacy work. We also directly worked with 770,000 owners in 13,584 communities. As our goal is to support large numbers of equines in the most need, we are working comprehensively in almost 7,000 brick kilns. These are highly challenging environments where men, women, children and equines toil in unimaginable conditions. We have built excellent relations with owners and communities to understand issues and support long-term change for the tens of thousands of equines working there. We are also increasing working in coalition with human development and UN agencies in order to collectively tackle these intractable systemic issues relating to brick kilns and other exploitative industries.

Crucially to improve the sustainability of our work, we have also increased the capacity and capability of Animal Health Providers. In addition to direct intervention, training and mentoring local animal health providers, more than 2,700 individuals have provided animal health and welfare support to many thousands more. It is estimated that for every equine treated at least four other livestock animals (cows, goats and sheep) will also benefit. A notable example is the Ethiopia Revolving Drug and Vaccine project registered service provision, which accesses more than 250,000 animals, many of whom would have lived beyond Brooke's project areas and are therefore indirectly benefiting from Brooke's work.

Brooke achieved our objective of having three affiliate organisations Pakistan, India and East Africa operating under new five-year agreements. Each is working with multi-year programme plans to 2021 including clear outcomes and outputs. Brooke Pakistan and Brooke India have made considerable changes in their work as they shift away from free services and support local services providers through mentoring. In 2017/18, this new approach enabled India's programme to expand into seven new project areas reaching an additional 40,000 animals.

In Brooke West Africa, work expanded to Burkina Faso with well received training of veterinary service providers across the country. In addition, an agreement with the Vet School in Dakar to include equine health care, will potentially impact on newly qualified vets from 14 countries served by the school.

We were also delighted to learn that our reach in Pakistan has increased as a result of the Government of Pakistan (GoP) replicating its own version of Brooke's mobile vet in the Punjab region. They anticipate reaching an additional 27,000 communities through their new service.

External affairs work continues in each country and internationally. In 2017/18 representation at key conferences and individual targeted work has built on Brooke's ongoing messages to ensure that working equines are:

- protected bylaws restricting weight and cruelty in transportation (West Africa and Ethiopia);
- protected from Donkey Hide trade (East Africa and EU); and
- considered as part of emergency relief efforts (Central America, Ethiopia and East Africa).

5

5.2 - Income: we will grow income and awareness

Boosted by a successful rebrand and our first integrated fundraising and communication campaign, awareness of Brooke in the UK continues to go from strength to strength. We exceeded our annual awareness target, reaching 20% prompted awareness among the general public and 28% across our target audience. Since our rebrand, the breadth of Brooke's appeal has widened considerably with the greatest growth in awareness among younger audiences which bodes well for future income. Thanks to the generosity of our supporters, and sister organisations in The Netherlands and USA, total income received was over £21.4 million, the highest income ever generated by Brooke.

Brooke also benefits from the support of many charitable trusts and foundations. This includes longstanding support from The Alborada Trust, which this year agreed to a multi-year grant in aid of transforming the welfare of working equines in the brick kilns of Pakistan. We are tremendously grateful for their support. We are also indebted to The Sir Peter O'Sullivan Charitable Trust, which funded the construction of an essential equine shelter and training centre, which improved access to water in a busy market place in Dodola Town, Ethiopia. This project was also supported by a contribution from The Margaret Giffen Charitable Trust.

The Phoebe Wortley Talbot Charitable Trust continues to be a highly valued, long-term supporter of Brooke and this year Trustees awarded their final grant towards a three-year project they have been funding, entitled "Brooke Journal" (an online, one-stop shop of interdisciplinary and international research findings from the field). The Trust also contributed to Brooke's drought resilience work in Kenya. Another organisation that contributed to improved water access was The Guernsey Overseas Aid & Development Commission through their generous contribution in support of a project to promote integrated and sustainable water supply in Halaba, Ethiopia.

These are just a handful of examples of those trusts and foundations that contribute to the financial lifeblood which makes Brooke's existence viable. We are grateful to each and every one of them, mentioned in this report or otherwise.

The total net income for this year was £14.7m; 23% above our target. This was delivered at a cost/income ratio of 31%, meaning almost £3.20 was raised for every £1 spent on fundraising.

We are grateful to all our supporters who kindly donated their money, time, and effort to help us reach this milestone, as well as our wonderful volunteer Community Groups around the country. We would especially like to thank those kind individuals who chose to remember Brooke in their Wills, leading to a record year for legacy income.

5

5.3 - Quality: we will ensure Brooke standards of quality achieve sustainable change

The review of our Theory of Change model has delivered a more effective framework, which staff are already applying to programme decisions and project design. By linking our research activity to our Theory of Change, we continually add to our expertise delivering new evidence and increased knowledge to improve the quality of our work around the world.

Global projects are underway to standardise and champion the quality of Brooke's work on a global scale. Details of Brooke's Humane Handling for Animals and Community Development for Animals are described in 4.2. A third project involving programme leaders will explore what a Quality Programme looks like. This includes codifying good practice, embedding safeguarding and ensuring long-term welfare outcomes for animals are achieved. As the project develops, it is envisaged that professional development gaps will be identified and addressed.

Brooke has supported and engaged with the Livestock Emergency Guidelines and Standards (LEGS) project. This lays out best practice in the sector for preserving livelihoods and lives in disaster responses involving livestock and working animals. Brooke will use these standards to guide our approach to future disaster response and preparedness. While we prioritise the need to build resilience in the communities we work, we recognise that occasionally a disaster response will be required and that it should conform to best practice.

5.4 - Impact: we will be accountable to our donors and beneficiaries by measuring our impact

We continue to make great progress towards our commitment to enhanced transparency and accountability.

In our first year of multi-year plan implementation, Brooke's MEAL framework (monitoring, evaluation, accountability and learning) has been rolled out and activated in every country of operation. It also includes a more robust way of calculating direct reach which builds on our previous definition of uptake. All our programmes have started collecting robust and relevant data and reporting on their results. For instance, Brooke Pakistan's "Transforming the Lives of Working Equines in Brick Kilns" is a four-year project funded by the Alborada Trust, which plans to reach 377 brick kilns this year and a further 123 new brick kilns the following year. This data will enable Brooke to better measure and understand our impact in relation to our Theory of Change.

During the year, the Trustees approved a new Evaluation Policy and three evaluations were undertaken. These are an independent assessment on areas of our work to a clearly defined terms of references. Findings and recommendations are reviewed by management and learnings are built into future activities.

Our financial systems and processes are also critical to accountability. All branches and affiliates are now live in the SUN accounting system using the new Global Chart of Accounts. For the first time, country programmes have used SUN to prepare quarterly reports on their use of funds against budget, and we were able to use SUN to prepare consolidated group accounts. An independent audit of Brooke's financial processes identified no high-risk items and our statutory audit was completed on time, again with no high-level systems or control issues reported. These new systems and independent assessments enable the provision of accurate and compliant reporting of Brooke's financial performance, and supports informed decision making by the Board and senior leadership.

5

Brooke also rolled out our BrookeCheck app to staff in India, Pakistan, Ethiopia, Senegal, and Kenya. The app was developed to digitise monitoring assessments, such as our Standardised Equine Based Welfare Assessment Tool (SEBWAT), Owner Behaviour Monitoring, which tracks how people interact with their animals; and Animal Health Mentoring Framework which enables capacity building in local vets, farriers and other healthcare providers we work through.

The data collected using BrookeCheck will make it considerably easier to understand how animal welfare problems arise, identify how to fix and prevent them, and monitor how people learn and improve their welfare skills.

See the table below for the estimated number of equines, owners, Animal Health Providers, Communities we directly work with and specific Brick Kilns we work in.

Entity	Animals (reach)	Owners	AHP	Communities	No. Brick kilns
BRANCHES					
Central America (B)	-	-	-	-	-
Ethiopia (B)	402,351	360,157	329	330	-
West Africa (B)	45,259	24,825	71	562	-
AFFILIATES					
East Africa (A) ²	401,800	173,400	388	20	-
India (A)	279,922	151,384	1,276	5,938	6,449
Pakistan (A)	52,422	47,519	266	335	377
PARTNERS					
AHTCS (Nepal)	25,752	10,864	74	64	76
DCA (Afghanistan)	54,791	9,824	252	6,296	70
ESAP (Guatemala)	1,140	597	47	38	-
FDH (Mexico)	200	140	0	1	-
TOTAL	1,263,637	778,710	2,703	13,584	6,972

We work with equine owning communities beyond a 12-month period. Figures are calculated based on the average number of equines that the communities we work with have. Although estimated in an annual period, in many circumstances we will continue to work with the same communities over a multi-year period, expanding according to need. Numbers are estimated at the planning stage and verified at the delivery phase.³

² - East Africa has estimated the total number of equines reached for the four-year period

³ - Reach is defined as estimated number of equines belonging to owners and users participating in structured, regular Community Engagement activities that include a follow up system directly organised or sponsored by Brooke.

LOOKING AHEAD

Brooke is committed to achieving our overarching strategic goals of sustainable improvement and global reach. The achievement of these will create lasting change for equines and the communities they serve.

Brooke has identified five organisational interrelated priorities for 2018-19. These are:

- i. Deliver high quality programmes;
- ii. Increase our external visibility on working equids and One Welfare;
- iii. Increase and future proof our income;
- iv. Improve governance and compliance, particularly for GDPR;
- v. Achieve cohesion as a strategically aligned global team.

To deliver high quality programmes, Brooke will continue to deliver multi-year plans which aim to impact directly on 1.3 million animals and bring changes to the communities in which they live. We will pursue local and national decision-making bodies which can support us to make improvements in harmful environments, particularly in relation to brick kilns, tourist sites, garbage collection areas and urban transport environments.

We will be supported in our work with the Quality Standards Project with standards drafted and tested by programmes in the coming year.

Drawing from the experience, competence and evidence of the ongoing work of branches, affiliates and Brooke partners, together with our global external affairs work; Brooke will advocate for additional change in the following areas:

- increased reach and sustainable impact on the welfare of working equines in brick kilns operating across South Asia. A region wide project will be delivered in consortium with other equine charities, and human development organisations that seek improvement in working environments for all;
- provide effective support to resilient livelihoods using direct support to sustainable livelihoods of equine owning communities through credit and livelihood initiatives that target women owners in particular; coupled with preparedness work to respond in times of crisis. This work will include pursuing evidence in relation to the impact of the donkey-hide trade and the most appropriate responses to its effects on animal welfare and the people who depend on the animals;
- drive progress on achieving the commitment of global and national bodies to invest and support improving the competencies of animal health practitioners in general; and specifically responding to equine health care needs. This work will include the development of a global farrier project supporting the establishment of sustainable services; and
- champion humane handling as a way to improve welfare of animals and have a positive impact on those people who own them.

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To deliver our other priorities of increased visibility, income, improved governance, compliance and enhanced global cohesion we will:

- publish our new Theory of Change;
- lead a series of compelling events and campaigns (example, our participation at the World Equestrian Games, Every Horse Remembered as part of World War One Centenary and at Olympia);
- improve supporter management through investment in a more effective CRM system;
- ensure GDPR compliance by improving all systems and process;
- carry out evaluations in India and East Africa, using findings to continually improve our programmatic work;
- enhance and clarify all key policies including our safeguarding policy;
- launch the first ever global staff survey and implement an action plan based on findings;
- strengthen organisational learning and develop our Learning Management System; and
- carry out a mid-term review of our strategy, tailoring the global plan to our Theory of Change and testing our underlying assumptions behind creating sustainable change for equines.

Overall, we will work together as one global team, acknowledging our mutual accountabilities and supporting each other to achieve for success in accordance with our values.

OUR SUPPORTERS & OUR PEOPLE

In 2017/18, Brooke achieved record-levels of income and awareness. This achievement would not be possible without the passion and commitment of our brilliant supporters who enable us to help transform the lives of working equines and the communities they support.

We continue to be thankful for the time and support given to us by our President HRH The Duchess of Cornwall. In May 2017, Her Royal Highness named Brooke as the chosen charity for the South of England Agricultural Show. Brooke was also named as the chosen charity for the Equerry Bolesworth International Horse Show, which took place in June 2017.

In the world of the arts, Gallery director Geoffrey Hughes and artist Sophie Walbeoffe chose to support Brooke's work in Kenya because of a connection they both have to the country, as well as their love for animals. The gallery is known for its focus on equestrian and sporting art.

In 2017, Brooke launched MyHackathon, a brand-new participation event that saw over 400 riders take on the challenge of riding 100 miles in 100 days to raise £100. By December 2017, the event had raised £20,000. We have expanded our community groups and now have 47 across the country.

In April 2017, we launched the Brooke's Friends programme with our patron Alastair Stewart. Friends share a mutual love and respect for horses, donkeys and mules by providing vital funds to enable Brooke's overseas teams to deliver a lasting impact. Our Friends are supporting a new project of Brooke's work in Ethiopia with gharry horses. Our thanks also go to Gloucestershire-based Tweenhills Farm and Stud, which hosted an exclusive equestrian themed event raising £11,000.

It was another stellar year for celebrity support. Our global ambassador Charlotte Dujardin supported many activities, encouraging equestrians everywhere to get involved with Brooke. Other highlights include former EastEnders star Pam St Clement supporting Brooke during Remember a Charity Week, comedienne Jo Brand encouraging the public to host a High Teas for Gee Gees party; Midsomer Murders star John Nettles providing the voiceover to our new television advert highlighting the terrible conditions suffered by donkeys working in coal mines; and Deborah Meaden, businesswoman and investor on BBC 2's Dragon's Den, representing Brooke at the annual PetPlan Animals in War Memorial Service.

OUR FUNDRAISING AND DATA PROTECTION STANDARDS

Treating people with care and respect is central to Brooke. We want all engagements with us to be a positive experience that reflects the needs of each individual. We are thrilled to report that Brooke achieves among the highest levels of trust from the general public in the charity sector. 95% of supporters who responded to our survey stated they were "very satisfied" or "satisfied" with their experience of Brooke.

Brooke is signed up to the Fundraising Regulator and to ensure compliance all staff have received training about the Fundraising Code of Practice. Ongoing support is available from our Fundraising Code Champions who are available to discuss any issues relating to meeting the standards of the code in all aspects of our work. Our thorough approach has been successful and there has been no breach or incident to report to the ICO.

We ensure that our TV advertising is compliant with the UK Code of Broadcast Advertising (BCAP Code) and our non-broadcast fundraising communications comply with the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (CAP Code), both set by the Advertising Standards Authority. To ensure supporters only hear from us in ways that they have agreed to, we utilise the Mailing Preference Service and the Telephone Preference Service. This year all 208 complaints received about our fundraising activities were resolved at the first stage by senior management or the Fundraising Regulator.

Under the guidance of our new FundComm Compliance Team, Brooke rose to the enhanced standards and requirements of new regulatory expectations in fundraising and data protection. Close working with Legal, GDPR Programme Manager and FundComm Compliance Teams, has proven a success in terms of staff engagement and knowledge development. We updated our privacy statements and refreshed consent to fundraise so that our supporters are made aware of the data we collect, store and process; while also informing supporters how to opt-out or change their preferences. This was accompanied by a thorough data management audit and specific staff awareness and training.

Our internal policies ensure we operate within external charity laws and guidance to identify and communicate with any vulnerable supporters that fall into the category of safeguarding. We have, for example, identified where we hold sensitive data which might relate to health and vulnerability and shared guidance of safeguarding those in vulnerable circumstances. In parallel, we ensure that the contracts we hold with our Professional Fundraising agencies include an agreed approach to identifying and working with those in vulnerable circumstances. We ask that agencies inform us if they are unsure or think that a supporter is potentially vulnerable. When this happens, our Supporter Care Team contact the individual to make sure that any decision made about Brooke was done so of their own volition and without coercion.

In addition to adhering to the Fundraising Code (section 18.3.2), we also have an internal policy of completing a Risk Assessment relating to our Legacy Team when making home visits. This ensures that there are always two Brooke staff members in attendance to protect both our supporter and our staff. Home visits are only made when a supporter is physically unable to attend an event or requests a home visit. We always write in advance to supporters who have requested a home visit to confirm the purpose of the visit and give them the opportunity to decline or invite a third party along. Brooke minimises the need for home visits by delivering a nationwide programme of events for supporters. Brooke do not pursue legacy gifts if it is felt that the potential supporter was unable to make an informed autonomous decision.

Fundraising that takes place on our behalf is done mainly through the use of Professional Fundraising Agencies. We train and monitor our Professional Fundraising Agencies and suppliers, ensuring that we have the relevant contracts in place where required. We use Professional Fundraising Agencies to take inbound and make outbound telephone calls in response to our TV adverts and fundraising appeals with a view to taking donations from interested supporters or to upgrade existing supporters we believe would like to support in this way. We also use two Professional Fundraising Agencies for a small face-to-face campaign at various equestrian and country show events. Our face-to-face agencies recruit new direct debit supporters for Brooke.

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Our Community Groups run various events in their local area to raise funds for Brooke through the sale of goods or events. We have staff at Brooke dedicated to liaising with our volunteers to ensure that they have the support they need to deliver their fundraising activities and ensure that the income is received. Our FundComm Compliance Team have developed new training for all volunteers to ensure that they are aware of their responsibilities under the Fundraising Code of Practice. This is being rolled out from September 2018.

We have five Commercial Participators where there is a contract in place to enable them to use our name to raise funds on our behalf. Our Legal team have had oversight of these contracts and involvement in their creation. We are reviewing other links with organisations to ascertain future involvement and possible Commercial Participator Agreements.

We negotiate contracts and any special terms of agreements to meet the business needs and ethical expectations of Brooke and our donors. This is supplemented by actions including regular reporting relating to fundraising campaigns and delivery; training of Professional Fundraisers; review meetings with contracted agencies; frequently listening in to calls carried out by our Professional Fundraisers; and a Whistleblowing Policy that extends to our third-party suppliers.

To support all staff in understanding and upholding the Fundraising Code of Practice and GDPR legal framework, an e-learning course has been implemented as a mandatory requirement for all UK staff. The course highlights the key themes of GDPR to help all staff at Brooke understand the new legal framework. It emphasises the importance of following these requirements in order to make the right decisions about collecting, storing and using our supporters personal and sensitive data. It has now been rolled out internationally to our branches and affiliates.

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TRUSTEES' ADMINISTRATIVE REPORT

The Trustees of Brooke present their Annual Report for the year ended 31 March 2018 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 Brooke are described in the objectives and activities section of the trustees' annual and strategic report, starting on page 4.

ADMINISTRATIVE DETAILS OF BROOKE, OUR 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: 04119581

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**

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

Mr Nigel Payne

Monty Roberts

Major Richard Waygood MBE

Jessica Mendoza

Trustees

Chairman

Major General Sir Evelyn Webb-Carter
KVCO, OBE DL

Honorary Treasurer

Mr Paul Elphick FCA (1,2)

Ms Sarah Arnold (3)

Dr Belinda Bennet (3)

Mr Richard Britten-Long (1)

Dr Graeme Cooke (3)

Mrs Jane Holderness-Roddam CBE, LVO

Mr Ian Kerr (1)

Professor Cheikh Ly

Mr John Edward Rege (3)

Dr Michael Seton (3)

Mr Anant Shah (2, 3)

Ms Gaynor Miller (1, 4)

Senior Leadership Team

Chief Executive Officer

Petra Ingram FCMA

Director of Strategy and Performance

Clare Twelvetrees

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 U.K. 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

(1) Member of Finance
Committee

(2) Member of
Remuneration
Committee

(3) Member of
Governance
Committee

(4) Appointed on 22
March 2018

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FINANCIAL OVERVIEW & STRATEGY

Brooke's total income for 2017/18 surpassed last year's all-time high-income level. We were able to successfully realign our organisational priorities to guard against the impact of Sterling's devaluation against other currencies and fulfil our annual grant commitments for the year.

TOTAL INCOME

Total income amounted to £21.4m (+10% vs 2016/17) with legacy income at £11.5m (+14 % vs 2016/17) as a result of higher legacy bequests and donations at £9.8m (+7 % vs 2016/17) despite the changes introduced through fundraising regulation.

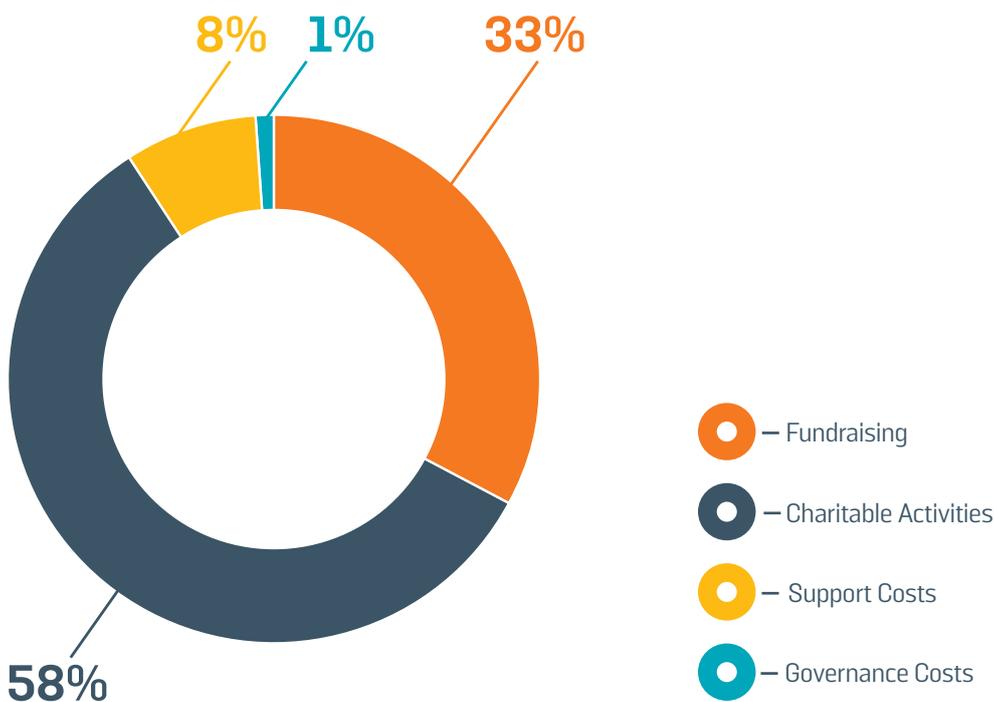
The legacy pipeline (i.e. the estimated value of legacies we have been informed of but not included in the accounts due to income recognition criteria not being met) is £11.3m; that compares to £9.4m in the prior year.

GAIN ON INVESTMENT ASSETS

The returns from our investment portfolio in the form of interest and dividends which is recognised as income, was comparable to prior year at £0.2m. The underlying market value of the investment portfolio, which is shown in Note 10 in our accounts, reports an unrealised gain of £0.4m (vs £1.1m 2016/17) after £0.5m of the portfolio was realised for operational activity.

The chart below provides an analysis of the total resources expended in 2017/18.

CHART 1 - TYPES OF EXPENDITURE



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FUNDRAISING ACTIVITIES

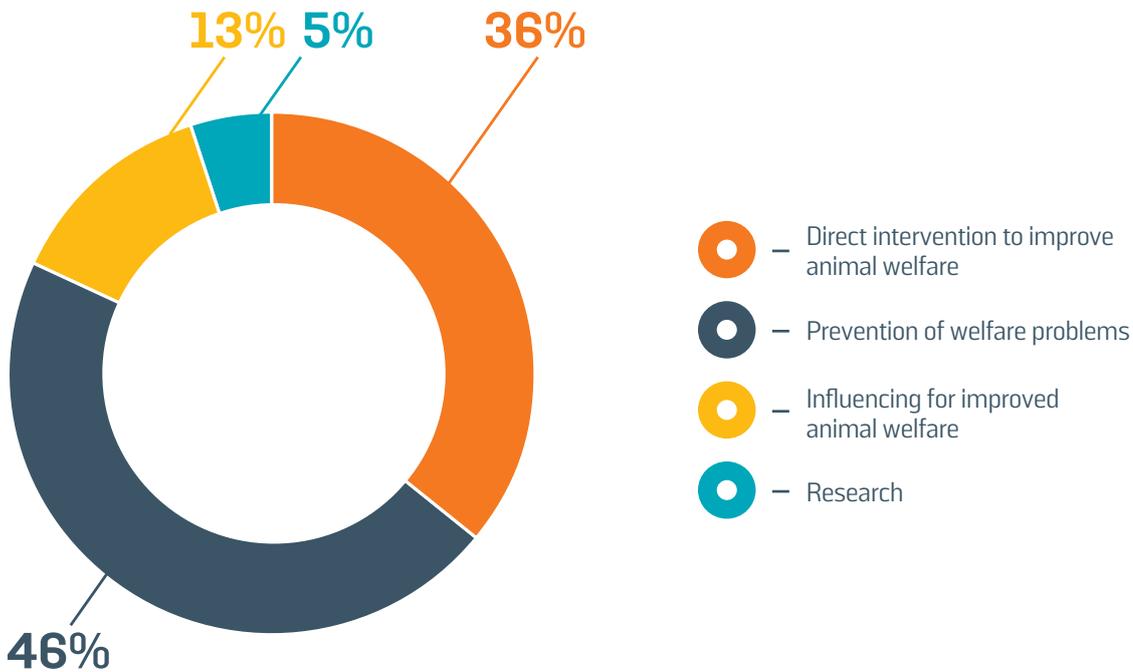
Investment in fundraising activities of £6.7m decreased by 8% in comparison to the previous year. This decrease can be attributed to the fundraising compliance considerations and Brooke's reprioritisation of the fundraising portfolio and organisational resources according to the growth potential of the different channels.

CHARITABLE ACTIVITIES

Total expenditure on charitable activities is at £13.3m (+4 % vs 2016/17). Grants to Country Programmes at £8.7m increased by +14% against the previous year, with the establishment of a branch in Nicaragua and higher grant commitments.

The below chart is an analysis of Charitable activities by thematic areas.

Chart 2 - CHARITABLE ACTIVITIES BY THEMATIC AREA



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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 fees and centralised staff recruitment costs.

Support costs decreased to £1.5m as a result of organisational realignment, representing a £0.2m decrease since 2016/17. 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. These represent 8% of total expenditure and Governance costs account for 1% of total resources used.

RESERVES POLICY

The Board of Trustees reviews and agrees the reserves policy annually and completed the last review in December 2017. Total Funds held at 31 March 2018 amounted to £12.9m.

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

- ensure the future security of 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 our charitable objectives in the long-term;
- fulfil Brooke's obligations to beneficiaries and employees to sustain long-standing, large-scale projects with recurrent operating costs; and
- 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. By 31 March 2018, restricted funds totalled £0.2m.

Unrestricted funds

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

DESIGNATED FUNDS

The Board of Trustees approved 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; and
- Sustainable Improvement: implement programmes that deliver sustainable change.

During the remaining life of the strategy, global reach and sustainable improvement will be delivered through a phased expansion to both existing and new countries, through collaborative partnerships that promote sustainable change through our Theory of Change.

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The Board of Trustees have also recognised the Designated Funds will support the:

- application for match funding with institutional donors;
- phased expansion, over the remaining life of the strategy, into existing and new countries through collaborative partnerships that deliver sustainable change through our Theory of Change;
- replacement of Brooke's Customer Relationship Management tool; and
- move into a new office, as the landlord sets out development plans for the current premises.

The designated funds at 31 March 2018 were £3.5m, an increase of £0.7m versus last year. The Trustees anticipate the designated funds to be utilised over the next three years.

GENERAL RESERVES

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

- temporary shortfall in income;
- increase in expenditures due to adverse exchange movements; and
- reduction in the investment portfolio due to stock market fluctuation.

Individual risks have been quantified and the level of minimum reserves required, is calculated based on total risk. Applying the reserves policy, the minimum level of reserves required by 31 March 2018 was £8.3m, which appeared in the accounts as general funds that could support our ongoing operations for approximately 5 months.

The general reserves held on 31 March 2018 exceeded the minimum levels of reserves required by £0.8m, however the Trustees anticipate the level of this reserve will align with the minimum level of reserves in the following two years we seek to diversify our funding sources.

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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;
- make secure investments which will grow in value, sufficiently protecting the funds against inflation; and
- generate the best return possible from these funds to assist Brooke in carrying out our purposes, within the limits of safety, as detailed 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.

By 31 March 2018, 100% of Brooke's total investments were held in asset classes managed by the James Hambro & Partners (JH&P).

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 was -0.7% compared to the previous period due to a market buoyed by investor confidence. The investment compared favourably with a benchmark of relevant market indices that performed in the range -0.1 to -0.8%. The investments were held in low-risk fixed-term deposits, UK and International equities that yielded low levels of returns over the year.

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 reviewed on a bi-annual basis, ranked by the likelihood of occurrence and potential impact on our operations. 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 recognises that it is necessary to accept that not all risks can be fully mitigated against, particularly those that fall beyond Brooke's control. However, the Senior Leadership Team actively monitor and manage such risks to provide reasonable, but not absolute assurance that we are protected.

The Board approves a comprehensive annual plan and budget for Brooke. Performance is measured against objectives set out in these plans on a quarterly basis by the Board and its Committees. Material variances, together with any revised financial forecasts, are submitted regularly to the Finance Committee and to the Board. During the annual planning process, risk identification and management as well as the formal approval of any business initiatives, take place. 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 progress updates 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;
- a 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; and
- clear authorisation and approval levels.

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The principal areas of risks and the mitigation plans for Brooke are:

No.	Risk Description	Risk classification	What are we doing about it?
1	Weak governance practices within Brooke programme Affiliate Boards leads to ineffective programmes and breakdown in relationships with Brooke UK.	Operational	<ol style="list-style-type: none"> 1) Affiliation agreements 2) Comprehensive global policies and supporting procedures 3) Implementation of new governance code 4) Self assessment during Advisory Council meeting and the development of action plans to implement improvements
2	Ineffective implementation of Brooke's objectives by working in partnership if appropriate due diligence and financial monitoring is not in place.	Operational	<ol style="list-style-type: none"> 1) New partnership guidelines 2) Minimum financial standards 3) Global due diligence policy, procedures defined and implemented 4) Schedule of partner internal audits 5) Greater board oversight 6) Roll out of external evaluations in line with Evaluation Policy 7) Local management have required skills and experience
3	Issues of safeguarding and abuse of power are identified in Brooke country offices/ programmes leading to reputation risk and damage to employee relations.	Reputation/ Operational	<ol style="list-style-type: none"> 1) Global People and whistleblowing policies 2) Staff handbook in each country for escalation of complaints. 3) Training on policies 4) Implementation of procedures 5) Greater board oversight 6) Increased awareness to help management recognise issues of concern
4	Direct access to our live Customer Relationship Management (CRM) database for activities such as data insight & selections, and customisation creates risk to the data integrity and compliance.	Compliance	<ol style="list-style-type: none"> 1) Create a secured read-only version of our live CRM environment and retrospectively fix any data issues that arise 2) Commence work to cleanse data, archive and/or merge historical and duplicate data

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No	Risk Description	Risk classification	What are we doing about it?
5	Accident, illness or security in unstable regions/natural disaster may result in serious injury/death to Brooke UK, branch, affiliate or partner staff.	Operational	<ol style="list-style-type: none"> 1) Insurance cover is in place for affiliates and branches, ensuring this is reviewed on a regular basis 2) Security Policy is in place and adherence to policy is enforced through incorporation in grant agreements 3) Security review group (SRG) is in place which meets at least quarterly to monitor incidence and manage security risks 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	Age of data in CRM database and the customisation of the CRM through bespoke in-house software may result in unanticipated failures and/or ability to respond in an agile manner thereby impacting supporter care and resulting in lack of compliance with external requirements for data security.	Compliance	End-to-end review of CRM and supporting systems to identify all areas of concerns and an assessment of the viability of the CRM as an appropriate long-term solution.
7	Restricted income back office processes fail to meet Code of Fundraising Practice for mass fundraising initiatives and emergency appeals.	Operational	A gap analysis through the data-mapping of existing processes to define and implement the necessary back office processes to allow for restricted income campaigns to be offered in the future

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No	Risk Description	Risk classification	What are we doing about it?
8	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.	Operational	<ol 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

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STRUCTURE, GOVERNANCE AND 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 our Memorandum and Articles of Association.

Brooke activities are coordinated from our headquarters in London. In 2017/18 the London office, with an average of 101 UK staff led by the Chief Executive, funded and advised all overseas operations and staff; and engaged with approximately 85,700 active supporters in the UK, 35,000 through Brooke Netherlands and a further 1,500 through Brooke USA.

Brooke applies the Charity Governance Code in our work, by ensuring the Board is clear about our aims, and that they are delivered effectively and sustainably. We are led by an effective Board that provides strategic leadership in line with our aims, and the Board acts with integrity, adopting values and creating a culture which helps achieve Brooke's charitable purposes. The Board ensures that its decision-making processes are informed, rigorous and timely; and effective delegation, control and risk assessment and management systems are established and monitored. It also works as an effective team, using the appropriate balance of skills, experience and knowledge to make informed decisions. The Board's approach to diversity underpins its leadership and decision making, ensuring consistent transparency and accountability.

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BOARD OF TRUSTEES

For the purposes of company law, the directors of Brooke will be referred to as the Trustees throughout this report. 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 2017/2018. Trustees who served during the year are shown on page 22.

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 2016/17, a fundraising panel was established to support the Executive to identify fundraising opportunities. The committees have no decision-making powers, however can 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.

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. Appointments are made based on merit, using objective criteria and considering 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 encouraged to visit an overseas operation as soon as practicable after their appointment. During this year, one new trustee was appointed.

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, which includes comments for the senior staff team, considers the balance of skills, experience, independence and knowledge of our organisation.

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ORGANISATIONAL STRUCTURE

The Board is also responsible for approving the policies and organisational strategy, and ensuring the effective use of our resources in accordance with our charitable objectives and UK law. It 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 that the organisation is run efficiently and accountably. In order to achieve this, the Board reviews all long-term strategic and financial plans including 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 staff including that of key management personnel are set based on external pay benchmarking via the use of market data taken from sector pay surveys and reports. To ensure that pay remains competitive in the market place, all staff receive an annual cost of living reward which is based on external data extracted from economic reports and sector trends.

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.

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

Brooke affiliate organisations in India, Pakistan and East Africa are independent legal entities, established and registered in accordance with local laws and guided by their own Boards of Trustees or directors. Brooke Ethiopia, Brooke America Central and Brooke West Africa are all branches of Brooke. Brooke Egypt is a sister organisation primarily funded by Brooke Netherlands. Brooke also works through partnership with organisations operating in Afghanistan, Guatemala, Kenya, Nepal, India, Pakistan, Senegal, Burkina Faso, Tanzania and South Sudan.

Brooke affiliate or branch offices are headed by a Chief Executive, a Country or Regional Representative, a Director or General Manager and each has an annual or multi-year country plan in line with Brooke's Global Strategy. The address of each is shown on page 65.

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 our organisation. 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 Grant Agreements approved by the Board which, unless specifically agreed otherwise, restrict Brooke's commitment to a period of 12 months. Partners' strategic fit and ability to deliver the programme are reviewed in accordance with Brooke's Partnership Guidelines. 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.

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During 2017/18, the following organisations worked in partnership with Brooke.

PARTNERSHIP WITH BROOKE UK

DCA Livestock Programmes (DCA) in Afghanistan

Equinos Sanos para el Pueblo (ESAP) in Guatemala

Fundación Dejando Huella (FDH) in Mexico

Animal Health Training and Consultancy Services (AHTCS) in Nepal

PARTNERSHIPS WITH ORGANISATIONS IN COUNTRY PROGRAMMES

Brooke India

Gramin Evam Samajik Vikas Sansthan,
Rajasthan

Parvatiya Aranya Sewa Evam Vikas Sanstan,
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, Jammu and Kashmir

New Public School Samiti (NPSS), Uttar Pradesh

Sarvodaya Ashram (SA), Uttar Pradesh

Shri Bhuvneshwari Mahila Ashram, Uttarakhand

Prayatn 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

Lokseva Yuva Trust, Gujrat

Volunteers for Social Justice, Punjab

Animal Help Foundation, Gujrat

Astitva Samajvikas va Sanshodhan Sanstha,
Maharashtra

Abhiyan, Uttar Pradesh

Doaba Vikas Ebam Utthan Samiti, Uttar Pradesh

Gramin Vikas Sansthan (GVS), Uttar Pradesh

Pragati Social Service Society, Haryana

Prayas Trust, Uttarakhand

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Brooke East Africa

Arusha Society for Protection of Animals (ASPA)

Caritas – Kitui

Farming Systems Kenya (FSK)

Inades – Tanzania

Kenya Network for Dissemination of Agricultural Technologies (KENDAT)

Kenya Veterinary Association (KVA)

Send a Cow (SAC) Kenya

VSF-S (South Sudan)

Brooke Pakistan

Sindh Rural Support Organisation (SRSO)

National Rural Support Programme (NRSP)

Brooke 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)

Association Sud Ouest pour le développement International Agricole (ASODIA)

Association pour la protection des animaux au Burkina Faso (APABF)

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

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GRANT MAKING PROCEDURES

Brooke UK issues grants to Brooke Affiliates and partner organisations. Affiliates and branches in turn make grants to partner organisations in their respective country or region. Brooke UK also gives grants on a proactive basis.

These agreements clearly set out our expectations and the deliverables of the third-party entities. Grants to entities are routinely monitored to discuss variance from agreed budgets, operational updates and key programme performance indicators. Programme visits are also undertaken by staff and reports are widely circulated to share learning and understanding. Programme audits are conducted 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 as well as the strategic fit.

THE ENVIRONMENT

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

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 has carried out in order to further our strategic aims. All activity is intended to further Brooke's charitable objective 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; and
- advocacy for long term and sustainable improvement of the living and working conditions of working equines, relieving the poverty of owners and users of working animals and their communities by improving the health and welfare of such animals.

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 the Charity Commission's guidance on public benefit has been taken into account.

No material uncertainties have been identified by the Trustees that can cast significant doubt about the ability of Brooke to continue its operations.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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, ensuring compliance with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company, thereby taking reasonable steps for fraud prevention and any other irregularities.

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.

In so far as the Trustees are aware:

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

On 25 June 2018, Crowe Clark Whitehill changed its name to Crowe U.K. LLP. Crowe U.K. LLP were re-appointed as 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 3 October 2018 and signed on their behalf:



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

3 October 2018

AUDITOR'S REPORT

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

We have audited the financial statements of the Brooke Hospital for Animals for the year ending 31 March 2018, which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 can bring to the attention of the charitable company members, any matters that are required to be stated in the auditor's report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as captured on 31 March 2018 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility in relation to our audit of the financial statements is to read the other information and consider if it is materially inconsistent with the financial statements, our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for the financial year comprises of accurate financial statements; and
- the directors' report has been included in the Trustees' report and has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

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RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement set out on page 39, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, however is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users based on these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Tim Redwood

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP
Statutory Auditor
St. Bride's House
Salisbury Square
London
EC4Y 8EH

9 October 2018

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018 (INCORPORATING AN INCOME & EXPENDITURE ACCOUNT)

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Income from					
Donations and legacies	2	19,559,339	1,567,637	21,126,976	19,181,243
Other Trading activities		46,599	-	46,599	89,777
Investments		241,622	-	241,622	225,134
Other		9,597	-	9,597	21,371
Total income		19,857,157	1,567,637	21,424,794	19,517,525
Expenditure on					
Raising funds		6,682,214	-	6,682,214	7,259,010
<i>Charitable activities:</i>					
Direct intervention to improve animal welfare		4,204,936	561,591	4,766,527	4,154,398
Prevention of welfare problems		5,437,486	726,204	6,163,690	5,535,380
Influencing for improved animal welfare		1,471,226	196,490	1,667,716	2,328,477
Research		626,665	83,694	710,359	715,867
Total charitable activities	3	11,740,313	1,567,979	13,308,292	12,734,122
Total expenditure	4A	18,422,527	1,567,979	19,990,506	19,993,132
Net gains on investments	9	368,195	-	368,195	1,146,023
Net income/(expenditure)		1,802,825	(342)	1,802,483	670,416
Reconciliation of funds:					
Total funds brought forward	18	10,826,151	231,606	11,057,757	10,387,341
Total funds carried forward	14	12,628,976	231,264	12,860,240	11,057,757

The notes on pages 47 to 65 form a part of these financial statements.

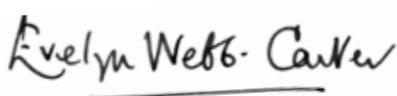
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CONSOLIDATED AND CHARITY BALANCE SHEET AS AT 31 MARCH 2018

	Notes	GROUP		CHARITY ONLY	
		2018 £	2017 £	2018 £	2017 £
Fixed Assets					
Intangible Assets	8A	194,315	258,792	194,315	258,792
Tangible Assets	8B	422,990	432,486	422,990	432,486
Investments	9	12,737,638	12,727,651	12,737,638	12,727,651
		13,354,943	13,418,929	13,354,943	13,418,929
Current Assets					
Debtors	11	1,277,009	1,260,639	1,277,009	1,268,990
Cash at Bank and in Hand		5,898,781	4,537,950	5,894,344	4,527,439
		7,175,790	5,798,589	7,171,353	5,796,429
Current Liabilities					
Creditors: Amounts Due Within One Year	12	7,670,493	8,159,761	7,666,056	8,157,601
Net Current Liabilities		(494,703)	(2,361,172)	(494,703)	(2,361,172)
Total Net Assets		12,860,240	11,057,757	12,860,240	11,057,757
The Funds Of The Charity					
Unrestricted Income Funds:					
General Funds	10	9,128,976	8,060,550	9,128,976	8,060,550
Designated Funds	10	3,500,000	2,765,601	3,500,000	2,765,601
Restricted Income Funds	10	231,264	231,606	231,264	231,606
Total Charity Funds		12,860,240	11,057,757	12,860,240	11,057,757

The parent charity surplus/(deficit) was £1.8m (2017: £0.7m) for the year. The notes on pages 47 to 65 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

3 October 2018



Paul Elphick
Honorary Treasurer

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CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Total Funds 2018 £	Prior Year Funds 2017 £
<i>Schedule</i>		
<i>- A</i> Net Cash Provided by (Used in) Operating Activities	1,035,875	(1,605,252)
Cashflow from Investing Activities:		
Dividends and Interest from Investments	241,622	225,134
Purchase of Tangible Assets	(239,337)	(253,570)
Purchase of Intangible Assets	(35,537)	(160,963)
Proceeds from Sale of Investments	500,015	4,033,408
Purchase of Investments (Stocks and Certificates of Deposit)	(141,807)	(155,631)
Net Cash Provided by (Used In) Investing Activities	324,956	3,688,378
Change in Cash and Cash Equivalents in the Reporting Period	1,360,831	2,083,126
Cash and Cash Equivalents at the Beginning of the Reporting Period	4,537,950	2,454,824
Cash and Cash Equivalents at the End of the Reporting Period	5,898,781	4,537,950
<i>Schedule</i>		
<i>- A</i> Net Movement in Funds for the Reporting Period (as per the Statement of Financial Activities)	1,434,288	(475,607)
Adjustments for:		
Depreciation Charges	247,665	205,236
Amortisation Charges	100,015	71,899
Dividends and Interest from Investments	(241,622)	(222,067)
Loss on Sale of Fixed Assets	1,168	17,147
Decrease/(Increase) in Debtors	(16,371)	(330,096)
(Decrease)/Increase in Creditors	(489,268)	(871,764)
Net Cash Provided by (Used In) Operating Activities	1,035,875	(1,605,252)

The notes on pages 47 to 65 form a part of these financial statements.

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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 and 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. 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, as well as in preparing planning activities, implementing policies and setting priorities for the upcoming year.

CONSOLIDATION

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

The gross income for the year was £21.4m (2017: £19.5m) and our gross expenditure was £19.99m (2017: £19.99m). 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 fundraising through sponsorship activities. The income generated by the trading company was £47k (2017: £87k) and resulted in net profit for the year of £12k (2017: £39k) 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.

3

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
Vehicles	15%-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. Net gains and losses on investments, calculated as the difference between market value at the end of the period or 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.

Cash held within the investment portfolio is included within the fixed assets as investments that are managed by James Hambro & Partners.

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

E. INCOME

All income is recognised when Brooke is legally entitled to the income, receipt is 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.

3

F. EXPENDITURE

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. These also include expenditure of an indirect nature necessary to support them.

Expenditure on charitable activities represents costs incurred to meet the objectives of Brooke. It includes both costs that can be allocated directly to such activities as well as costs of an indirect nature necessary to support them. Grants payable are recognised as soon as a constructive or legal obligation is entered into by Brooke.

Governance costs include costs associated with meeting Brooke's constitutional and statutory requirements. These include the audit fees and costs linked to the strategic management of Brooke.

Costs relating to a particular activity are allocated directly, while 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 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

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

3

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 our work. Unrestricted funds are divided into two further classifications:

Designated reserves are funds to support the Brooke in four key areas:

- A phased expansion, over the remaining life of the strategy, into existing and new countries through collaborative partnerships that deliver sustainable change through our Theory of Change;
- Application for match funding with Institutional donors;
- Replacement of Brooke's Customer Relationship Management tool; and
- Move into a new office, as the landlord sets out development plans for current premises.

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, and a contingency fund for other unidentified operational issues.

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 Activities.

As of 31 March 2018, Brooke had committed to 123.2m KSH and 103.0m INR. The value of the movement in the forward contracts from the date of commitment to 31 March 2018 was £15,444, which has not been recognised in the financial statements.

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 (2017: nil). Income Tax suffered by deduction is reclaimed in full from the HMRC.

Brooke is registered for VAT and has partial exemption in respect of our trading activities.

3

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 2018 £	Restricted 2018 £	Total 2018 £	Total 2017 £
Donations	8,078,152	1,555,137	9,633,289	9,064,466
Legacies	11,481,187	12,500	11,493,687	10,116,777
Total	19,559,339	1,567,637	21,126,976	19,181,243

The estimated value of legacies of which Brooke has been informed, but which have not been included in the accounts (because the conditions for recognition have not been met) is £11.3m (2017: £9.4m).

3

3(a) CHARITABLE ACTIVITIES BY THEMATIC AREA

	Direct intervention to improve equine animal welfare	Prevention of welfare problems	Information & awareness raising	Research	2018 Total	2017 Total
	£	£	£	£	£	£
Afghanistan	204,558	402,326	28	28	606,940	642,330
Egypt*	9,759	6,884	-	1,179	17,822	-
Ethiopia	1,167,275	690,302	40,529	57,351	1,955,457	1,763,623
Guatemala	38,369	113,037	3,570	1,592	156,568	230,041
India	895,030	1,185,766	297,974	180,178	2,558,948	2,346,159
Jordan	-	-	-	-	-	44,202
Kenya	560,903	462,697	338,895	45,324	1,407,819	1,884,819
Mexico	(1,587)	(2,671)	3	3	(4,252)	27,867
New Countries	-	-	-	-	-	29,556
Nepal	47,787	55,219	45,912	35	148,953	233,254
Nicaragua	101,161	166,367	69,182	3,236	339,946	105,566
Pakistan	1,003,201	926,529	22,170	35,412	1,987,312	964,121
Senegal	327,291	708,641	71,822	3,881	1,111,635	677,667
	4,353,747	4,715,097	890,085	328,219	10,287,148	8,949,205
Indirect Support Costs - UK	264,884	709,114	728,332	332,842	2,035,172	2,730,706
Other Support Costs - UK	147,896	739,479	49,299	49,298	985,972	1,054,211
Total	4,766,527	6,163,690	1,667,716	710,359	13,308,292	12,734,122

*Work in Egypt is funded through Brooke Netherlands

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3(b) CHARITABLE ACTIVITIES - ANALYSIS OF INDIVIDUAL AMOUNTS SPENT IN EACH COUNTRY IS SHOWN BELOW:

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
	2018	2018	2018	2018	2017
	£	£	£	£	£
Afghanistan	532,976		73,964	606,940	642,330
Egypt	15,750		2,072	17,822	-
Ethiopia		1,637,927	317,530	1,955,457	1,763,623
Guatemala	119,796		36,772	156,568	230,041
India	2,172,487		386,462	2,558,949	2,346,159
Jordan		-	-	-	44,202
Kenya	1,244,373		163,445	1,407,818	1,884,819
Mexico	(3,814)		(438)	(4,252)	27,867
New Countries			-	-	29,556
Nepal	127,342		21,611	148,953	233,254
Nicaragua		248,216	91,731	339,947	105,566
Netherlands			-	-	-
Pakistan	1,730,866		256,445	1,987,311	964,121
Senegal		902,528	209,107	1,111,635	677,667
Indirect Support Costs - UK			2,035,172	2,035,172	2,730,706
Other Support Costs - UK			985,972	985,972	1,054,211
Total	5,939,776	2,788,671	4,579,845	13,308,292	12,734,122

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

3

4(a). EXPENDITURE

	Grants £	Direct Staff £	Direct Other £	Support Costs £	Governance Costs £	Total 2018 £	Total 2017 £
Expenditure on raising funds							
Fundraising	0	1,713,992	3,267,748	420,807	0	5,402,547	6,036,639
Supporter Services	0	597,188	479,650	91,007	0	1,167,845	1,080,594
Trading	0		28,742	(127)	0	28,615	52,690
Investment Management	0		83,207		0	83,207	89,087
Total	0	2,311,180	3,859,347	511,687	0	6,682,214	7,259,010
Expenditure on charitable activities							
Direct Intervention to Improve Animal Welfare	4,116,168	302,884	153,871	147,896	45,708	4,766,527	4,154,398
Prevention of Welfare Problems	3,995,258	784,783	634,285	739,479	9,885	6,163,690	5,535,380
Influencing for Improved Animal Welfare	795,374	575,544	247,513	49,299	(14)	1,667,716	2,328,477
Research	181,177	311,774	61,014	49,298	107,096	710,359	715,867
Total Charitable Activities	9,087,977	1,974,985	1,096,683	985,972	162,675	13,308,292	12,734,122
Governance Costs		92,238	70,437		(162,675)	0	0
Total	9,087,977	4,378,403	5,026,467	1,497,659	0	19,990,506	19,993,132
Expenditure in Support of Activities		704,540	793,119	(1,497,659)		0	0
Total Resources Expended	9,087,977	5,082,943	5,819,586	0	0	19,990,506	19,993,132

3

4 (b). ANALYSIS OF GOVERNANCE EXPENSES

	2018 £	2017 £
Staff Costs	92,238	99,656
Trustee Expenses	16,573	16,515
Audit Fees	30,300	26,760
Other Expenses	23,564	51,032
Total	162,675	193,963

5. NET INCOME FOR THE YEAR IS STATED AFTER CHARGING:

	2018 £	2017 £
Audit Fees for Statutory Audit (Including VAT)	26,800	26,760
Additional overrun audit fees (Including VAT)	3,500	-
Non audit fees (Including VAT)	14,320	-
Rental Cost Relating to Operating Leases (Including VAT)		
Plant and Machinery	2,993	2,994
Land and Building	344,116	318,771

3

6. STAFF COSTS

	2018 £	2017 £
Salaries	4,617,873	4,936,786
Temporary staff	166,764	359,995
National Insurance costs	526,198	537,442
Pensions and Other Costs*	444,744	761,966
Total	5,755,579	6,596,189

* Total redundancy and settlement costs incurred in 2018 £nil (2017: £317,902) due to the reorganisation in 2017 of key functions to support delivery of the new strategy with reduced financial resources.

In Note 4a, Staff costs for branches amounting to £672,636 have been included within Programme costs.

AVERAGE NUMBER OF STAFF EMPLOYED

	2018 £	2017 £
Fundraising	35	33
Supporter Services	11	11
Charitable Activities UK	30	34
Charitable Activities Overseas (Branches)	87	83
Administration (Including Support Costs and Governance)	31	30
Total	194	191

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.

	2018 £	2017 £
Total salary of Key Management Personnel	597,495	632,021

The reduction in salaries was due to one director leaving early in the year.

Number of employees whose benefits, excluding employer's pension contributions, amounted to more than £60k	2018	2017
Between £60,001 and £70,000	3	2
Between £70,001 and £80,000	0	1
Between £80,001 and £90,000	2	3
Between £90,001 and £100,000	1	1
Between £100,001 and £110,000	1	1

The pension costs paid in respect of these employees amounted to £40,554 (2017: £49,181).

3

7. TRUSTEES EXPENSES

Trustees' total expenses during the year amounted to £16,573 (2017: £16,515), of which none (2017: £2,295) related to visits to overseas centres. These expenses were incurred in respect of necessary duties carried out. Three Trustees (2017: 6 Trustees) received reimbursements for their expenses totalling £908 (2017: £4,380).

The Trustees received no remuneration for their services. A Trustee and employee indemnity insurance policy was purchased during the year at a cost of £3,190 (2017: £3,170).

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

8(a). GROUP AND CHARITY INTANGIBLE FIXED ASSETS

	Computer Applications £	Website £	Assets under Construction £	Total £
Cost				
At 31 March 2017	176,616	179,431	111,545	467,592
Additions	-	35,537	-	35,537
Transfers	77,551	33,994	(111,545)	-
At 31 March 2018	254,167	248,962	-	503,129
Depreciation				
At 31 March 2017	158,957	49,842	-	208,799
Amortisation for the Year	17,028	82,987	-	100,015
At 31 March 2018	175,985	132,829	-	308,814
Net Book Value				
At 31 March 2018	78,182	116,133	-	194,315
At 31 March 2017	17,659	129,589	111,545	258,792

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8(b). GROUP AND CHARITY TANGIBLE FIXED ASSETS

	Leasehold Improvements	Fixtures and Fitting	Office Equipment	Computers and Software	Vehicles	Total
	£	£	£	£	£	£
Cost						
At 31 March 2017	439,430	92,511	119,806	430,467	230,002	1,312,216
Additions	-	6,906	53,194	133,990	45,247	239,337
Disposals	-	(1,120)	(199)	(10,049)	(10,920)	(22,288)
FX Revaluation	-	-	-	-	-	-
At 31 March 2018	439,430	98,297	172,801	554,408	264,329	1,529,265
Depreciation						
At 31 March 2017	370,276	54,385	69,768	278,813	106,488	879,730
Depreciation for the Year	58,719	10,941	13,649	104,764	59,592	247,665
Disposals	-	(458)	(179)	(10,049)	(10,434)	(21,120)
FX Revaluation	-	-	-	-	-	-
At 31 March 2018	428,995	64,868	83,238	373,528	155,646	1,106,275
Net Book Value						
At 31 March 2018	10,435	33,429	89,563	180,880	108,683	422,990
At 31 March 2017	69,154	38,126	50,038	151,654	123,514	432,486

9. GROUP AND CHARITY INVESTMENTS

Reconciliation of Investments Held with Fund Manager	2018 £	2017 £
Market Value at 1 April	12,727,651	15,462,472
Acquisitions		
Disposals	(500,015)	(4,036,475)
Dividends reinvested	223,491	225,134
Fees deducted during year	(81,684)	(69,503)
Realised and unrealised Gains/Losses on Investments	368,195	1,146,023
Market Value at 31 March	12,737,638	12,727,651
Historical Cost at 31 March	11,664,804	11,261,563

Investments held in cash £2.0m and listed investments £10.7m

10. CONSOLIDATED MOVEMENT IN UNRESTRICTED AND RESTRICTED FUNDS

	As at 31 March 2017	Total Incoming Resources	Total Resources Expended	Transfers	Net Gains/ Losses	As at 31 March 2018
	£	£	£	£	£	£
Unrestricted Funds						
General Funds	8,060,550	19,857,157	(18,422,527)	(734,399)	368,195	9,128,976
Designated Funds	2,765,601			734,399	-	3,500,000
Total Unrestricted Funds	10,826,151	19,857,157	(18,422,527)	0	368,195	12,628,976
Restricted Funds						
Afghanistan	5,610	18,500	(24,110)	-		-
Egypt	-	15,750	(15,750)	-		-
Ethiopia	-	287,507	(287,260)	11,653		11,900
Guatemala	24,344	158,870	(183,214)	-		-
India	93,023	255,601	(257,624)	20,000		111,000
Kenya	37,454	40,814	(88,098)	9,823		(7)
Nepal	1,819	13,623	(15,442)	-		-
Pakistan	40,066	424,663	(552,094)	105,840		18,475
Senegal	-	174,943	(88,489)	1,924		88,378
Nicaragua	-	-	-	-		-
The Brooke Journal	2,880	6,387	(9,267)	-		-
Formulary	-	-	-	-		-
Protocols	4,863	-	(4,863)	-		-
Effectiveness Framework Application	21,547	-	(21,547)	-		-
*Virtual Gifts	-	150,758	-	(149,240)		1,518
Polo Event	-	20,221	(20,221)	-		-
Total Restricted Funds	231,606	1,567,637	(1,567,979)	0	0	231,264
Total Funds	11,057,757	21,424,794	(19,990,506)	0	368,195	12,860,240

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 £429k were received from Brooke USA to fund work in Ethiopia, Senegal, Pakistan and Kenya. Additionally donations totalling £31k were received from Brooke Netherlands in 2017-18, restricted to our work in Pakistan, Kenya and India.

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11. DEBTORS

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Legacies Receivable	730,841	730,841	475,338	475,338
Tax Recoverable	39,755	39,755	97,098	97,098
Prepayments and other debtors	506,413	506,413	688,203	696,554
Total	1,277,009	1,277,009	1,260,639	1,268,990

12. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Amounts Committed to Partners	4,881,719	4,881,719	5,208,731	5,208,730
Taxes and Social Security	109,266	109,266	128,244	128,244
Other Creditor and Accruals	2,679,508	2,675,071	2,822,786	2,820,627
Total	7,670,493	7,666,056	8,159,761	8,157,601

13. GROUP AND CHARITY OPERATING LEASE COMMITMENTS

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

Lease Payments	2018			2017		
	Land & Buildings	Other	Total	Land & Buildings	Other	Total
Not Later than One Year	424,716	2,993	427,709	309,816	2,994	312,810
Later than One Year and Not Later than 5 Years	1,387,988	-	1,387,988	420,174	2,993	423,167
Total	1,812,704	2,993	1,815,697	729,990	5,987	735,977

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14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Group			
Intangible Assets	194,315	-	194,315
Tangible Assets	422,990	-	422,990
Investments	12,737,638	-	12,737,638
Current Assets	6,944,526	231,264	7,175,790
Current Liabilities	(7,670,493)	-	(7,670,493)
Net Assets	12,628,976	231,264	12,860,240
Charity			
Intangible Assets	194,315	-	194,315
Tangible Assets	422,990	-	422,990
Investments	12,737,638	-	12,737,638
Current Assets	6,940,089	231,264	7,171,353
Current Liabilities	(7,666,056)	-	(7,666,056)
Net Assets	12,628,976	231,264	12,860,240

15. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2017: none).

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16. SUBSIDIARY UNDERTAKINGS

The Brooke group comprises the parent charity (Brooke Hospital for Animals) and one wholly owned subsidiary (Brooke Hospital for Animals Trading Limited). Brooke Hospital for Animals Trading Limited (BHAT) is a private company limited by shares incorporated in England and Wales (Company number 08959139).

The principal activities for Brooke Hospital for Animal Trading Limited includes the sale of Christmas cards, sale of Dorothy Brooke's diary and raise funds through sponsorship activities for the furtherance of the parent charities charitable purpose.

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

	BHAT 2018 £	BHAT 2017 £
Total income	46,590	86,897
Total expenditure	(34,878)	(48,127)
Net income	11,712	38,770
Gift to Brooke Hospital for Animals	(11,712)	(38,770)
Retained surplus/ (deficit) for the year	-	-
Total Assets	11,000	55,270
Total Liabilities	(11,000)	(55,270)
Total Funds	-	-

At 31 March 2018, Brooke Hospital for Animals Trading Limited owed the parent charity £11,000 (2017 £11,000) for a start-up loan injection. During the year, Brooke Hospital for Animals Trading Limited expended £2,080 (2017 £2,879) with the parent charity for loan interest charges and use of name and logo.

17. FINANCIAL ASSETS AND LIABILITIES

	Group 2018 £	Group 2017 £
Financial Assets Measured at Fair Value	12,737,638	12,727,651
Financial Assets Measured at Amortised Cost	995,384	935,707
Financial Liabilities Measured at Amortised Cost	7,561,227	8,031,516
The charity's income, expense, gains and losses in respect of financial instruments are summarised below		
Total Income from Financial Assets Held at Fair Value	241,622	225,134
Net Gains on Financial Assets Held at Fair Value	368,195	1,146,023

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18. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Income				
Donations and Legacies	2	17,684,014	1,497,229	19,181,243
Other Trading Activities		89,777	-	89,777
Investments		225,134	-	225,134
Other		21,371	-	21,371
Total Income		18,020,296	1,497,229	19,517,525
Expenditure				
Expenditure on Raising Funds		7,259,010	-	7,259,010
Expenditure On Charitable Activities:				
Direct Intervention to Improve Equine Animal Welfare		3,661,434	492,964	4,154,398
Prevention of Welfare Problems		4,878,548	656,832	5,535,380
Influencing for Improved Animal Welfare Research		2,052,178	276,299	2,328,477
		630,922	84,945	715,867
Total Charitable Activities	3	11,223,082	1,511,040	12,734,122
Total Expenditure	4A	18,482,092	1,511,040	19,993,132
Net Gains on Investments	9	1,146,023	-	1,146,023
Net (Expenditure)/Income		684,226	(13,811)	670,416
Reconciliation of Funds:				
Total Funds Brought Forward	18	10,141,925	245,416	10,387,341
Total Funds Carried Forward	14	10,826,151	231,606	11,057,757

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19. CONSOLIDATED MOVEMENT IN UNRESTRICTED AND RESTRICTED FUNDS FOR YEAR ENDED 31 MARCH 2017

	As at 1 April 2016 Restated	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)	0	1,146,023	10,826,152
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 Programme	-	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.

3

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR YEAR ENDED 31 MARCH 2017

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

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Company number 04119581

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name The Brooke Hospital for Animals

A charity registered with the Charity Commission
Charity No. 1085760

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