

**TRUSTEES' REPORT  
AND ACCOUNTS  
2016**

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**THE DONKEY  
SANCTUARY**



**WORKING WORLDWIDE**

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Cover picture: Thanks to our donors and supporters, donkeys like Drizzle and Bonnie have sanctuary for life and receive the quality care they deserve.

## MESSAGE FROM THE CHAIR OF TRUSTEE DIRECTORS

It has been another remarkable year for The Donkey Sanctuary. Thanks to the dedication of the charity's staff and supporters, we have made significant gains as we pursue our mission to help donkeys, and those who depend on them, wherever there is need. As Chairman of Trustees it gives me enormous pleasure to introduce you to the facts and figures behind our work, as well as some of the stories that illustrate just why our efforts are so important.

With our new CEO Mike Baker now firmly established, we look to the skills and experience

he brings to a dynamic strategy both at home and internationally. Last year, we reached out to over 1.6 million donkeys across five continents, provided homes to almost 7,000 animals at our sanctuaries and through our Rehoming Scheme, and our specific advances ranged from the building of our new life-saving veterinary hospital in Devon to a partnership with the Palestinian Wildlife Society to facilitate donkey welfare in Bethlehem.

As trustees of The Donkey Sanctuary, we are consistently reassured and encouraged by the combination of generous giving together with thoughtful working practices among staff and volunteers. We know we make a real difference to animals experiencing abandonment, overwork, neglect and abuse and our work in developing and validating the donkey-assisted therapy aspect of our activities continues apace.

We will never take your patronage for granted. Thank you for your continued interest in our aims and the support you provide. It is collectively that we make possible our goal of improving the lives of donkeys around the world.



Stuart Reid



# THANK YOU

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The Donkey Sanctuary relies entirely on donations to carry out its objectives. We are indebted to our supporters, donors, staff and volunteers, who have given such wonderful support and encouragement to our lifelong work. Without this unwavering support we would not be able to strive towards a world where donkeys and mules are able to live free from suffering and their contribution to humanity is fully valued.

Here are just some examples of our successes from 2016 — thank you for having the compassion to support us.



## **LIFE-SAVING SURGERY FOR GEORGIE**

Georgie arrived at The Donkey Sanctuary's hospital with a painful ailment preventing him from urinating. After hours in intensive care with our veterinary surgeons and nurses, he could reunite with his donkey friend, Gabriel, who was waiting outside theatre. After supervised box rest, Georgie made a good recovery.

**“ Georgie had a large bladder stone and was in excruciating pain. Operating was his only chance for survival.**

Veterinary surgeon, Alex Thiemann



### OCEAN IMPROVES IN LEAPS AND BOUNDS

Three-year-old Ocean has developed a real passion for donkeys since being introduced to the donkeys in Devon. He is a regular visitor to our Sanctuary in Ivybridge and even has his own 'donkey den' in the bottom of his garden at home, complete with thatched roof and filled with pictures of his favourite donkey, Pooh.

The donkeys have been a big help to Ocean, who was diagnosed with Down's syndrome at 13 months old, which affects his speech, balance, posture and interaction with people.

“ He has come on in leaps and bounds in the last year. He has learnt how to be gentle and to stroke the donkeys, which is a real sensory experience for him. He just loves coming to see the donkeys.

Ocean's mum

### MAKING A LIVING IN INDIA

Seventy-year-old Shaila Ben, her four sons and their families, all work in the brick kilns in Ahmedabad, India. She is the head of the family. They own 20 donkeys, through which they earn a living, carrying bricks to and from the kilns. Both men and women work to fill baskets attached to the donkeys, drive the donkeys to the kilns and empty the baskets at the furnace. Through The Donkey Sanctuary the family has learnt how to make welfare-friendly back protectors to use and sell at the kilns.

“ We are earning some extra money from this work which is also good for donkeys. We feel very satisfied that we are contributing in the welfare of donkeys.

Donkey owner, Shaila Ben

**Thank you from the  
bottom of our hearts**

## MESSAGE FROM THE CHIEF EXECUTIVE

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It has been my privilege over the last year to experience both the work of our UK farms and sanctuaries, and of our vital projects overseas.

On home soil I had the opportunity to spend time with some of our incredibly dedicated grooms and volunteers, learning just what it takes to maintain high welfare standards for the donkeys and mules in our care.

Every day, in wind, rain, storms and snow, they feed, groom and care for our resident herds of over 5,000 animals, and I was moved to witness first-hand their extraordinary compassion and skill. During one daily health check, they identified that a donkey called Legend had a leg injury. Within minutes one of our vets arrived to give treatment and advise, and I can happily report that Legend is now fully recovered. Not every donkey is so lucky, unfortunately, but whatever challenges the day may bring, our team of farm workers is always there for them.

Further afield the issues faced by donkeys are very different and a donkey suffering in Central America is every bit as deserving as a donkey in Sidmouth. We need to be there for both of them.

On a recent visit to our project in Mexico the first thing I saw when I got out of the car was a woman leading two donkeys down a hill, not realising one had collapsed. When we got to that donkey to help rescue and look after it we found it had huge wounds; it had given birth only a few weeks before; it was malnourished; it was lame; it had everything wrong with it you could think of but was still being forced to haul water up and down the hill.

A few days later I was at a completely contrasting event, a high level conference on animal welfare organised by the World Organisation for Animal Health (OIE). We were able to directly articulate what the problems are for donkeys and what should be done to help these animals.

That's what's so fantastic about The Donkey Sanctuary — we've got everything from practical help for individual donkeys right up to discussing donkey welfare with top ranking decision makers, persuading them that something should be done and giving them ideas about how to do it. We relieve donkey suffering directly and we train and advise others to do the same. It's through this work that we will have a mass impact and it's something we will continue to build on.

There are 50 million donkeys in the world and we can't possibly reach them on our own. Our ability to transform the lives of the tens of millions animals that need us depends on persuading others that this will make a real difference not only to donkeys but the people who rely on them. That's why advocacy and increased focus on our international work have to have a much bigger priority in 2017 and beyond.

Mike Baker  
Chief Executive



Mike Baker, pictured with Scooby, was appointed chief executive of The Donkey Sanctuary in May 2016, bringing a wealth of experience from a distinguished career associated with the animal welfare sector.

# VISION, MISSION AND VALUES

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## OUR VISION

**A world where donkeys and mules live free from suffering, and their contribution to humanity is fully valued**

## OUR MISSION

To transform the quality of life for donkeys, mules and people worldwide through greater understanding, collaboration and support, and by promoting lasting, mutually life-enhancing relationships.

## OUR VALUES

Compassion, collaboration and creativity are The Donkey Sanctuary values. They are the key to our journey as they represent what we stand for and what we measure ourselves against.

### Compassion

The Donkey Sanctuary is above all else compassionate. We never turn away from a donkey in need. Donkeys and the people who rely on them for their livelihoods, or to help them cope with physical, mental and emotional challenges, lie at the heart of everything we do. We act as a global driving force for caring, both for suffering donkeys and mules, and for all those people whose lives they touch, generating understanding, compassion and support all over the world.

### Collaboration

The Donkey Sanctuary is collaborative in all its activities, working through a worldwide network of partner organisations, communities and individuals. We work inclusively with people frequently marginalised within their own countries and communities, whether due to poverty, ignorance, race, gender or disabilities. We treat every interaction as a two-way opportunity to learn and to teach. We know that it is only together that we can help donkey owners and carers become donkey-welfare ambassadors wherever they live and work.

### Creativity

The Donkey Sanctuary's goals are ambitious, but its resources are finite — which means that we must exercise creativity to meet the ambitious goals we set ourselves. Creative thinking underpins everything we do, whether adapting locally available materials for donkey-friendly harnesses across projects that span four continents, developing human-donkey interaction activities tailored to the unique challenges of a child with additional needs, or reaching donkey-owning communities in the midst of man-made or natural disasters.



In Ethiopia, Tumme Konton uses a donkey to collect water for her livestock and family and to carry camel and cows milk to a trading point, where it is transported to Kenya.

## EMERGING THEMES

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In 2016 research by The Donkey Sanctuary revealed a worrying new trend in the growing trade and demand for donkey skins and its potential effects on global donkey populations and their welfare.

Reports started coming in — one being from our partners in Tanzania reporting of communities waking up to find their donkeys slaughtered and skinned overnight. Their hides were taken to produce ejiao, a traditional Chinese medicine, which is used in a variety of products claiming to provide anti-ageing properties in addition to increasing libido.

Without their donkeys communities were being left with no way to transport water, firewood and goods or take their children to school.

The popularity of ejiao has skyrocketed over the last year leading to unsustainable demand for donkey skin. This trend has become a major theme for the charity, with a ground-breaking report called *Under the Skin* and high level advocacy work planned for 2017.



**In areas like Simanjiro in Tanzania where donkeys bring water from wells to homes, a stolen donkey means almost all activities, including schooling, stop as people struggle to fill the gap left by the thieves.**

Alex Mayers, Programme Manager



To read the *Under the Skin* report, which reveals the shocking scale of the global demand for donkey skins, visit [www.thedonkeysanctuary.org.uk/under-the-skin](http://www.thedonkeysanctuary.org.uk/under-the-skin)

## RESCUE AND REHOMING

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Thanks to our supporters and donors we continued to provide rescue and rehoming services to thousands of donkeys in distress across the UK, Ireland and Europe in 2016.

We provided sanctuary for an astonishing 6,921 donkeys and mules, all of whom can now look forward to a life in a loving home. Of these, 1,846 donkeys and mules enjoyed the direct care and friendship of families through our Rehoming Scheme.

In the biggest case of its kind, The Donkey Sanctuary's Spanish operation El Refugio del Burrito rescued 100 donkeys from the village of Guijo de Granadilla, Cáceres, after the death of their owner left them with nobody to care for them. Following a powerful social media campaign nearly all the animals were subsequently rehomed.

Highlights of our important research into donkey health and welfare for the year include funding a comparative study on the requirements of donkeys, horses and mules for shelter from the elements. Another is research on improving understanding and treatment of trypanosomosis, a frequently fatal disease which affects working equids in many countries.

We are working with the University of Milan to develop guidelines to improve donkey welfare for animals in the donkey milk industry, and we are collaborating with World Horse Welfare and a multi-stakeholder group called AESE to investigate equine end-of-life issues in the UK with a focus on improving decision-making on quality of life and euthanasia.

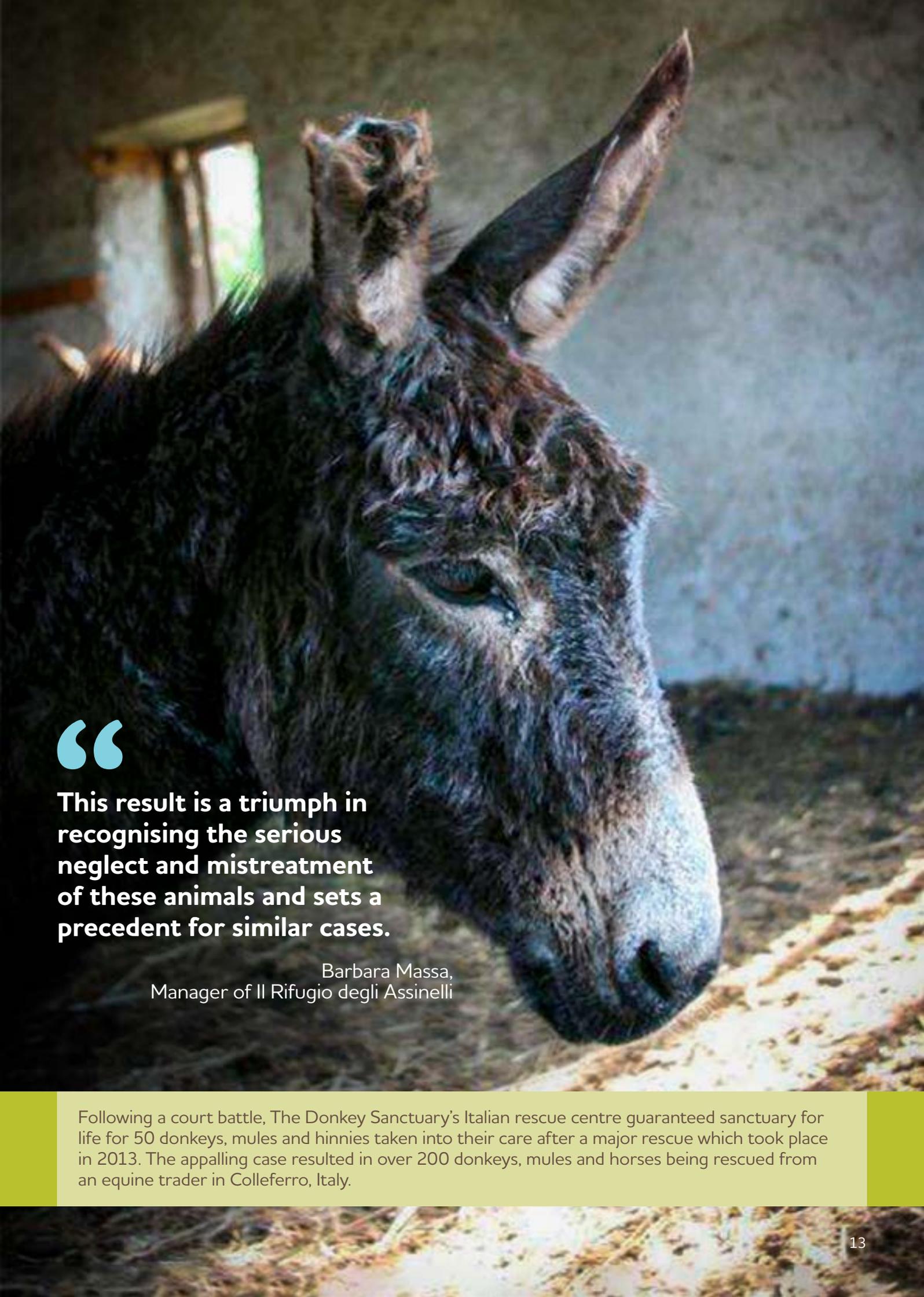
During the year, we continued our work to improve habitats for the wildlife on our farms, including hosting a new Greater Horseshoe Bat Project, Bat Beacon in Sidmouth.

Finally, with the help of our generous supporters we completed the construction of our state-of-the-art hospital to ensure the donkeys and mules in our care receive the care they need. The hospital opened in spring 2017.

### **A sustainable future**

We currently provide direct sanctuary care to over 5,000 donkeys within Europe, some of whom will stay with us for the rest of their lives because of their care needs.

However, some ill-treated donkeys thrive from the special attention they receive when placed in caring homes. That's why we use a variety of ways to respond to a donkey in need with the best possible interests of that donkey, such as finding a more loving home, supporting owners through behaviour and husbandry training, providing expert advice, and helping people find new homes for their donkeys when they can no longer care for them. In 2017 we will continue to address the root causes of relinquishments and identify and support more loving homes.



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**This result is a triumph in recognising the serious neglect and mistreatment of these animals and sets a precedent for similar cases.**

Barbara Massa,  
Manager of Il Rifugio degli Assinelli

Following a court battle, The Donkey Sanctuary's Italian rescue centre guaranteed sanctuary for life for 50 donkeys, mules and hinnies taken into their care after a major rescue which took place in 2013. The appalling case resulted in over 200 donkeys, mules and horses being rescued from an equine trader in Colleferro, Italy.

# WORKING WORLDWIDE

The situation for donkeys and mules in the modern world is complex and ever changing, and never more so than in 2016. For example, in some areas large populations of 'feral' donkeys — animals that have been abandoned when their services are no longer needed — face uncertain and traumatic futures. Elsewhere, the increasing use of donkey products in China is driving up the demand for donkeys, bringing a completely new set of challenges. Meanwhile many millions of donkeys worldwide are used from infancy into their old age in the construction industry all over the developing world; in tourism on several continents and, of course, as vital transport for communities reliant on donkeys for their livelihoods.

This year we have had to use all our ingenuity to address the welfare needs of donkeys and mules in the face of such wildly diverse challenges. We relieved donkey suffering directly through the hands-on care of our project teams worldwide. At the same time, training and advising others to do the same, and helping them to build welfare infrastructures. It's through this collaborative work that we can have a mass impact and it's something we plan to build on and expand in 2017. Vitally, we know that in helping donkeys we help the people who depend on them for their livelihoods too; another reason, should we need one, why driving forward our international projects is so very important.

## IN 2016



**Working in 35 countries worldwide through major projects and collaborations.**



**Reaching 1.6 million donkeys and mules.**





## CASE STUDY — TANZANIA

Through our partner Meru Animal Welfare Organisation in Tanzania we funded the building of security fences to protect donkeys from killer thieves seeking to profit from the rapidly expanding skin trade. The pens are built with living trees that continue growing once in the ground.



## CASE STUDY — SRI LANKA

Through a donkey-assisted therapy centre run by our partners MARDAP and Bridging Lanka in Sri Lanka, children groom and feed donkeys in sessions which stimulate their emotional and physical development. The project also plays an important role in strengthening the status of the donkey on the war-torn island. Construction of a new donkey assisted therapy centre is underway with completion scheduled for 2017.



## CASE STUDY — EGYPT

In Egypt we brought together hoof care specialists from across the world to share ideas and put together competency standards to take home.



## CASE STUDY — ETHIOPIA

In Ethiopia, we provided training to para-vets at our project in Alage. They return to their communities with new skills that benefit donkeys.

## HUMAN-DONKEY INTERACTIONS

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After 40 years of our UK centres delivering donkey-assisted therapy operating essentially as our founder Elisabeth Svendsen imagined it, our programme is getting a beneficial makeover.

In 2016 The Donkey Sanctuary trialled and introduced a new programme which saw children spending a little less time on the back of a donkey, but significantly more time interacting and engaging with the donkeys in other ways.

This approach has seen children learn through experiencing and discovering things about the donkeys through hands-on interaction. It provides more opportunity for a connection between donkey and child on an emotional as well as a physical level, and is helping us to better understand how these magical moments of engagement can enrich the donkey's life alongside that of the child.

This also means we can now measure those “magical moments” of engagement of the child with the donkey, and assess if the donkey's life is enriched as a consequence.

In 2017 we plan to expand these services to other groups such as sufferers of post-traumatic stress disorder and to set down the ground work to improve our understanding of the impacts of donkey facilitated learning on vulnerable people.



**(Alexander) has come so far from the frightened little boy who came to the Centre all those years ago. He is living proof that supporting a great cause such as The Donkey Sanctuary does make a difference to a person's life.**

Alexander's mum, Donna Alderson



Shocks the donkey endured horrific suffering on a farm in Ireland and no one ever thought he would make a full recovery. When Amber and her twin sister Hope were born prematurely, at just 26 weeks, it was Amber who was separated from her family and rushed into theatre for an emergency tracheostomy. Her parents were given the devastating news that she had Cerebral Palsy and would be unlikely to walk or talk. Then Amber met Shocks at our Sanctuary in Birmingham and both their lives were positively changed forever.

# Thanks to our supporters and donors, we have so much to celebrate.

### IN 2016

- We gave homes to 6,921 donkeys, and rescued many hundreds of animals in desperate need.
- Twinkle, Holly and Star, three of the 1,846 donkeys and mules directly cared for through our Rehoming Scheme, settled into their new home at Cats Protection's national cat centre in Sussex as part of a new partnership between our two charities, promoting each other's rehoming schemes.
- We strengthened and developed our donkey-assisted therapy work, launching research to better understand our impacts.
- We increased the number of hours worked by our volunteers to over 41,000.
- We helped donkeys in 35 countries on five continents, reaching 1.6 million animals in all.
- We started building our new veterinary hospital dedicated to life-saving and life-changing treatment for donkeys and mules.
- Thanks to the work of The Donkey Sanctuary and other British equine charities, the World Organisation for Animal Health (OIE) approved global welfare standards for working horses, donkeys and mules. As many as 180 member countries are now committed to implementing these standards. The standards entitle working equines to their most basic of needs, such as food, water and shelter. This is a significant step towards improving welfare conditions for millions of working equines as they give global recognition to the importance of their welfare.
- We started a new partnership with the Palestinian Wildlife Society to improve conditions for hardworking donkeys in Bethlehem. The support helped facilitate local training to raise awareness of donkey welfare and supplied first-aid boxes containing veterinary supplies such as antiseptics, bandages and painkillers to enable the owners to treat common wounds and infections.

**But there are so many more donkeys that need our help. Next year, our core goal will be to reach the donkeys most in need around the world, wherever they are. To get there, we will champion donkeys and their welfare, pushing them up the agenda for change.**

### IN 2017

- We will build model projects to develop a new way of working internationally and with donkey-assisted therapy; this will involve extending our network of partners, mapping welfare hotspots and using evidence and impact data to continually improve our operational effectiveness.
- We will launch our new hospital ensuring that our resident animals receive state-of-the-art care, and use this vital facility to share a deeper understanding of expert donkey veterinary care across the world.
- We will create an advocacy strategy and integrate it into the core of our work.
- We will maintain our high standards in the UK, Ireland and Europe.
- We will eliminate the problem of the continually growing numbers of donkey relinquishments in Ireland, and the welfare issues this causes.
- We will strengthen the organisation internally in key areas to support future development and ready ourselves for a new five year strategy by the end of 2017.

Thanks to such incredible support received during 2016, we are confident that in the coming years we can have an even greater impact on the millions of donkeys around the world. In fact, it is our duty to do that.

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**A donkey suffering in Central America is every bit as deserving as a donkey in Sidmouth and we need to be there for both of them.**

Mike Baker, Chief Executive



Donkeys have a vital role to play in supporting entire communities in Mexico, from carrying water up into mountainous areas to collecting rubbish from the streets of Mexico City.

# FINANCIAL REVIEW 2016

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The Donkey Sanctuary's financial performance for 2016 was very positive, with consolidated total income reaching £38.3m (2015: £35.1m), an increase of 9% for the year. We increased total expenditure, including capital, to £38.8m (2015: £33.3m), an increase of 17%, and ended the year with general reserves coverage of 14 months of 2017's planned expenditure. This represents a sound financial footing for the charity as we look to develop a new five year strategic plan, and look to expand our international work and increase our global impact.

## INCOME

The Donkey Sanctuary continues to be reliant on the kind generosity of its supporters and the voluntary income they donate to help our work. In 2016, our voluntary income from donations and legacies grew by 10% compared to the previous year, and we are extremely thankful to everyone who continues to support us. In the year, our donation income grew by £0.6m (6%). During the early part of the year, we completed our Get Better hospital campaign which helped to raise much-needed funds towards our new facilities to treat more sick donkeys more efficiently. During 2016 we responded to the outcomes of the new Fundraising Regulator, and began planning for the new General Data Protection Regulations which are due to come into force in 2018; the charity is embracing the new regulation as an opportunity to further enhance our relationship with our much valued supporters. In 2016, we maintained the momentum of our adoption scheme, as well as continuing our strategies to promote regular giving. We worked hard to not only introduce new supporters to the charity, but also to ensure we maintain our engagement with existing supporters through fundraising and communication activities aimed to inspire support and increase awareness of the impact of our work across the world.

Legacies continue to be an important source of income for us and we are extremely grateful to all who have remembered us in their will. In 2016 legacy income grew to £24.8m (2015: £22.5m), an increase of 10%. A significant amount of the increase for 2016 occurred towards the end of the year, helping to contribute towards the

surplus for the year, and we will be utilising these funds in reaching our objectives for 2017. This figure includes income generated from all group entities including The Elisabeth Svendsen Trust for Children and Donkeys and The International Donkey Protection Trust.

Income generated from other trading activities increased to £2.5m in 2016 (2015: £2.3m). As we continue to attract higher numbers of supporters to our sanctuaries and centres across the UK and Europe, the resulting increase in visitor numbers helped to grow the income from our trading and fundraising activities, including our restaurant and catering facilities and the sale of souvenirs from our visitor centres. During the year, we introduced some new products to our mail order and retail offerings and we opened our second charity shop, which will provide another great opportunity for us to engage with new audiences, to promote our work, and to generate income from a variety of activities. All profits from our trading subsidiaries' activities are donated back to the charity to further our objectives.

## EXPENDITURE

Total expenditure for the year, including investment in capital projects, grew to £38.8m (2015: £33.3m).

In 2016 operational expenditure on our charitable activities increased by 11% to £26.7m (2015: £24.0m) with growth across many fundraising channels.

During the year, our rescue and rehoming strategies to ensure the donkeys in our care benefit from an environment rich with variety progressed very well. Donkeys are intelligent, curious and resourceful animals and we aim to ensure their surroundings, and the level of interaction they receive with humans is as fulfilling as possible; whether as part of the resident herds in our sanctuaries and assisted therapy centres, or as directly rehomed animals in private homes, schools and other institutions.

- We allocated resources to promote our rehoming scheme and the identification of donkey guardians who can offer caring homes for two or more of our donkeys. Our investment in 2016 helped to increase the number of donkeys rehomed in private homes, schools and other institutions and worked towards our

objective of increasing the number of rehomed donkeys to 3,000.

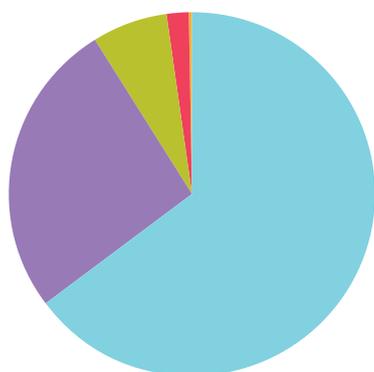
- We also provided support to owners through behaviour and husbandry training, providing expert advice, and helping people find new homes for their donkeys when they could no longer care for them.
- The number of donkeys in our sanctuaries and assisted therapy centres increased to 6,921 by the end of the year with a resulting increase in our sanctuaries expenditure in 2016. It has been heartening to see the rate at which donkeys are relinquished into our care reducing over the last 12 months and we are actively reducing the number of donkeys in short-term livery and other holding bases as we develop our rehoming scheme.

Our activities involving donkeys in the community include many aspects of our international projects and during the year our expenditure increased by 17% to £4.1m. During 2016, we extended the

scope of our collaboration activities with other like-minded organisations, moving towards a more integrated and sustainable approach where we engage with communities that depend on donkeys and help them build their own infrastructures. Activities in 2016 included expansion of projects in Tanzania, Sri Lanka, and Egypt and meant that we were able to reach approximately 1.6m donkeys and mules worldwide.

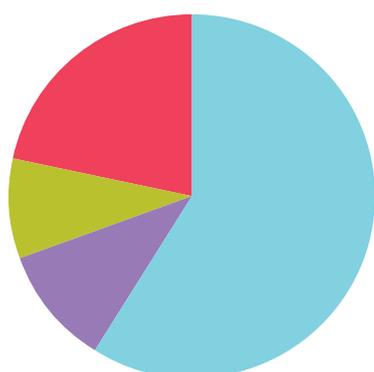
In 2016, we saw a small increase in expenditure on human-donkey interactions, reflecting a period of transition as we reviewed our approach to activities across our assisted therapy centres and outreach programmes. Our new strategy will see our children and adults with additional needs learning through experiencing and discovering things about the donkeys through hands-on interaction. This will provide more opportunity for a connection between donkey and child on an emotional as well as a physical level.

## 2016 INCOME



	2016 £'m	2015 £'m
Legacies	24.8	22.5
Donations	10.2	9.4
Other trading activities	2.5	2.3
Investment income	0.7	0.6
Other	0.1	0.3
<b>Total</b>	<b>38.3</b>	<b>35.1</b>

## 2016 EXPENDITURE (including capital)



	2016 £'m	2015 £'m
Rescue and rehoming	22.9	19.3
Donkeys in the community	4.1	3.5
Human-donkey interactions	3.5	3.5
Raising funds inc trading costs	8.3	7.0
<b>Total</b>	<b>38.8</b>	<b>33.3</b>

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Against a backdrop of increasing fundraising and data protection regulation, it is encouraging to report the continuing success of our fundraising strategies. It is testimony to our supporters' commitment to The Donkey Sanctuary and their understanding of our work and values, as well as the skill and commitment of our fundraising teams, that we have seen growth in a number of areas of income in 2016. The trustees recognise that, in order to continue the future success of the charity, there is a need to continue to invest in both new fundraising activity as well as keeping in touch with our existing supporters. This is reflected in the increase in expenditure on raising funds (including trading costs) to £7.2m in 2016 excluding capital (2015: £7.0m). The proportion of our expenditure attributed to raising donations, legacies and other fundraising income remains low, at 16.8p (2015: 18.1p) for every £1 of total expenditure.

By closely monitoring our fundraising campaigns, we are well placed to direct our resources into our most successful fundraising activities, and we are pleased to report that progress during the year accorded with trustees' expectations. The trustees have recognised the risks associated with the changing landscape of fundraising and data protection regulation and the potential for reduced levels of income in 2017 and beyond. Through our well-established and robust financial controls and other internal measures, the trustees, executives and senior managers are able to closely monitor the charity's fundraising activities to mitigate this risk and take suitable action as required.

## **NET ASSETS AND FUNDS**

The trustees operate a reserves policy they consider appropriate to ensure, barring unforeseen circumstances, the continued ability of The Donkey Sanctuary to meet its objectives. The trustees are aware of the potential volatility of income levels and the significant proportion of our total income from legacies. As far as it is possible, we aim to maintain reserves to cover at least one year's expenditure.

In terms of our total assets, £29.9m relates to fixed assets, most of which is land and buildings to care for donkeys across sanctuaries. £2.9m relates to funds earmarked by their donors for specific purposes, leaving a general fund

of £43.4m, which is equivalent to 14 months' projected expenditure for 2017 – this is slightly above our goal and is due to some delayed capital expenditure. Our aim is to maintain a reserve sufficient to provide sanctuary and support for 6,921 animals across resident herds in our sanctuaries, centres and through our Rehoming Scheme. The reserve also enables the trustees, executives and senior managers to effectively manage the many risks and uncertainties that the charity may face such as the potential reduction of future income referred to above. It is important to note the impact of the very welcome increase to our 2016 legacy income being concentrated in the last two months of the year as well as the exceptional unrealised gain on our listed investments with both of these events contributing to the surplus for the year. This net income for the year will contribute towards our expansion plans within our strategic plan for 2017 and beyond. This includes the relocation of our veterinary hospital, visitor facilities and restaurant, which is due for completion together with other committed capital projects in 2017.

Construction of the new facilities commenced towards the end of 2015. Our new veterinary hospital will provide much-needed new facilities and equipment to further improve our veterinary care for donkeys and mules in the future, enabling round-the-clock care, state-of-the-art facilities to reflect advances in veterinary medicine and technology, and enough space to treat larger donkeys like our Poitous.

Relocating the hospital to a new site will have a big impact on our main Sanctuary in Sidmouth and we plan to use this opportunity to improve the visitor experience. As well as introducing more donkeys to the heart of the sanctuary, we will be introducing an interpretation centre to show supporters and visitors what we do around the world and we'll also have a better gift shop and restaurant from which proceeds support our work across the world.



Groom Jenneke takes time to give Bilbo Baggins the attention he craves. Bilbo is a very affectionate donkey who loves people.

# STRUCTURE, GOVERNANCE AND MANAGEMENT

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The Donkey Sanctuary was founded in 1969 by Dr Elisabeth Svendsen MBE, became a registered charity in 1973 and now operates under the governance of a sole corporate trustee, The Donkey Sanctuary Trustee Limited. In 2016 the charity operated in 35 countries around the world through a combination of international branches, subsidiary entities, holding bases and collaborations with other like-minded organisations. We carry out a range of fundraising, donkey care and welfare and donkey-assisted therapy activities united under one global Donkey Sanctuary strategy.

As a UK registered charity The Donkey Sanctuary incorporates overseas branches in Ethiopia and Mexico as well as operating a network of six UK donkey-assisted therapy centres. The Donkey Sanctuary's charitable subsidiary undertakings operate in Ireland, Spain, Italy, Cyprus, Kenya and the Netherlands while the charity's UK trading subsidiaries Donkey World Limited and The Hayloft (Donkey Sanctuary) Limited provide additional income from the sale of goods and the operation of catering facilities to visitors to our main sanctuary in Sidmouth and from our two charity shops.

The charity has a sole corporate trustee, The Donkey Sanctuary Trustee Limited, and the board consists of ten trustees (who are directors for Companies Act purposes). The trustees all have an interest in the care and welfare of animals but also bring a mix of skills and knowledge necessary for a charity of this size.

Trustees are appointed for a term of three years and can seek re-election. When a trustee vacancy occurs, either as a result of the departure of an existing member or it is felt necessary to strengthen or enlarge the board, new members are sought that will provide the sphere of experience necessary to replace that of the departing member or where it is felt the charity will benefit from additional expertise. The induction process for any newly appointed trustee comprises an initial meeting with the chief executive officer together with a series of reviews with the appropriate executive and senior management team members to supplement

information provided in their induction pack so as to impart knowledge of the operational and administrative aspects of the charity. Details of trustees' responsibilities are made available to new trustees from Charity Commission publications. Refresher course updates are made available to trustees in order to ensure that they remain aware of charity and governance developments.

The trustees meet four times a year together with the executive team at which strategic matters are discussed and considered. Each trustee meeting is planned to last a full day with at least one meeting each year, wherever possible, being held at one of the sanctuary projects away from the headquarters in Sidmouth, Devon. This is so that the trustees gain a better understanding of the differing types of work undertaken by the charity.

A committee structure also operates to enable the trustees and executive team to provide a greater depth of direction and governance on specific parts of the charity. Each trustee will sit on at least one of the committees, although all can attend all meetings if they so wish. Members of the executive team attend the meeting that is most appropriate to their role or specialism. The chief executive officer attends all committee meetings.

The Donkey Sanctuary is one of the largest animal welfare charities registered in the United Kingdom and the achievements over the past 48 years have been made possible only through the efforts and dedication of its staff and volunteers. The trustees acknowledge that meeting the charity's future objectives will depend on our ability to attract, recruit, reward and retain a continuing supply of talented, well-informed and motivated people. Due to the unique diversity of its activities both in the UK and around the world the charity is extremely complex and requires a workforce that not only shares our values of compassion, collaboration and creativity but also has the required skills and experience to help fulfil our mission. The salaries we pay recognise the level of complexity and size of the charity. It is with this in mind that the trustees have well-established systems and internal controls in setting the pay and remuneration of all of the charity's staff including key management personnel. Those systems and controls include a review of market salaries each year to benchmark

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them against the not-for-profit sector and, dependent on the role, we also benchmark against national and local indicators.

To enable the executive team to operate effectively the trustees have put in place a schedule of devolved/delegated responsibilities which clearly set out what the chief executive officer and the executive team are authorised to act upon without recourse to the trustees. Any approval required for an item of expenditure, contractual term or commitment that is outside the scope of this schedule must be put before the board of trustees for their approval.

## OBJECTIVES AND ACTIVITIES

The charitable objects of The Donkey Sanctuary are:

- For the benefit of the public, to relieve the suffering of donkeys, mules and other such animals in need of care and attention anywhere in the world and to provide and maintain rescue homes or other facilities for the reception, care, treatment and security of such animals.
- To promote humane behaviour towards such animals by providing them with appropriate care, protection, treatment and security and to educate the public in their welfare of and the prevention of cruelty and suffering amongst such animals.
- To benefit those persons whose lives are enhanced by working donkeys and mules by improving the health and welfare of such animals.
- To bring enjoyment and pleasure to enrich the lives of children, young people and adults who have additional needs, special educational needs, disabilities or illnesses in order to enhance their education and make their lives better through appropriate provision of facilities for riding, handling or coming into contact with such animals.

We are now in the fourth year of our strategic plan, “Our Journey Continues...”, which incorporates our vision, mission and values as well as setting our strategic aims and objectives for the five-year period to 2018, including an outlook for the next ten to 20 years.

Our goal is to bring care to two million donkeys in 40 countries by 2018. Our strategic plan focuses on four areas:

### 1. Rescue and rehoming

**Aim:** Never to turn away from donkeys and mules in need and provide lifelong care for them in the UK and Ireland.

### 2. Donkeys in the community

**Aim:** To reduce the suffering of domestic and working donkeys due to neglect, ill-treatment, illness, ignorance and injury.

### 3. Human-donkey interactions

**Aim:** To improve the lives of both donkeys and people through positive human-donkey interactions.

### 4. Developing the organisation

**Aim:** All staff, volunteers and partners embody our core HR values of professional competence, excellent communication, team work, effective use of resources, and personal effectiveness, so acting as valuable ambassadors for The Donkey Sanctuary.

## PUBLIC BENEFIT REQUIREMENT

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

The advancement of animal welfare is specified as an admissible charitable purpose within the Charities Act and is taken to include any purpose directed towards the prevention or suppression of cruelty to animals or the prevention or relief of suffering by animals. Examples of the sorts of charitable purposes falling within this description include:

- Charities promoting kindness and to prevent or suppress cruelty to animals
- Animal sanctuaries
- The provision of veterinary care and treatment
- Charities concerned with the care and rehoming of animals that are abandoned, mistreated or lost
- Feral animal control (e.g. neutering).

The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage is also an admissible charitable purpose within the Charities Act and is taken to

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include our donkey-assisted therapy activities and our work in many parts of the world where donkeys and mules transport goods and people. Improving the care and welfare of the animals directly impacts on the lives of those that depend on them.

The trustees are satisfied that the aims and objectives of the charity and the sections that follow demonstrate how The Donkey Sanctuary met its charitable purposes in 2016, and how its principal achievements under its respective areas of charitable activity meet the public benefit requirements.

### **INTERNAL CONTROLS AND RISK MANAGEMENT**

The trustees have responsibility for the oversight of risk management within The Donkey Sanctuary and take an active part, along with the chief executive, senior managers and the executive team, to review risk on a regular basis. Each review incorporates an assessment of the impact and likelihood of individual risk, the actions that have been taken to mitigate or control risks, the effectiveness of our risk management controls and whether there are new risks for the charity that need to be considered.

Alongside the risk review process the trustees operate an established programme of audit and assurance activity to provide assurance that operational and financial controls are sufficiently robust to mitigate the principal risks and uncertainties the charity faces. Our internal auditors work with operational teams across the charity to test our internal controls and provide recommendations for enhancements where appropriate.

It is recognised that our systems and internal controls can only provide reasonable, and not absolute, assurance that major risks have been adequately managed.

### **GRANT MAKING**

The Donkey Sanctuary continues to provide grant funding to overseas organisations whose objectives are similar to those of the charity. Longstanding relationships exist with three overseas organisations: The Donkey Sanctuary, India and the Egyptian Society for the Protection and Welfare of Working Animals were established

by the charity for the furtherance of its objects in India and Egypt; The Faculty of Veterinary Medicine at the University of Ethiopia is an organisation with which the charity has operated donkey health and welfare projects for many years. Within all three of these projects, well-established processes exist to monitor progress, including periodic detailed financial reporting to the executive team.

The charity receives numerous applications for grant funding throughout each year from individuals and organisations, and each application is given careful consideration by the executive team in the context of the charity's overall strategic objectives and also in terms of financial resources available. Grant-funding agreements are subject to approval by the executive team and contain provision for regular reporting of progress against set objectives, as well as providing suitable financial reporting.

### **INVESTMENT POLICY**

The trustees have established an investment policy for the charity that covers:

- an investment portfolio in equities, bonds and other listed investments, long-term in nature and administered by investment managers on a discretionary basis;
- an investment portfolio of low-risk corporate bonds, medium-term in nature and administered by investment managers on a discretionary basis and;
- cash held in term deposit accounts administered through a combination of fund managers and the executive team.

The charity's listed investments are managed through a discretionary fund management agreement with Investec Wealth & Investment Limited (Investec). The agreement confirms the stated investment objective to preserve and grow the invested sum through a balanced investment portfolio of income and capital growth while adopting a medium-risk approach for listed investments and a low-risk approach for corporate bonds.

The investment policy includes the trustees' approach to ethical investment. The trustees have due regard for the underlying principle that their power of investment has to be used to

further the purposes of the charity, and that those purposes will normally be best served by seeking the maximum return consistent with commercial prudence. The resulting ethical investment policy implemented with effect from November 2013 confirms that the charity should not make any direct investment with an organisation:

- whose activities conflict with the objects of the charity;
- whose main activities relate to tobacco;
- whose activities cause pain, suffering, distress or lasting harm, specifically those within Ethical Screening's "Animal Testing Non-Medical Discovery & Development" and "Animal Testing Non-Medical Ingredients" classifications except:
  - where testing is mandatory by law,
  - where the organisation is only a retailer; or
  - where there exists a fixed date for cessation of testing.

Any companies that are deemed unacceptable under this policy are removed from the portfolios within six months of being notified.

Periodic meetings are held between Investec and selected executives of the charity, and on at least one occasion during each financial year Investec meets with trustees and executives of the charity.

Any balance of surplus funds held by the charity and not managed by Investec continues to be invested in interest-bearing deposits and treasury accounts with selected banks and building societies.

## CONNECTED CHARITIES

### **The Elisabeth Svendsen Trust for Children and Donkeys.**

Charity Number 801070. Charity objects: To bring together children and adults with additional needs with donkeys.

### **The International Donkey Protection Trust**

Charity Number 271410. Charity objects: To help donkeys and mules anywhere in the world and to ease their suffering through by care and the education of their owners.

On 21 December 2010 the Charity Commission granted a Scheme under which The International Donkey Protection Trust (IDPT) would be

incorporated within the charity. Under this uniting direction, IDPT shall be treated as forming part of The Donkey Sanctuary for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

On 2 December 2011 the Directors of The Donkey Sanctuary Trustee Limited ("The Company") and the Incorporated Trustees of The Elisabeth Svendsen Trust for Children and Donkeys (EST) agreed to proceed with the merging of EST's activities into those of The Donkey Sanctuary, with the intention that The Company would act as Trustee of both The Donkey Sanctuary and EST.

On 21 December 2011 the Charity Commission granted a Scheme under which EST would be incorporated within The Donkey Sanctuary, and agreed to the new objects for the merged charity. The effective date of the Scheme was 1 January 2012 and under this uniting direction EST is treated as forming part of The Donkey Sanctuary for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

## SUBSIDIARY UNDERTAKINGS

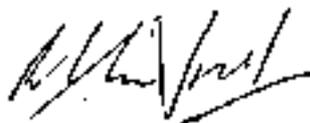
The Donkey Sanctuary has ten subsidiary undertakings. Full details in respect of the subsidiaries' activities and performance can be found in Note 24 of the accounts.

## APPROVAL

This report was approved by the trustees on

6 June 2017

and signed on its behalf by:



Robert Crawford, Trustee  
The Donkey Sanctuary Trustee Limited.



Stuart Reid, Trustee  
The Donkey Sanctuary Trustee Limited.

# STATEMENT OF TRUSTEES' RESPONSIBILITIES

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## STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

Under the trust deed and rules of the charity and charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year. The trustees have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The group and charity's financial statements are required by law to give a true and fair view of the state of affairs of the group and the charity and of the excess of the group's excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, 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 group and the charity will continue in business.

The trustees are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP  
Plym House  
3 Longbridge Road  
Plymouth  
PL6 8LT  
United Kingdom

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE DONKEY SANCTUARY**

We have audited the group and charity financial statements (the 'financial statements') of The Donkey Sanctuary for the year ended 31 December 2016 set out on pages 31 to 68. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's trustee as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustee and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 28 the trustee is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charity's affairs as at 31 December 2016 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Ian Brokenshire  
28 July 2017

**Ian Brokenshire  
for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

Plym House  
3 Longbridge Road  
Plymouth  
PL6 8LT

*KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	<b>Total 2016 £'000</b>	Total 2015 £'000
<b>Income and endowments:</b>					
Donations and legacies	2	34,134	910	<b>35,044</b>	31,912
Other trading activities	3	2,476	–	<b>2,476</b>	2,322
Income from investments	4	670	–	<b>670</b>	632
		<b>37,280</b>	<b>910</b>	<b>38,190</b>	34,866
<b>Other income:</b>					
Gain on disposals of fixed assets		25	–	<b>25</b>	29
Other income		128	–	<b>128</b>	163
<b>Total income</b>		<b>37,433</b>	<b>910</b>	<b>38,343</b>	35,058
<b>Expenditure on raising funds</b>	5	7,212	–	<b>7,212</b>	6,960
<b>Expenditure on charitable activity:</b>					
Rescue and rehoming		18,984	257	<b>19,241</b>	17,307
Donkeys in the community		3,871	191	<b>4,062</b>	3,470
Human-donkey interactions		3,049	325	<b>3,374</b>	3,176
<b>Total expenditure on charitable activity</b>		<b>25,904</b>	<b>773</b>	<b>26,677</b>	23,953
<b>Total expenditure before net gains &amp; losses on investments</b>	6	<b>33,116</b>	<b>773</b>	<b>33,889</b>	30,913
<b>Net income before net gains &amp; losses on investments and other recognised gains and losses</b>		<b>4,317</b>	<b>137</b>	<b>4,454</b>	4,145
Net gains on investments		1,930	–	<b>1,930</b>	160
<b>Net income before other recognised gains and losses</b>		<b>6,247</b>	<b>137</b>	<b>6,384</b>	4,305
Gains/(losses) on foreign currency translation		558	–	<b>558</b>	(109)
<b>Net income</b>		<b>6,805</b>	<b>137</b>	<b>6,942</b>	4,196
<b>Reconciliation of funds:</b>					
Total funds brought forward		66,466	2,763	<b>69,229</b>	65,033
<b>Total funds carried forward</b>	20	<b>73,271</b>	<b>2,900</b>	<b>76,171</b>	69,229

All of the activities relate to continuing operations.

The accompanying notes form an integral part of the financial statements.

# BALANCE SHEETS

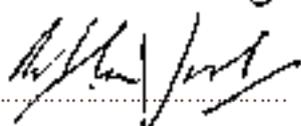
## AS AT 31 DECEMBER 2016

	Notes	Group 2016 £'000	Group 2015 £'000	Charity 2016 £'000	Charity 2015 £'000
<b>Fixed assets:</b>					
Intangible assets	11	1,194	1,103	1,170	1,075
Tangible assets	12	27,263	23,029	23,338	19,694
Investments	13	23,753	23,334	23,903	23,484
<b>Total fixed assets</b>		<b>52,210</b>	47,466	<b>48,411</b>	44,253
<b>Current assets:</b>					
Stocks	14	540	570	213	208
Debtors	15	16,051	14,627	15,940	14,266
Short term deposits		6,602	4,875	6,602	4,875
Cash at bank and in hand		3,279	3,703	1,844	2,725
<b>Total current assets</b>		<b>26,472</b>	23,775	<b>24,599</b>	22,074
<b>Current liabilities:</b>					
Creditors: Amounts falling due within one year	16	2,511	2,012	1,717	1,409
<b>Net current assets</b>		<b>23,961</b>	21,763	<b>22,882</b>	20,665
<b>Net assets</b>		<b>76,171</b>	69,229	<b>71,293</b>	64,918
<b>The funds of the charity:</b>					
Restricted income funds	20	2,900	2,763	2,900	2,763
<b>Unrestricted income funds:</b>					
Designated funds	21	29,909	27,914	25,494	24,311
General fund	20	43,362	38,552	42,899	37,844
<b>Total unrestricted income funds</b>		<b>73,271</b>	66,466	<b>68,393</b>	62,155
<b>Total group/charity funds</b>		<b>76,171</b>	69,229	<b>71,293</b>	64,918

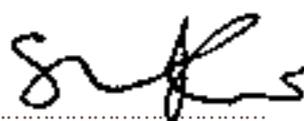
The accompanying notes form an integral part of the financial statements.

Signed for and on behalf of The Donkey Sanctuary Trustee Limited on

6 June 2017



Robert Crawford, Trustee.  
The Donkey Sanctuary Trustee Limited



Stuart Reid, Trustee.  
The Donkey Sanctuary Trustee Limited

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>	<b>(i)</b>	<b>3,492</b>	2,029
<b>Cash flows from investing activities</b>			
Interest received		20	42
Dividends, interests and rents from investments		634	583
Purchase of investments		(2,967)	(4,889)
Purchase of intangible fixed assets		(201)	(392)
Purchase of property, plant and equipment		(4,240)	(2,138)
Proceeds from the sale of intangible fixed assets		–	3
Proceeds from the sale of property, plant and equipment		49	53
Proceeds from the sale of investments		2,418	1,779
Net transfer of fixed asset investments from/(to) short-term cash deposits		2,063	854
<b>Net cash used by investing activities</b>		<b>(2,224)</b>	(4,105)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,268</b>	(2,076)
Cash and cash equivalents at the beginning of the period		8,578	10,588
Change in cash and cash equivalents due to exchange rate movements		35	66
<b>Cash and cash equivalents at the end of the period</b>	<b>(ii)</b>	<b>9,881</b>	8,578

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### i. Reconciliation of net income to net cash flow from operating activities.

	2016 £'000	2015 £'000
Net income for the reporting period (as per the statement of financial activities)	<b>6,384</b>	4,305
Depreciation charges	<b>980</b>	877
Amortisation charges	<b>135</b>	82
Unrealised (gain)/loss on fixed asset investments	<b>(2,024)</b>	(44)
Loss on the sale of tangible fixed assets	<b>20</b>	15
Loss on the sale of fixed asset investments	<b>94</b>	6
Gain on the sale of intangible fixed assets	<b>-</b>	(1)
Gain on the sale of tangible fixed assets	<b>(25)</b>	(29)
Gain on the sale of fixed asset investments	<b>-</b>	(122)
Investment income	<b>(670)</b>	(632)
Decrease in Stock	<b>30</b>	9
Increase in Debtors	<b>(1,411)</b>	(2,437)
Increase/(Decrease) in Creditors	<b>(21)</b>	-
<b>Net cash provided by operating activities</b>	<b>3,492</b>	2,029

### ii. Analysis of cash and cash equivalents

	2016 £'000	2015 £'000
Short-term deposits	<b>6,602</b>	4,875
Cash at bank and in hand	<b>3,279</b>	3,703
	<b>9,881</b>	8,578

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## YEAR ENDED 31 DECEMBER 2016

### 1. Accounting Policies

#### a. Basis of accounting

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value and are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) ('the SORP'), the Charities Act 2011 and applicable United Kingdom accounting standards.

The trustees have confidence that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the group continues to adopt the going concern basis in preparing the financial statements as a public benefit entity.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) issued on 16 July 2014 rather than the preceding Charities SORP (SORP 2005) which was effective from 1 April 2005 and has since been withdrawn.

The accounting policies adopted by the group are described below:

#### b. Consolidation

These financial statements include the results of the charity together with the results of all the charity's branches including those overseas, unless the results of those branches are not significant to the group. Consolidated accounts have been prepared for the year ended 31 December 2016 in accordance with business combinations provisions of FRS 102.

The charity has taken advantage of the exemption contained in section 33.1A of FRS 102, where disclosures need not be given of transactions entered into between two or more members of a group.

In line with the SORP the parent charity has not published its own SOFA and the related notes. See note 25 for details of the parent charity results for the year.

#### c. Income

Income is included in the statement of financial activities when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy.

- i. Donations from supporters represent the amounts receivable by the charity from donors during the period. Gift aid on donations is accounted for on an accruals basis.
- ii. Donated assets and other gifts in kind are included in either donations or other trading activities according to SORP guidelines. They are included at the value of the gift received unless it is not practicable to estimate the value of the donated assets until they have been sold on. Where a value is estimated this is the reasonable estimate of the gross value to the charity.
- iii. Donated facilities and services that are consumed immediately are recognised as income, with an equivalent amount recognised as an expense under the appropriate heading in the statement of financial activities. The contribution of general volunteers is not included as income as it is impractical to measure it reliably.
- iv. Legacy income is recognised when it is probable that it will be received. Receipt is normally probable when.

- 
- a. there has been grant of probate;
  - b. the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
  - c. any conditions attached to the legacy are either within the control of the charity or have been met.
- v. Residuary legacy income is recognised when the charity is advised by the personal representative of an estate that payment will be made and the amount can be quantified; pecuniary legacy income is recognised on notification; and where a life tenancy exists income is deferred as disclosed in note 23. Payments on account of a legacy, whether received or advised by letter as forthcoming have been treated as incoming resources.
- vi. Income from investments represents interest arising in the UK and overseas on building society and bank deposits held by the group during the period, and have been included on an accruals basis, together with income from listed investments and government and corporate bonds.
- vii. Fundraising income represents other fundraising activities carried out by the charity to generate incoming resources which will be used to undertake its charitable activities and includes raffles and fundraising events such as festivals and experience days.
- viii. Trading income includes the sale of merchandise and catering income net of value added tax. Goods donated for resale are included as income in other trading activities when they are sold and the cash received.

#### **d. Expenditure**

Expenditure is included on an accruals basis and incorporates provisions for known liabilities where a legal or constructive obligation existed at the balance sheet date that would commit the group to that expenditure. The purchase of goods and services has been treated as expenditure once the supplier has delivered the goods or performed the service.

- i. Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes. It includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods. Such costs will typically include the costs of seeking donations, grants and legacies, operating membership schemes, staging events and other related costs; contracting with agents to raise funds on behalf of the charity; operating charity shops selling donated and/or bought-in goods; operating our non-charitable trading subsidiaries; advertising, marketing and direct mail materials, including publicity costs not associated with educational material designed wholly or mainly to further the charity's purposes; and investment management costs.
- ii. Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- iii. Support costs represent the cost of certain central or regional support functions that are shared across more than one activity undertaken by the group. Support costs have been allocated between charitable activities and expenditure on raising funds on the basis of headcount, staff time, expenditure levels and the number of supported computer workstations. Details of the costs and basis of the allocations can be found in note 8 to the accounts.
- iv. Governance costs relate to costs associated with the constitutional and statutory requirements of the group and include the costs of external audit, secretariat and other constitutional related costs. Further details of the items included in governance costs are included in note 7 to the accounts.
- v. Grant funding of activities: grants payable are accounted for when paid or charged to the statement of financial activities when a constructive obligation exists, notwithstanding that they may be paid in future accounting periods.

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**e. Value added tax**

Irrecoverable VAT is included in the cost of the items reported in the financial statements.

**f. Taxation**

The Donkey Sanctuary is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**g. Operating leases**

Rentals payable under operating leases are charged to the statement of financial activities as incurred.

**h. Foreign currency**

Transactions in foreign currencies are recorded using monthly average rates of exchange. Monetary assets and liabilities are translated into sterling at the exchange rates ruling at the balance sheet date. All exchange differences are taken to the statement of financial activities.

The results of overseas subsidiary undertakings are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on the translation of the opening net assets and results of the overseas operations are reported in the statement of financial activities as other recognised gains and losses.

**i. Pension costs**

A Group Personal Pension Scheme was introduced on 1 October 1997 and contributions to this scheme are charged in the accounting period in which they fall due.

**j. Intangible fixed assets and amortisation**

Intangible fixed assets are stated at cost less accumulated amortisation, and are recognised on the following basis:

- i. Individual intangible assets of a value below £1,000 are not generally capitalised unless they form part of a larger asset; and
- ii. Impairment reviews are undertaken when a development occurs that necessitates the replacement, disposal or otherwise of a particular asset or assets.
- iii. Development expenditure is capitalised in accordance with FRS 102 where work is required to be performed prior to the asset being brought into use
- iv. Assets under construction are held within intangible fixed assets as appropriate; no amortisation charge is made until the period in which the asset is brought into use.

Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life (the useful life is based on our experience of the historic useful life of other intangible assets), as follows:

Software — 10% — straight line.

**k. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Tangible fixed assets are recognised on the following basis:

- i. Individual fixed assets of a value below £1,000 are not capitalised unless they form part of a larger project;
- ii. The group does not have any assets to capitalise of historic, scientific (including environmental) or artistic importance;



## 2. Donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	<b>Total 2016 £'000</b>	Total 2015 £'000
Donations	9,541	186	<b>9,727</b>	9,149
Donated services	476	–	<b>476</b>	258
Legacies	24,117	724	<b>24,841</b>	22,505
	<b>34,134</b>	<b>910</b>	<b>35,044</b>	<b>31,912</b>

## 3. Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	<b>Total 2016 £'000</b>	Total 2015 £'000
Rental income	23	–	<b>23</b>	33
Sale of donated assets	35	–	<b>35</b>	22
Fundraising income	976	–	<b>976</b>	873
Trading income	1,442	–	<b>1,442</b>	1,394
	<b>2,476</b>	<b>–</b>	<b>2,476</b>	<b>2,322</b>

## 4. Income from investments

	Unrestricted Funds £'000	Restricted Funds £'000	<b>Total 2016 £'000</b>	Total 2015 £'000
Listed and unlisted investments	495	–	<b>495</b>	468
Fixed term bonds	141	–	<b>141</b>	104
Building society and bank interest	34	–	<b>34</b>	60
	<b>670</b>	<b>–</b>	<b>670</b>	<b>632</b>

## 5. Expenditure on raising funds

	Unrestricted Funds £'000	Restricted Funds £'000	<b>Total 2016 £'000</b>	Total 2015 £'000
Donations and legacies	4,914	–	<b>4,914</b>	4,969
Fundraising income	794	–	<b>794</b>	622
Trading costs	1,405	–	<b>1,405</b>	1,277
Investment management costs	99	–	<b>99</b>	92
	<b>7,212</b>	<b>–</b>	<b>7,212</b>	<b>6,960</b>

## 6. Expenditure

	Staff costs £'000 (Note 10)	Other direct costs £'000	Grant funding of activities £'000 (Note 9)	Support costs £'000 (Note 8)	<b>Total 2016 £'000</b>	Total 2015 £'000
<b>Expenditure on raising funds</b>						
Donations and legacies	489	2,703	–	1,722	<b>4,914</b>	4,969
Fundraising income	59	496	–	239	<b>794</b>	622
Trading costs	344	836	–	225	<b>1,405</b>	1,277
Investment management costs	–	88	–	11	<b>99</b>	92
<b>Expenditure on charitable activities</b>						
Rescue and rehoming	6,490	6,636	77	6,038	<b>19,241</b>	17,307
Donkeys in the community	820	1,209	1,097	936	<b>4,062</b>	3,470
Human-donkey interactions	1,852	600	27	895	<b>3,374</b>	3,176
Expenditure in support of activities	5,558	4,458	50	(10,066)	–	–
	15,612	17,026	1,251	–	<b>33,889</b>	30,913

	Unrestricted funds £'000	Restricted funds £'000	<b>Total 2016 £'000</b>	Total 2015 £'000
<b>Expenditure on raising funds</b>				
Donations and legacies	4,914	–	<b>4,914</b>	4,969
Fundraising income	794	–	<b>794</b>	622
Trading costs	1,405	–	<b>1,405</b>	1,277
Investment management costs	99	–	<b>99</b>	92
<b>Expenditure on charitable activities</b>				
Rescue and rehoming	18,984	257	<b>19,241</b>	17,307
Donkeys in the community	3,871	191	<b>4,062</b>	3,470
Human-donkey interactions	3,049	325	<b>3,374</b>	3,176
	33,116	773	<b>33,889</b>	30,913

## 7. Governance Costs

	Unrestricted Funds £'000	Restricted Funds £'000	<b>Total 2016 £'000</b>	Total 2015 £'000
Audit and other financial services:				
Audit fees — external audit	30	–	<b>30</b>	30
Audit fees — overseas audit	25	–	<b>25</b>	20
Other services provided by the auditors	27	–	<b>27</b>	7
Trustees' expenses	38	–	<b>38</b>	22
Apportionment of costs supporting governance activities	337	–	<b>337</b>	296
	<b>457</b>	<b>–</b>	<b>457</b>	<b>375</b>

The aggregate amount of reimbursed trustee director expenses was £13k (2015: £6k) in respect of travel accommodation and subsistence for ten (2015: ten) trustee directors during the year, and direct meeting costs of £25k (2015: £15k). There were no trustee director expenses outstanding for reimbursement at the end of the year.

## 8. Support costs allocation

	Directorate £'000	Finance, legal & admin. £'000	Information technology £'000	Human resources £'000	Supporter services & comms. £'000	Direct support costs £'000	<b>Total 2016 £'000</b>
<b>Expenditure on raising funds</b>							
Donations and legacies	97	192	44	20	1,290	79	<b>1,722</b>
Fundraising income	18	22	5	2	180	12	<b>239</b>
Trading costs	15	21	6	19	142	22	<b>225</b>
Investment management costs	2	4	–	–	5	–	<b>11</b>
<b>Expenditure on charitable activities</b>							
Rescue and rehoming	437	1,488	200	357	1,890	1,666	<b>6,038</b>
Donkeys in the community	92	127	16	114	397	190	<b>936</b>
Human-donkey interactions	73	110	43	116	311	242	<b>895</b>
	<b>734</b>	<b>1,964</b>	<b>314</b>	<b>628</b>	<b>4,215</b>	<b>2,211</b>	<b>10,066</b>
Basis of allocation	Estimated time & expenditure	Estimated time & expenditure	Supported workstations	Headcount	Estimated time & expenditure	Headcount & expenditure	

Expenditure in support of activities includes Governance costs of £457k (2015: £375k). This is included primarily within Directorate and Finance Legal & Admin. Governance costs are shown in note 7.

	Directorate £'000	Finance, legal & admin. £'000	Information technology £'000	Human resources £'000	Supporter services & comms. £'000	Direct support costs £'000	<b>Total 2015 £'000</b>
<b>Expenditure on raising funds</b>							
Donations and legacies	106	207	53	14	1,059	95	<b>1,534</b>
Fundraising income	12	17	6	2	167	10	<b>214</b>
Trading costs	10	15	–	15	145	18	<b>203</b>
Investment management costs	4	3	–	–	4	–	<b>11</b>
<b>Expenditure on charitable activities</b>							
Rescue and rehoming	369	1,380	213	277	1,678	1,504	<b>5,421</b>
Donkeys in the community	82	113	18	89	324	175	<b>801</b>
Human-donkey interactions	70	108	37	91	276	331	<b>913</b>
	<b>653</b>	<b>1,843</b>	<b>327</b>	<b>488</b>	<b>3,653</b>	<b>2,133</b>	<b>9,097</b>
Basis of allocation	Estimated time & expenditure	Estimated time & expenditure	Supported workstations	Headcount	Estimated time & expenditure	Headcount & expenditure	

Direct support costs include the costs of health and safety, property maintenance services and central procurement and logistics, all of which provide support to operational and fundraising functions.

## 9. Grants and Donations

	Rescue and rehoming £'000	Donkeys in the community £'000	Human- donkey interactions £'000	<b>2016</b> <b>£'000</b>	2015 £'000
<b>Institutional</b>					
<b>Overseas for the welfare of donkeys</b>					
All About Animals — Gambia	–	–	–	–	6
All Creatures Animal Welfare League — Mozambique	–	9	–	<b>9</b>	–
Animal Nepal	–	80	–	<b>80</b>	46
Arusha Society for the Protection of Animals (ASPA) — Tanzania	–	24	–	<b>24</b>	22
Bonaire Donkey Sanctuary — Dutch Antilles	–	14	–	<b>14</b>	18
Bridging Lanka	–	32	–	<b>32</b>	–
Caravan Arts	–	–	–	–	5
Cheshire Homes (Cheshire Services Ethiopia)	–	–	10	<b>10</b>	9
Egyptian Society of Animal Friends	–	5	–	<b>5</b>	–
Egyptian Society for the Protection and Welfare of Working Animals	–	212	–	<b>212</b>	158
DHWP — Faculty of Veterinary Medicine at the University of Ethiopia	–	134	–	<b>134</b>	109
FAWCAM (Foundation for Animal Welfare, Cameroon)	–	23	–	<b>23</b>	15
Greek Animal Welfare Fund	26	–	–	<b>26</b>	19
Greenfound Foundation — Dutch Caribbean	–	9	–	<b>9</b>	–
Highveld Horse Care Unit — South Africa	–	14	–	<b>14</b>	13
Lilongwe Society for the Protection and Care of Animals	–	21	–	<b>21</b>	–
McGregor (Eseltjiesrus) Donkey Sanctuary — S. Africa	–	6	–	<b>6</b>	5
Meru Animal Welfare Org (MAWO) — Tanzania	–	40	–	<b>40</b>	26
Moroccan Muleteers Outdoor Trekking Research	–	–	–	–	7
Mwamfumba Cooperative — Zambia and Zimbabwe	–	46	–	<b>46</b>	18
NSPCA — South Africa	–	29	–	<b>29</b>	40
Palestine Wildlife Society	–	12	–	<b>12</b>	–
Roots & Shoots (Jane Goodall Institute Tanzania)	–	11	–	<b>11</b>	7
Social & Animal Welfare Service — Somaliland	–	11	–	<b>11</b>	5
T&C Society for the Prevention of Cruelty to Animals — Turks & Caicos	–	–	–	–	8
Tanzania Animal Welfare Charity (TAWEC)	–	5	–	<b>5</b>	–
Tanzania Animal Welfare Society (TAWESO)	–	33	–	<b>33</b>	24
The Donkey Sanctuary — India	–	219	–	<b>219</b>	157
University of Milan	20	–	–	<b>20</b>	–
Items £5,000 or less	11	14	–	<b>25</b>	31
	<b>57</b>	<b>1,003</b>	<b>10</b>	<b>1,070</b>	<b>748</b>

	Rescue and rehoming £'000	Donkeys in the community £'000	Human-donkey interactions £'000	2016 £'000	2015 £'000
<b>Institutional</b>					
<b>UK for the welfare of donkeys</b>					
Animal Health Trust	18	–	–	<b>18</b>	–
British Equestrian Foundation	–	–	–	–	9
Progressive Ideas	20	–	–	<b>20</b>	15
The Brooke Hospital for Animals	–	38	–	<b>38</b>	–
University of Exeter	–	–	27	<b>27</b>	–
University of Bristol	–	25	–	<b>25</b>	58
Canterbury Christ Church University	3	–	–	<b>3</b>	8
Items £5,000 or less	–	–	–	–	6
	41	63	27	<b>131</b>	96
Expenditure in support of activities	–	50	–	<b>50</b>	44
<b>Total</b>	98	1,116	37	<b>1,251</b>	888

Grants payable to UK and overseas organisations are considered to be part of the costs of activities in the furtherance of the objects of the charity because much of the charity's development programme is carried out through such grants to organisations whose objectives accord with those of the charity. Grants and donations for 2016 include those made to the Association in Egypt (ESPWWA), the Faculty of Veterinary Medicine at the University of Ethiopia and to the Trust in India (The Donkey Sanctuary — India). Committed grants are fully provided for as at 31 December 2016. All grants made are to institutions. Expenditure in support of activities comprises salary costs.

As at 31 December 2016 full provision has been made for the following grants for 2017 and beyond. These research projects had either started or were fully committed to before the period end:

	£'000
Research grant — University of Bristol	<b>40</b>
Research grant — University of Exeter	<b>7</b>
Research grant — University of Glasgow	<b>39</b>

## 10. Staff costs and volunteers

	2016 £'000	2015 £'000
<b>Staff costs for the year were as follows:</b>		
Salary	<b>13,338</b>	12,085
Social security costs	<b>1,305</b>	1,163
Pension contributions	<b>969</b>	887
	<b>15,612</b>	14,135

The average number of staff employed during the year was as follows:

	2016 No.	2015 No.	2016 FTE	2015 FTE
Rescue and rehoming	<b>279</b>	263	<b>246</b>	232
Donkeys in the community	<b>82</b>	78	<b>78</b>	75
Human-donkey interactions	<b>107</b>	102	<b>80</b>	76
Fundraising	<b>17</b>	14	<b>16</b>	13
Trading	<b>19</b>	20	<b>13</b>	13
Support activities	<b>198</b>	189	<b>177</b>	162
	<b>702</b>	666	<b>610</b>	571

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2016 No.	2015 No.
£60,001–£70,000	<b>1</b>	–
£70,001–£80,000*	<b>1</b>	1
£80,001–£90,000	<b>6</b>	4
£90,001–£100,000	–	–
£100,001–£110,000	–	–
£110,001–£120,000	–	1
£120,001–£130,000*	<b>1</b>	–
	<b>9</b>	6

Emoluments include salary and benefits-in-kind but exclude pension scheme contributions. \*2016 emoluments include a total of £71k payments for compensation for loss of office. These are accounted for in the period to which they relate when the liability to pay arises. There were no amounts outstanding for loss of office as at 31 December 2016.

No remuneration was paid to any trustee or to any person connected with them during the year.

We are very grateful for the contribution given by general volunteers to The Donkey Sanctuary.

During the year volunteers helped us with a wide range of activities, including the trustees, providing governance, quality time volunteers, fundraising, donkey-assisted therapy and helping in the charity shops. We estimate that volunteers have contributed over 41,000 hours to The Donkey Sanctuary in 2016 (2015: over 15,000). It is not practicable to attach a value to this contribution.

## 11. Intangible fixed assets: Software

	Group £'000	Charity £'000
<b>Cost</b>		
At 1 January 2016	1,426	1,387
Additions	225	225
Disposals	–	–
Foreign currency translation adjustment	1	–
At 31 December 2016	1,652	1,612
<b>Amortisation</b>		
At 1 January 2016	323	312
Charge for the year	135	130
Adjustment for disposals	–	–
At 31 December 2016	458	442
<b>Net book value</b>		
<b>At 31 December 2016</b>	<b>1,194</b>	<b>1,170</b>
At 31 December 2015	1,103	1,075

In the statement of financial activities amortisation is allocated to expenditure on raising funds and expenditure on charitable activity according to the activities that each intangible fixed asset supports.

Assets under construction amounting to £200k (2015:£10k) have not been amortised.

## 12. Tangible fixed assets

### Tangible fixed assets — Group

	Leasehold property £'000	Freehold land and buildings £'000	Vehicles and tractors £'000	Equipment fixtures and fittings £'000	<b>Total fixed assets £'000</b>
<b>Cost</b>					
At 1 January 2016	1,762	24,837	3,807	4,091	34,497
Additions	42	3,887	412	394	4,735
Disposals	–	–	(201)	(197)	(398)
Foreign currency translation adjustment	–	535	77	124	736
<b>At 31 December 2016</b>	<b>1,804</b>	<b>29,259</b>	<b>4,095</b>	<b>4,412</b>	<b>39,570</b>
<b>Depreciation</b>					
At 1 January 2016	137	5,694	2,815	2,822	11,468
Charge for the year	38	416	236	290	980
Adjustment for disposals	–	–	(181)	(173)	(354)
Foreign currency translation adjustment	–	65	67	81	213
<b>At 31 December 2016</b>	<b>175</b>	<b>6,175</b>	<b>2,937</b>	<b>3,020</b>	<b>12,307</b>
<b>Net book value</b>					
<b>At 31 December 2016</b>	<b>1,629</b>	<b>23,084</b>	<b>1,158</b>	<b>1,392</b>	<b>27,263</b>
At 31 December 2015	1,625	19,143	992	1,269	23,029
The net book value represents fixed assets used for:					
<b>Direct charitable purpose</b>					
Rescue and rehoming	–	19,915	818	1,062	<b>21,795</b>
Donkeys in the community	–	29	85	6	<b>120</b>
Human-donkey interactions	1,499	1,954	117	97	<b>3,667</b>
<b>Other purposes</b>					
Fundraising	–	–	–	5	<b>5</b>
Trading	104	951	132	37	<b>1,224</b>
Administration and support	26	235	6	185	<b>452</b>
	<b>1,629</b>	<b>23,084</b>	<b>1,158</b>	<b>1,392</b>	<b>27,263</b>

Freehold land amounting to £3,665k has not been depreciated (2015: £3,518k) and assets under construction amounting to £4,268k (2015: £872k) are included within freehold land and buildings and equipment additions. These have not been depreciated.

## Tangible fixed assets — Charity

	Leasehold property £'000	Freehold land and buildings £'000	Vehicles and tractors £'000	Equipment fixtures and fittings £'000	<b>Total fixed assets £'000</b>
<b>Cost</b>					
At 1 January 2016	1,762	21,457	3,036	3,100	29,355
Additions	42	3,823	333	304	4,502
Disposals	–	–	(109)	(138)	(247)
<b>At 31 December 2016</b>	<b>1,804</b>	<b>25,280</b>	<b>3,260</b>	<b>3,266</b>	<b>33,610</b>
<b>Depreciation</b>					
At 1 January 2016	137	5,317	2,129	2,078	9,661
Charge for the year	38	366	208	203	815
Adjustment for disposals	–	–	(90)	(114)	(204)
<b>At 31 December 2016</b>	<b>175</b>	<b>5,683</b>	<b>2,247</b>	<b>2,167</b>	<b>10,272</b>
<b>Net book value</b>					
<b>At 31 December 2016</b>	<b>1,629</b>	<b>19,597</b>	<b>1,013</b>	<b>1,099</b>	<b>23,338</b>
At 31 December 2015	1,625	16,140	907	1,022	19,694
The net book value represents fixed assets used for:					
<b>Direct charitable purpose</b>					
Rescue and rehoming	–	16,428	681	773	<b>17,882</b>
Donkeys in the community	–	29	77	4	<b>110</b>
Human–donkey interactions	1,499	1,954	117	97	<b>3,667</b>
<b>Other purposes</b>					
Fundraising	–	–	–	5	<b>5</b>
Trading	104	951	132	35	<b>1,222</b>
Administration and support	26	235	6	185	<b>452</b>
	<b>1,629</b>	<b>19,597</b>	<b>1,013</b>	<b>1,099</b>	<b>23,338</b>

Freehold land amounting to £2,594k has not been depreciated (2015: £2,594k) and assets under construction amounting to £4,266k (2015: 867k) are included within freehold land and buildings and equipment additions. These have not been depreciated.

### 13. Fixed asset investments

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
<b>Valuation</b>				
Opening balance	23,334	20,917	23,484	21,067
Additions	2,967	4,889	2,967	4,889
Disposals and withdrawals	(2,511)	(1,662)	(2,511)	(1,662)
Transfers	(2,063)	(854)	(2,063)	(854)
Unrealised gain/(loss)	2,026	44	2,026	44
<b>Closing balance</b>	<b>23,753</b>	23,334	<b>23,903</b>	23,484
<b>Fixed asset investments are detailed below:</b>				
<b>Investments in subsidiary undertakings</b>				
Donkey World Limited				
— 150,000 ordinary shares of £1 each	—	—	150	150
The Hayloft (Donkey Sanctuary) Limited				
— 4 ordinary shares of £1 each	—	—	—	—
<b>Indirect investment in UK listed securities</b>				
UK fixed interest bonds	4,641	4,504	4,641	4,504
Property backed fund	1,063	1,062	1,063	1,062
UK equities	8,061	7,594	8,061	7,594
Cash funds	800	150	800	150
Alternative assets	862	584	862	584
<b>Indirect investment in overseas listed securities</b>				
International bonds	443	379	443	379
Overseas equities	6,353	5,374	6,353	5,374
<b>Total listed investments</b>	<b>22,223</b>	19,647	<b>22,373</b>	19,797
<b>Other</b>				
Investment management cash accounts	530	632	530	632
Building society deposits	—	1,055	—	1,055
Cash-based investment deposits	1,000	2,000	1,000	2,000
	<b>23,753</b>	23,334	<b>23,903</b>	23,484

No individual investments held at 31 December 2016 or 31 December 2015 had a market value in excess of 5% of the total market value of listed investments.

Details of the investments in subsidiary undertakings can be found in note 24.

## 14. Stock

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trading stock	331	365	52	53
Stock of feed, straw and bedding	115	110	94	86
Veterinary supplies, equipment, stores and other	94	95	67	69
	<b>540</b>	570	<b>213</b>	208

£2,493k (2015: £2,132k) has been recognised as expenditure in the statement of financial activities for the above stock items.

## 15. Debtors and prepayment

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts due from subsidiary undertakings and connected parties	–	–	503	533
Other debtors	126	26	212	67
Income tax recoverable	198	108	198	108
Residual legacies	15,196	14,099	14,518	13,191
Social security and other taxes	53	–	53	–
Prepayments	397	290	377	263
Accrued income	81	104	79	104
	<b>16,051</b>	14,627	<b>15,940</b>	14,266

## 16. Creditors: amounts falling due within one year

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts due to subsidiary undertakings and connected parties	–	–	42	19
Accounts payable	838	506	598	274
Social security and other taxes	389	350	255	245
Other creditors	335	328	185	213
Accruals	949	828	637	658
	<b>2,511</b>	2,012	<b>1,717</b>	1,409

## 17. Pension scheme

### Defined Contribution Scheme

The charity provides a Group Personal Pension Scheme operated by AEGON Scottish Equitable. Three categories of employer contributions operate within the scheme which are tiered according to seniority. The cost for the accounting period is disclosed in note 10. A contribution by all staff is required, with the exception of a small number of longer-serving senior staff who have remained on a non-contributory category. The defined contribution nature of the scheme avoids the potential volatility of employer pension costs experienced by the previously operated defined benefit schemes.

The pension contributions are allocated to activities by direct attribution and via the support cost allocation. The liability and expenditure is allocated to unrestricted funds.

## 18. Capital commitments

At 31 December 2016 the group had the following contracts for capital commitments that have not been accrued within these accounts, as well as having authorised but not contracted other capital projects for 2017 and beyond:

	2016 £'000	2015 £'000
Authorised and contracted at period end	1,596	–
Authorised but not contracted at period end	2,579	6,365

Capital commitments that have been authorised and contracted include the final stages of the construction of our new veterinary hospital and restaurant. Capital commitments authorised but not contracted by the end of the year include provision for the construction of our donkey reception unit, and visitor facilities. Construction of these new facilities commenced towards the end of 2015.

## 19. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016 £'000	2015 £'000
Less than one year	88	65
Between one and five years	62	63
More than five years	273	281
	423	409

During the year £97k was recognised as an expense in the profit and loss account in respect of operating leases (2015: £77k).

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## 20. Analysis of movement in funds

### Restricted funds

The reserves of the group include restricted funds which comprise income held on trusts to be applied for those specific purposes as described in the table below. The group has sufficient resources held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

The source of the income is represented by funds raised from:

- local or national fundraising activities, all of which have been completed by the end of the period; or
- specific donations or legacies requesting the funds be applied as specified by the donor

Tangible fixed asset funds represent funds received in respect of specific items of equipment, vehicles or capital building projects, all of the funding relating thereto having been spent by the end of the financial year. Each tangible asset fund is amortised so as to match the depreciation rate of the associated asset.

Current asset funds are funds received for which the associated project has yet to commence or had yet to be fully utilised by the end of the financial year. Funds are held in cash at bank and in hand until the project is complete.

Operating cost funds are funds relating to the operational projects (i.e. non capital projects) of the charity and ordinarily are spent before the end of the financial year.

## Analysis of movement in funds — Group

Group	Balance at 01.01.16 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers between funds £'000	Other recognised gains £'000	Balance at 31.12.16 £'000
<b>Restricted funds</b>						
<b>Tangible fixed asset funds</b>						
Farm buildings (UK)	375	–	(9)	–	–	<b>366</b>
Veterinary and isolation facilities	753	212	(10)	–	–	<b>955</b>
Veterinary equipment	12	–	(3)	–	–	<b>9</b>
Farm equipment and machinery	22	–	(5)	–	–	<b>17</b>
DAT centres	1,364	–	(33)	–	–	<b>1,331</b>
DAT centre equipment	10	–	(3)	–	–	<b>7</b>
DAT centre vehicles	20	–	(4)	–	–	<b>16</b>
Education and activities vehicles	27	–	(5)	–	–	<b>22</b>
<b>Current asset fund</b>						
Turks & Caicos	171	–	–	–	–	<b>171</b>
Donkeys in the community	–	–	–	–	–	<b>–</b>
DAT centre equipment	9	–	(3)	–	–	<b>6</b>
<b>Operating cost funds</b>						
Rescue and rehoming	–	225	(225)	–	–	<b>–</b>
Donkeys in the community	–	195	(195)	–	–	<b>–</b>
DAT centres	–	278	(278)	–	–	<b>–</b>
<b>Total restricted funds</b>	<b>2,763</b>	<b>910</b>	<b>(773)</b>	<b>–</b>	<b>–</b>	<b>2,900</b>
<b>Unrestricted funds</b>						
General funds	38,552	37,433	(32,553)	(2,558)	2,488	<b>43,362</b>
Designated funds	27,914	–	(563)	2,558	–	<b>29,909</b>
<b>Total unrestricted funds</b>	<b>66,466</b>	<b>37,433</b>	<b>(33,116)</b>	<b>–</b>	<b>2,488</b>	<b>73,271</b>
<b>Total group funds</b>	<b>69,229</b>	<b>38,343</b>	<b>(33,889)</b>	<b>–</b>	<b>2,488</b>	<b>76,171</b>

## Analysis of movement in funds — Charity

Charity	Balance at 01.01.16 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers between funds £'000	Other recognised gains £'000	Balance at 31.12.16 £'000
<b>Restricted funds</b>						
<b>Tangible fixed asset funds</b>						
Farm buildings (UK)	375	–	(9)	–	–	<b>366</b>
Veterinary and isolation facilities	753	212	(10)	–	–	<b>955</b>
Veterinary equipment	12	–	(3)	–	–	<b>9</b>
Farm equipment and machinery	22	–	(5)	–	–	<b>17</b>
DAT centres	1,364	–	(33)	–	–	<b>1,331</b>
DAT centre equipment	10	–	(3)	–	–	<b>7</b>
DAT centre vehicles	20	–	(4)	–	–	<b>16</b>
Education and activities vehicles	27	–	(5)	–	–	<b>22</b>
<b>Current asset fund</b>						
Turks & Caicos	171	–	–	–	–	<b>171</b>
Donkeys in the community	–	–	–	–	–	<b>–</b>
DAT centre equipment	9	–	(3)	–	–	<b>6</b>
<b>Operating cost funds</b>						
Rescue and rehoming	–	225	(225)	–	–	<b>–</b>
Donkeys in the community	–	195	(195)	–	–	<b>–</b>
DAT centres	–	278	(278)	–	–	<b>–</b>
<b>Total restricted funds</b>	<b>2,763</b>	<b>910</b>	<b>(773)</b>	<b>–</b>	<b>–</b>	<b>2,900</b>
<b>Unrestricted funds</b>						
General funds	37,844	34,769	(29,545)	(2,099)	1,930	<b>42,899</b>
Designated funds	24,311	–	(916)	2,099	–	<b>25,494</b>
<b>Total unrestricted funds</b>	<b>62,155</b>	<b>34,769</b>	<b>(30,461)</b>	<b>–</b>	<b>1,930</b>	<b>68,393</b>
<b>Total charity funds</b>	<b>64,918</b>	<b>35,679</b>	<b>(31,234)</b>	<b>–</b>	<b>1,930</b>	<b>71,293</b>

## 21. Designated funds

### Designated fund movements — Group

Group	Balance at 01.01.16 £'000	Transferred £'000	Additional approved £'000	Released £'000	Depreciation and disposals £'000	Balance at 31.12.16 £'000
Intangible fixed assets fund	1,423	–	358	–	(134)	<b>1,647</b>
Tangible fixed assets fund	26,491	–	2,200	–	(429)	<b>28,262</b>
	<b>27,914</b>	<b>–</b>	<b>2,558</b>	<b>–</b>	<b>(563)</b>	<b>29,909</b>

### Designated fund movements — Charity

Charity	Balance at 01.01.16 £'000	Transferred £'000	Additional approved £'000	Released £'000	Depreciation and disposals £'000	Balance at 31.12.16 £'000
Intangible fixed assets fund	1,395	–	358	–	(130)	<b>1,623</b>
Tangible fixed assets fund	22,916	–	1,741	–	(786)	<b>23,871</b>
	<b>24,311</b>	<b>–</b>	<b>2,099</b>	<b>–</b>	<b>(916)</b>	<b>25,494</b>

Intangible fixed assets fund — this fund represents the amalgamation of:

- Unrestricted income funds that could only be released by disposing of intangible fixed assets held for charitable use.
- Unrestricted income funds designated for specific future capital projects for which the Trustee has either authorised and contracted or authorised but not contracted the related expenditure as set out in note 18.

Tangible fixed assets fund — this fund represents the amalgamation of:

- Unrestricted income funds that could only be released by disposing of tangible fixed assets held for charitable use.
- Unrestricted income funds designated for specific future capital projects for which the Trustee has either authorised and contracted or authorised but not contracted the related expenditure as set out in note 18.

## 22. Analysis of net assets

### Analysis of net assets — Group

Group	Intangible fixed assets £'000	Tangible fixed assets £'000	Investments £'000	Current assets £'000	Current liabilities £'000	Total group net assets at 31.12.16 £'000
Restricted funds	–	2,723	–	177	–	<b>2,900</b>
Unrestricted funds:						
Designated funds	1,194	24,540	–	4,175	–	<b>29,909</b>
General funds	–	–	23,753	22,120	(2,511)	<b>43,362</b>
	<b>1,194</b>	<b>27,263</b>	<b>23,753</b>	<b>26,472</b>	<b>(2,511)</b>	<b>76,171</b>

### Analysis of net assets — Charity

Charity	Intangible fixed assets £'000	Tangible fixed assets £'000	Investments £'000	Current assets £'000	Current liabilities £'000	Total charity net assets at 31.12.16 £'000
Restricted funds	–	2,723	–	177	–	<b>2,900</b>
Unrestricted funds:						
Designated funds	1,170	20,615	–	3,709	–	<b>25,494</b>
General funds	–	–	23,903	20,713	(1,717)	<b>42,899</b>
	<b>1,170</b>	<b>23,338</b>	<b>23,903</b>	<b>24,599</b>	<b>(1,717)</b>	<b>71,293</b>

## 23. Legacies receivable

At the end of the year the group was entitled to receive an estimated £5,164k (2015: £5,043k) from residual legacies subject to life tenancies. These mainly comprise shares in properties and investments held in trusts. Residual legacies subject to life tenancies are recognised in the accounts once the tenancy restriction is removed.

On 20 April 2016 the Charity Commission authorised The Donkey Sanctuary to make an application of property in the sum of £4,100 from The Donkey Sanctuary's share of the estate of the late Julia Margaret Abate. The trustees regarded themselves as being under a moral obligation to make the payment.

## 24. Subsidiaries and related party transactions

### Related party transactions

Related parties comprise trustees (and close members of their families), subsidiaries, key management personnel (and close members of their families) and anyone carrying out business in partnership with any of the aforementioned parties. There are no related party transactions which require disclosure under FRS 102.

### Subsidiary undertakings

The Donkey Sanctuary's subsidiaries, El Refugio Del Burrito, Il Rifugio Degli Asinelli O.N.L.U.S, The Donkey Sanctuary (Cyprus) Limited, The Donkey Sanctuary (Ireland) Limited, Stichting The Donkey Sanctuary Nederland, The International Donkey Protection Trust, The Elisabeth Svendsen Trust for Children and Donkeys, The Donkey Sanctuary Kenya, Donkey World Limited and The Hayloft (Donkey Sanctuary) Limited are incorporated into the consolidated accounts in accordance with FRS 102 using the acquisition accounting method.

#### a. El Refugio Del Burrito

El Refugio Del Burrito (an Association registered in Spain whose registered office is at Avda. Ricardo Soriano, 12, Edif. Marques de Salamanca, 2nd floor-office 8, 29600 Marbella — Malaga (Spain), registered number 170773) qualifies as a subsidiary undertaking of The Donkey Sanctuary due to the composition of its board of directors (see below).

The directors of El Refugio Del Burrito are:

- John Akers Executive officer of The Donkey Sanctuary
- Mike Baker Executive officer of The Donkey Sanctuary (appointed 5 July 2016)
- David Cook Executive officer of The Donkey Sanctuary (retired 13 May 2016)
- Andy Foxcroft Executive officer of The Donkey Sanctuary
- Marianne Steele Executive officer of The Donkey Sanctuary
- Chris Young Executive officer of The Donkey Sanctuary

The income and costs of El Refugio Del Burrito relate to the provision of care, protection and or permanent security anywhere in the world for donkeys and mules which are in need of attention by reason of sickness, maltreatment, poor circumstances, ill-usage or other like causes and the prevention of cruelty and suffering among donkeys and mules. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Total income	<b>1,221</b>	847
Total cost of charitable activities	<b>(1,213)</b>	(869)
Governance cost	<b>(4)</b>	(7)
Total expenditure	<b>(1,217)</b>	(876)
<b>Net income/(expenditure) for the year</b>	<b>4</b>	(29)

As at 31 December 2016, El Refugio Del Burrito had net assets of £2,020k (2015: £1,748k). This comprised assets of £2,083k (2015: £1,793k) and liabilities of £63k (2015: £45k)

## b. Il Rifugio Degli Asinelli (O.N.L.U.S.)

Il Rifugio Degli Asinelli O.N.L.U.S (an Association registered in Italy whose registered office is at Via Per Zubiena 62, 13884 Sala Biellese, Italy, registered number 42000) qualifies as a subsidiary undertaking of The Donkey Sanctuary due to the composition of its board of directors (see below).

The directors of Il Rifugio Degli Asinelli O.N.L.U.S are:

- John Akers Executive officer of The Donkey Sanctuary
- David Cook Executive officer of The Donkey Sanctuary (retired 13 May 2016)
- Andy Foxcroft Executive officer of The Donkey Sanctuary
- Marianne Steele Executive officer of The Donkey Sanctuary
- Chris Young Executive officer of The Donkey Sanctuary

The income and costs of Il Rifugio Degli Asinelli O.N.L.U.S relate to the provision of care, protection and or permanent security anywhere in the world for donkeys and mules which are in need of attention by reason of sickness, maltreatment, poor circumstances, ill-usage or other like causes and the prevention of cruelty and suffering among donkeys and mules. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Total income	<b>853</b>	634
Total cost of charitable activities	<b>(827)</b>	(658)
Governance cost	<b>(2)</b>	(2)
Total expenditure	<b>(829)</b>	(660)
<b>Net income/(expenditure) for the year</b>	<b>24</b>	(26)

As at 31 December 2016, Il Rifugio Degli Asinelli O.N.L.U.S had net assets of £1,596k (2015: £1,341k). This comprised assets of £1,837k (2015: £1,520k) and liabilities of £241k (2015: £179k).

### c. The Donkey Sanctuary (Cyprus) Limited

The Donkey Sanctuary (Cyprus) Limited (a Company registered in Cyprus whose registered office is at Georgiou Gennadiou, 10A, Agathangelos Court, 2nd Floor, Flat 203, Limassol, Cyprus, registered number HE194261) qualifies as a subsidiary undertaking of The Donkey Sanctuary due to the composition of its board of directors (see below).

The directors of The Donkey Sanctuary (Cyprus) Limited are:

- John Akers Executive officer of The Donkey Sanctuary
- Mike Baker Executive officer of The Donkey Sanctuary (appointed 5 July 2016, resigned 10 April 2017)
- David Cook Executive officer of The Donkey Sanctuary (retired 13 May 2016)
- Andy Foxcroft Executive officer of The Donkey Sanctuary
- Chris Young Executive officer of The Donkey Sanctuary

The income and costs of The Donkey Sanctuary (Cyprus) Limited relate to the provision of care, protection and or permanent security anywhere in the world for donkeys and mules which are in need of attention by reason of sickness, maltreatment, poor circumstances, ill-usage or other like causes and the prevention of cruelty and suffering among donkeys and mules. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Total income	<b>312</b>	279
Total cost of charitable activities	<b>(317)</b>	(281)
Governance cost	<b>(2)</b>	(2)
Total expenditure	<b>(319)</b>	(283)
<b>Net expenditure for the year</b>	<b>(7)</b>	(4)

As at 31 December 2016, The Donkey Sanctuary (Cyprus) Limited had net assets of £40k (2015:£41k). This comprised assets of £56k (2015: £52k) and liabilities of £16k (2015: £11k).

#### d. The Donkey Sanctuary (Ireland) Limited

The Donkey Sanctuary (Ireland) Limited was incorporated on 21 January 2011 (a company limited by guarantee and registered in Ireland (registered charity CHY11617, registered company 494024) whose registered office is Liscarroll, Mallow, County Cork, Ireland). The company commenced its charitable activities on 1 September 2011 and qualifies as a subsidiary undertaking by virtue of the degree of management and control exerted by The Donkey Sanctuary.

The directors of The Donkey Sanctuary (Ireland) Limited are:

- Noel Carton Operations Manager of The Donkey Sanctuary (Ireland) Limited (resigned 25 July 2016)
- David Cook Executive officer of The Donkey Sanctuary (retired 13 May 2016)
- Andy Foxcroft Executive officer of The Donkey Sanctuary
- Denis Healy Of independent status
- Greg Higgins Finance Manager of The Donkey Sanctuary (Ireland) Limited (appointed 28 June 2016, resigned 25 July 2016)
- Rosemary Polden Of independent status (appointed 12 October 2016)
- Chris Young Executive officer of The Donkey Sanctuary (resigned 1 August 2016)

The income and costs of The Donkey Sanctuary (Ireland) Limited relate to the provision of care, protection and or permanent security anywhere in the world for donkeys and mules which are in need of attention by reason of sickness, maltreatment, poor circumstances, ill-usage or other like causes and the prevention of cruelty and suffering among donkeys and mules. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Total income	<b>3,758</b>	3,826
Total cost of charitable activities	<b>(3,738)</b>	(3,416)
Governance cost	<b>(7)</b>	(8)
Total expenditure	<b>(3,745)</b>	(3,424)
<b>Net income for the year</b>	<b>13</b>	402

As at 31 December 2016, The Donkey Sanctuary (Ireland) Limited had net assets of £662k (2015: £561k). This comprised assets of £936k (2015: £828k) and liabilities of £274k (2015: £267k).

#### e. Stichting The Donkey Sanctuary Nederland

Stichting The Donkey Sanctuary Nederland was incorporated on 3 June 2010 (a Foundation registered in Holland whose registered office is Polarisavenue 83 I, 2132 JH Hoofddorp, Holland, registered number 50110152). The foundation commenced its charitable activities on 1 February 2011 and qualifies as a subsidiary undertaking of The Donkey Sanctuary due to the composition of its board of directors (see below).

The directors of Stichting The Donkey Sanctuary Nederland are:

- John Akers Executive officer of The Donkey Sanctuary
- Mike Baker Executive officer of The Donkey Sanctuary (appointed 9 May 2016)
- David Cook Executive officer of The Donkey Sanctuary (retired 9 May 2016)
- Marianne Steele Executive officer of The Donkey Sanctuary
- Chris Young Executive officer of The Donkey Sanctuary

The income and costs of Stichting The Donkey Sanctuary Nederland relate to fundraising for the charitable objectives of The Donkey Sanctuary. Transactions have been included within the consolidated costs of generating voluntary income for The Donkey Sanctuary.

	2016 £'000	2015 £'000
Total income	1,908	1,335
Total cost of charitable activities	(1,900)	(1,320)
Governance cost	(8)	(5)
Total expenditure	(1,908)	(1,325)
<b>Net income for the year</b>	<b>–</b>	<b>10</b>

As at 31 December 2016, Stichting The Donkey Sanctuary Nederland had net assets of £4k (2015: £4k). This comprised assets of £293k (2015: £161k) and liabilities of £289k (2015: £157k).

## f. The Donkey Sanctuary Kenya Limited

The Donkey Sanctuary Kenya Limited was incorporated on 5th March 2010 (a Company limited by guarantee and registered in Kenya whose registered office is at Kenya Society for the Protection & Care of Animals (KSPCA) — Karen office, Langata Road, PO Box 24203-00502, Nairobi, registered number CPR/2009/13322). The company commenced its charitable activities in October 2010 and qualifies as a subsidiary undertaking of The Donkey Sanctuary due to the composition of its board of directors (see below).

The directors of The Donkey Sanctuary Kenya Limited are:

- Mike Baker Executive officer of The Donkey Sanctuary (appointed 12 May 2016)
- Stephen Blakeway Executive officer of The Donkey Sanctuary (resigned 15 December 2016)
- David Cook Executive officer of The Donkey Sanctuary (retired 12 May 2016)
- James Duncan Director of The Donkey Sanctuary Trustee Limited
- Jean Gilchrist Of independent status
- Vijay Varma Of independent status

The income and costs of The Donkey Sanctuary Kenya Limited relate to the provision of care, protection and or permanent security anywhere in the world for donkeys and mules which are in need of attention by reason of sickness, maltreatment, poor circumstances, ill-usage or other like causes and the prevention of cruelty and suffering among donkeys and mules. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Total income	<b>260</b>	274
Total cost of charitable activities	<b>(292)</b>	(275)
Governance cost	<b>(1)</b>	(2)
Total expenditure	<b>(293)</b>	(277)
<b>Net expenditure for the year</b>	<b>(33)</b>	(3)

As at 31 December 2016, The Donkey Sanctuary Kenya Limited had net assets of £11k (2015: £37k). This comprised assets of £13k (2015: £38k) and liabilities of £2k (2015: £1k).

#### g. The International Donkey Protection Trust

Since 1 October 2000, when the objects of The Donkey Sanctuary were amended by the Charity Commission, The Donkey Sanctuary has taken the responsibility for all overseas work previously carried out by the International Donkey Protection Trust (IDPT) and the Trustees of IDPT resolved to pass all funds received by IDPT to The Donkey Sanctuary. However, IDPT still exists as a “shell” charity with the full knowledge and agreement of the Charity Commission (registered number 271410).

On 21st December 2010, the Charity Commission granted a scheme under which The International Donkey Protection Trust would be incorporated within the Charity. Under this uniting direction, IDPT is treated as forming part of The Donkey Sanctuary for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

The income of the International Donkey Protection Trust relates to legacy and donation income generated for the charitable objectives of The Donkey Sanctuary. Transactions have been included within the consolidated voluntary income of The Donkey Sanctuary.

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Total income	<b>406</b>	362
Amount donated to The Donkey Sanctuary	<b>(417)</b>	(427)
<b>Net expenditure for the year</b>	<b>(11)</b>	(65)

As at 31 December 2016, The International Donkey Protection Trust had net assets of £259k (2015: £270k). This comprised assets of £259k (2015: £270k).

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#### **h. The Elisabeth Svendsen Trust for Children and Donkeys (EST)**

On 2 December 2011 the Trustees of The Donkey Sanctuary Trustee Limited (“The Company”) and the Incorporated Trustees of The Elisabeth Svendsen Trust for Children and Donkeys (“EST”) agreed to proceed with the merging of EST’s activities into those of The Donkey Sanctuary with the intention that The Company would act as Trustee of both The Donkey Sanctuary and EST.

On 21 December 2011 the Charity Commission granted a Scheme under which EST would be incorporated within The Donkey Sanctuary and has agreed to the new objects for the merged charity. The effective date of the Scheme was 1 January 2012 and under this uniting direction, EST is treated as forming part of The Donkey Sanctuary for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011. EST still exists as a “shell” charity with the full knowledge and agreement of the Charity Commission (registered number 801070).

As part of the agreement EST transferred the fair value of its net assets, amounting to £5,112k, to The Donkey Sanctuary on 1 January 2012 and all subsequent donkey-assisted therapy activity has been consolidated into the accounts of The Donkey Sanctuary in accordance with FRS 102.

The income of EST relates to legacy and donation income generated for the charitable objectives of The Donkey Sanctuary. Transactions have been included within the consolidated results of the charitable activities of The Donkey Sanctuary.

	<b>2016</b>	2015
	<b>£’000</b>	£’000
Total income	<b>263</b>	522
Amount donated to The Donkey Sanctuary	<b>(279)</b>	(644)
<b>Net expenditure for the year</b>	<b>(16)</b>	(122)

As at 31 December 2016, The Elisabeth Svendsen Trust for Children and Donkeys had net assets of £278k (2015: £294k). This comprised assets of £278k (2015: £294k).

## i. Donkey World Limited

Donkey World Limited “the Company”, registered number 4452098, was incorporated on 30 May 2002 and commenced trading on 1 October 2002 to conduct trading activities in support of the charitable objects of The Donkey Sanctuary and The Elisabeth Svendsen Trust for Children and Donkeys. The principal activity is the sale of merchandise by mail order through a catalogue and the internet and sales at our visitor centres.

The Donkey Sanctuary holds 150,000 Ordinary Shares of £1 each in Donkey World Limited, the shares representing a holding of 100% in the Company.

The directors of Donkey World Limited are:

- Mike Baker Executive officer of The Donkey Sanctuary (appointed 14 July 2016)
- David Cook Executive officer of The Donkey Sanctuary (retired 13 May 2016)
- John Dale Of independent status
- Marianne Steele Executive officer of The Donkey Sanctuary
- Chris Young Executive officer of The Donkey Sanctuary

The directors have agreed that the Company, by virtue of its principal objects, will distribute by way of charitable donations the majority of its retained profit for the year to its 100% parent undertaking — The Donkey Sanctuary. On this basis charitable donations amounting to £191k (2015: £162k) were accrued in the consolidated results of The Donkey Sanctuary for the year.

The following are extracts from Donkey World Limited’s financial statements:

	<b>2016</b>	2015
	<b>£’000</b>	£’000
Turnover	<b>887</b>	903
Cost of sales	<b>(338)</b>	(381)
<b>Gross profit</b>	<b>549</b>	522
Other income	<b>4</b>	2
Administration and other costs	<b>(362)</b>	(362)
Taxation	<b>–</b>	–
<b>Net income</b>	<b>191</b>	162
Amount donated to The Donkey Sanctuary	<b>(191)</b>	(162)
<b>Retained profit</b>	<b>–</b>	–

As at 31 December 2016, Donkey World Limited had net assets of £164k (2015: £164k). This comprised assets of £816k (2015: £729k) and liabilities of £652k (2015: £565k).

## j. The Hayloft (Donkey Sanctuary) Limited

The Hayloft (Donkey Sanctuary) Limited, “the Company”, registered number 06807104, was incorporated on 2 February 2009 and commenced trading on 1 April 2009 to conduct trading activities in support of the charitable objects of The Donkey Sanctuary. The principal activity is to provide a restaurant and other catering facilities.

The Donkey Sanctuary holds 4 Ordinary Shares of £1 each in The Hayloft (Donkey Sanctuary) Limited. This represents a holding of 100% in the Company.

The directors of The Hayloft (Donkey Sanctuary) Limited are:

- John Akers Executive officer of The Donkey Sanctuary
- Mike Baker Executive officer of The Donkey Sanctuary (appointed 14 July 2016)
- David Cook Executive officer of The Donkey Sanctuary/Of independent status
- Marianne Steele Executive officer of The Donkey Sanctuary
- Chris Young Executive officer of The Donkey Sanctuary

The Directors have agreed that the Company, by virtue of its principal objects, will distribute by way of charitable donations the majority of its retained profit for the year to its 100% parent undertaking — The Donkey Sanctuary. Charitable donations of £9k were accrued in the consolidated results of The Donkey Sanctuary for the year ended 31 December 2016 (2015: £45k).

The following are extracts from The Hayloft (Donkey Sanctuary) Limited’s financial statements:

	<b>2016</b>	2015
	<b>£’000</b>	£’000
Turnover	<b>517</b>	475
Cost of sales	<b>(408)</b>	(353)
<b>Gross profit</b>	<b>109</b>	122
Other income	–	–
Administration and other costs	<b>(100)</b>	(77)
Taxation	–	–
<b>Net income</b>	<b>9</b>	45
Amount donated to The Donkey Sanctuary	<b>(9)</b>	(45)
<b>Retained profit/(loss)</b>	<b>–</b>	–

As at 31 December 2016, The Hayloft (Donkey Sanctuary) Limited had net assets of £nil (2015: £nil). This comprised assets of £53k (2015: £83k) and liabilities of £53k (2015: £83k).

## 25. Parent charity

In line with the SORP the parent charity has not published its own SOFA and the related notes. Details of the charity's own income and results are as follows:

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Total income	<b>35,679</b>	32,662
Expenditure on raising funds	<b>(5,961)</b>	(5,570)
Expenditure on charitable activities	<b>(25,273)</b>	(23,001)
<b>Total expenditure before net gains/losses on investments</b>	<b>(31,234)</b>	(28,571)
Net gains on investments	<b>1,930</b>	160
<b>Net income before other recognised gains and losses</b>	<b>6,375</b>	4,251

## REFERENCE AND ADMINISTRATIVE DETAILS

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### GOVERNING INSTRUMENT

The Donkey Sanctuary is registered with the Charity Commission as a charity and the first trustees were appointed by a trust deed dated 10 September 1974. The power of appointing a new trustee is invested in the surviving or continuing trustees, for the time being. The sole corporate trustee is The Donkey Sanctuary Trustee Limited, a company limited by guarantee. The Donkey Sanctuary Trustee Limited is governed by its Memorandum and Articles of Association.

<b>Charity Registration Number</b>	264818
<b>Corporate Trustee Company Registration Number</b>	07328588
<b>Registered Office</b>	Slade House Farm, Sidmouth, EX10 0NU

### BOARD OF TRUSTEES (WHO ARE DIRECTORS FOR COMPANIES ACT PURPOSES)

The trustees who served throughout the year and up to the date of the approval of the Trustees' Report and Accounts comprised:

- Natalie Cook
- Robert Crawford
- Jim Duncan
- Rosemary Gillespie
- Susan Griffin
- David Howarth
- Christine Purdy
- Stuart Reid (Chair)
- John Sewell-Rutter
- Bill Tetlow

### CHIEF EXECUTIVE AND EXECUTIVE MANAGEMENT TEAM

The executive management team to whom day to day management of the charity is delegated by the trustees and who served throughout the year and up to the date of the approval of the Trustees' Report and Accounts comprised:

- John Akers Director and Solicitor
- Mike Baker Chief Executive (appointed 16 May 2016)
- Stephen Blakeway Director International Operations (resigned 31 December 2016)
- David Cook Chief Executive (retired 13 May 2016)
- Andy Foxcroft Director Care & Welfare
- Andrew Hibbert Interim Executive Director of Resources (appointed 27 March 2017)
- Gill Minns Director Management Services (resigned 31 January 2017)
- Marianne Steele Senior Executive Director Fundraising & Communications
- Caron Whaley Director Donkey Assisted Therapy
- Chris Young Director of Finance

Investment Managers	Investec Wealth & Investment Limited, 2 Gresham St, London, EC2V 7QN
Bankers	Barclays Bank plc, 40 High Street, Sidmouth, Devon, EX10 8EB
Solicitors	Gilbert Stephens, 7 Broad Street, Ottery St Mary, Devon, EX11 1BS
Auditor	KPMG LLP, Plym House, 3 Longbridge Road, Plymouth, PL6 8LT



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## **THE DONKEY SANCTUARY**

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The Donkey Sanctuary was founded by Dr Elisabeth Svendsen MBE in 1969. The Donkey Sanctuary (registered charity number 264818) and its sole corporate trustee, The Donkey Sanctuary Trustee Limited (Company number 07328588), both have their registered office at Slade House Farm, Sidmouth, EX10 0NU. Linked charities: The Elisabeth Svendsen Trust for Children and Donkeys (EST); The International Donkey Protection Trust (IDPT).