



**The Royal Agricultural
Benevolent Institution**

Registered Charity No 208858

**REPORT AND
FINANCIAL STATEMENT
2016**

Patron

HER MAJESTY THE QUEEN

REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

The Council presents its report and the Statement of Financial Activities of the charity for the year ended 31 December 2016. The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the provisions of the Charities SORP (FRS 102) effective 1 January 2015.

References and administrative details

President

HRH The Duke of Gloucester KG GCVO

Vice Presidents

Mrs A Barton OBE

The 9th Earl Bathurst

Countess Bathurst

S Chakravarty

The Lord Curry of Kirkharle, CBE, FRAGS

H A C Densham CBE, FRAGS

Mrs R Nash FRAGS

The Lord Plumb of Coleshill DL

C P Riddle

J A Sayers FRICS, FAAV, FRAGS

J D Wallis FRICS

Chief Executive

P J G Burrows ACIB, FRAGS

Honorary Chaplain

Revd Canon Glyn Evans DL

Council of Trustees

J M Thomas MBE ARAGS – *Chairman*

J G Orme – *Deputy Chairman*

J W Lewis FCA (Retired), BSc (Econ) – *Treasurer*

R Binning MRICS – (Appointed May 2016)

W Cumber BSc (deceased) – (Retired May 2016)

Mrs P Davies BSc

Mrs J Dawson OBE

C D’Olley MRICS, FAAV

J Hosier

J Hoskin – (Appointed May 2016)

S P Miles DL

Mrs N Quayle (Retired May 2016)

C P Riddle (Retired May 2016)

J W Stanley FRAGS (Appointed May 2016)

Mrs J Turnbull

Principal Office

Shaw House, 27 West Way, Oxford, OX2 0QH (Registered Charity No: 208858)

Tel: 01865 724931 Fax: 01865 202025

E-Mail: info@rabi.org.uk , Website: www.rabi.org.uk

Auditors

Martin and Company, 25 St Thomas Street, Winchester, SO23 9HJ

Bankers

NatWest Bank PLC, 32 Cornmarket Street, Oxford, OX1 3ES

Barclays Bank PLC, Business Banking, Leicester, LE87 2BB

Investment Managers

Rathbone Brothers PLC, 8 Finsbury Circus, London, EC2M 7AZ

Solicitors

Freeths LLP, 5000 Oxford Business Park South, Oxford, OX4 2BH (Charity & Estate Management)

Blake Morgan, Seacourt Tower, West Way, Oxford, OX2 0FB (Charity & Employment Law)

Structure, Governance and Management

The Royal Agricultural Benevolent Institution (R.A.B.I) was founded in 1860 and was incorporated by Royal Charter in 1935. A revised and updated Royal Charter was approved by the Membership of the Corporation in 2009 and received Royal Assent on 13 July 2011. It is registered under the Charities Act 2011.

The Council of 12 trustees, who are responsible for the running of the charity, are appointed for a term of four years. Trustees may serve for two consecutive terms.

R.A.B.I benefits from an active, responsive, highly skilled and experienced Council bringing together a wide range of expertise and awareness of its fiduciary and financial responsibilities. New trustees are appointed for their relevant skills, agricultural knowledge or background and geographical location. The success of the charity stems from a close working relationship and positive attitude between its trustees and staff.

Advice on legal, accountancy and estate matters is provided by expert members of the Council, together with appointed lawyers (commercial and charity), land agents and chartered accountants.

The full Council of Trustees met formally four times during 2016. A visit was also made to two of the charity's legacy farms in Suffolk and Hertfordshire.

The Council has five sub-committees:

- The Chairman's Executive Committee which met five times in 2016, two of which were with the charity's investment managers Rathbone Brothers plc. This committee is advisory to the Chief Executive and a body for urgent decision-making with subsequent approval by all trustees.
- The Grants Committee which is authorised by the full Council to make grants and to take on new beneficiaries.
- The Health and Safety Committee which comprises two trustees and a staff representative from each department as well as the two residential homes. It met twice in 2016.
- The Beaufort House and Manson House Management Committees. Each residential home's committee comprises trustees, senior staff and the management teams of each home. These committees meet at least four times a year.

Individual trustees are also involved with staff on various working groups as and when required.

The day-to-day leadership and operational management of the charity is the responsibility of the Chief Executive. Under his direction and in accordance with policy laid down by the Council, staff are divided into five departments and two residential homes:

Finance - three full time staff members in head office.

Welfare - four full time staff/one part time in head office who process applications for assistance and manage 14 home-based, part time Regional Welfare Officers (RWOs) who carry out advisory visits to potential and current beneficiaries throughout the regions. In addition they are able to ensure that appropriate statutory benefits are received thus achieving a significant financial benefit for the charity and its beneficiaries.

Fundraising and Development – four full time staff members in head office. The department also includes nine full-time, peripatetic Regional Managers (RMs) who work from home and are tasked with raising funds, promoting the work of R.A.B.I and giving guidance to the voluntary County Committees in their fundraising. The County Committees are invaluable to R.A.B.I for their voluntary support not only raising funds but also raising the profile of the charity in their areas.

Human Resources, Compliance, Health & Safety and Facilities – two full time staff in head office who provide essential administrative, health & safety support to Head Office, regional staff and the two residential care homes.

Operations & Communications Department - four full time staff/one part time in head office.

Residential Homes – R.A.B.I. owns two residential homes. The homes are run for the benefit of R.A.B.I. beneficiaries but where vacancies arise these may also be filled from a waiting list of people who are able to pay the cost of their own care. Those with a farming background take priority. This enables R.A.B.I. to maintain a high occupancy level which is vital to ensure that the running costs of the homes are met.

Manson House in Bury St Edmunds, Suffolk is a listed Grade II* building currently registered for 34 people requiring residential care and has 23 self-contained apartments for independent living.

Manson House had an unannounced inspection by the Care Quality Commission in June 2016 and achieved an overall rating of 'good' with an 'Outstanding' rating for 'Is the service Caring?'

“Staff were available and responsive to people’s needs”

“People spoke about the caring atmosphere and the commitment and dedication of staff who went the extra mile to improve people’s quality of life”.

Beaufort House in Burnham on Sea, Somerset is registered for 37 residents requiring residential care and has 10 self-contained flats on a site next to the residential home, separated only by landscaped gardens.

Beaufort House had an unannounced inspection by the Care Quality Commission in September 2016 and achieved an overall rating of 'Outstanding' which puts the home in the top one percent of residential homes in the country.

“People’s wellbeing and happiness was central to this service. Staff had developed a positive rapport with people and they were gentle, attentive, kind and respectful in their approach”.

The aim of the home is to **“promote respect, independence, dignity and choice”** and the inspector said that **“staff were attentive, kind and respectful”**.

Risk Management

Everything the charity does involves risk and staff and trustees have a duty to meet the challenge of these risks. However, no risk register is ever complete as we cannot predict the future. In 2016 trustees and senior staff worked with Sayer Vincent Accountants to develop ways to consider strategic and operational risks.

Strategic risks are ones which can potentially prevent an organisation from delivering on strategies, goals and objectives. R.A.B.I has six strategic risks:

1. Strategy and Impact
2. Financial
3. Compliance
4. Reputation
5. People
6. County Committees

Keeping to six key risks enables the council and executive committee to engage effectively in the process.

In respect of the operational risks, the charity has measures in place to manage risk and monitor the likelihood of these risk events in order to minimize the financial and reputational impact they would have on R.A.B.I.

One strategic risk highlighted at an early stage was the impending EU General Data Protection Regulations (GDPR) which take effect in May 2018 and will reinforce the Data Protection Act 1998. R.A.B.I employed a consultant to review all aspects of Data Protection to ensure that the charity complies with the processing and storage of personal data. The charity also updated its membership with the Information Commissioners Office (ICO) and completed a self-assessment report.

Objectives, Activities, Achievements and Performance.

R.A.B.I is farming's oldest and largest charity and it works closely with other rural charities throughout the country. Whilst R.A.B.I does not give advice, it is able to signpost when appropriate towards professional consultancy.

Vision: To reach and support farming people in need

Mission: With compassion, discretion and friendship to provide confidential welfare advice, practical care and financial support to those in need within the farming community

The Royal Charter states that *"The objects of the Corporation shall be to relieve Beneficiaries in cases of need, hardship or distress in such manner as the Corporation in its discretion thinks fit, Beneficiaries being persons who are or have been (1) employed or engaged in the farming industry, or (2) married to or in civil partnership with such persons, or (3) the dependants of such persons."*

R.A.B.I's Royal Charter allows that financial assistance can be given to retired farm staff as well as to retired farmers, farm managers and their families. The charity also provides financial support to working farmers as one of its core activities in relieving a variety of crisis problems suffered by individual working farmers and/or their dependants.

Welfare/Grant Making Policy

R.A.B.I provides an excellent range of long-term support and continuous care for the elderly and those of any age who are disabled, by providing regular grants or one-off payments for special items.

In respect of the working farmer, the trustees are committed to supporting those in financial need with grants for domestic expenses or to enable people to retrain. R.A.B.I does not and cannot pay for business expenses and/or prop up a failing business; nor can it give any business advice.

One of R.A.B.I's main aims is to enable people to remain in their own homes for as long as is practicable. To this end, assistance is tailored to meet individual needs and can include the provision of home help, 'life-line' rental, a telephone, television and other household items. Help is also available towards the purchase of equipment to help disabled beneficiaries both in and away from the home.

All new applicants for regular assistance are initially visited by a Regional Welfare Officer and thereafter they receive home visits on a regular basis, once a year but more frequently if needed or if their personal situation should change substantially.

Maximising income through state benefits and other government-aided grants for new applicants and existing beneficiaries is an important part of the welfare team's work. This task is mainly undertaken by the RWOs during their home visits. It is essential for any occupational benevolent fund to do this so that precious charitable grants are not used in place of state aid but as a supplement. In 2016 the welfare team was responsible for obtaining £286,691 in unclaimed benefits, tax credits and other grants for beneficiaries. In some cases, this has meant that the applicants did not require further financial support from R.A.B.I. Cases have become increasingly complicated by the effects of the changing state benefits system and much time and effort has been spent helping people with Employment and Support Allowance (ESA) Claims and Personal Independence Payments (PIP) in particular. The RWOs have also assisted people to challenge decisions by local authorities when they believe them not to be acting within the legal requirements in connection with care and the provision of facilities to the disabled.

R.A.B.I. also supports beneficiaries around the country who live in residential homes not run by the charity. The amount R.A.B.I. paid out for care-home shortfalls in 2016 was £242,000 (£261,000 in 2015).

Review of 2016 and statistics

In 2016 R.A.B.I gave out grants totalling £2,055,000 (£1,875,000 in 2015) (please see note 8).

Among those 1,358 individuals and families who received charitable support last year 86% were no longer able to work due to age, illness, disability or caring responsibilities. There was a 67% rise in requests for help from working families in 2016. In the early part of 2016, R.A.B.I was busy helping flood victims in the north of England, primarily Cumbria and Wales, giving out emergency grants of £91,000. However the number of claims received from working farmers, farm workers and their dependants increased generally during the year with £450,000 paid to 216 cases (£270,000 in 2015).

The four counties to which R.A.B.I. gave most financial help were North Yorkshire (£152,000), Suffolk (£130,000), Devon (£128,000) and Cumbria (£111,000). Other counties receiving significant support included Norfolk, Lincolnshire, Shropshire, Cheshire, Cornwall and Somerset and £283,000 was given out in grants in Wales.

The core activity of helping those in the farming community in financial need is becoming more complex and increasingly it demands more of the charity's resources, not only in terms of levels of grants paid but also the amount of time spent on each case. There is no doubt that the welfare team is dealing with more and more people who have multiple needs that in turn require extra time, additional visits, increased grants, extensive help with claiming state benefits and living through the ensuing delays and topping up of residential care fees.

Debt related issues are also using more of R.A.B.I's welfare resources. The number of people who have debt problems is rising as incomes for a number of people in the industry do not allow them to prepare for any unplanned expense, whether it's a school trip, a replacement for a broken cooker or a funeral. Nor can they save for their retirement.

Other examples of the support R.A.B.I gave in 2016 include:

Repairs/Home Improvements = £39,000
Utility Bill arrears = £31,000
White Goods = £14,000
Medical Costs = £4,000
Domestic Bills = £246,000
Food Vouchers = £6,000
Funeral Costs = £33,000
Heating = £26,000
Personal Debt and Council Arrears = £26,000
Disability Equipment/Adaptions = £141,000

To share some of the words of our beneficiaries who write us wonderful letters, emails or call us:

"Thank you for giving me the opportunity to change my career path. I'm hoping to continue working part-time on a local farm along with working for different tree surgeons, putting to use the training you kindly funded. It won't bring the farm back but will help me with my future, new beginnings."

"Thank you for making it possible to have a new door to the cottage. Now the darker evenings are here, I will feel safer. Your help in paying for my home-help makes such a difference. My daughters live too far away to help in this way."

"Thank you for everything. We now feel we are getting back on track and we couldn't have done that without you and your colleagues' help and support. Thank you for listening to all our problems and showing us a way of getting it all sorted."

"Can I just thank you all at R.A.B. for helping my friend. Cancer is a life-changing event and a horrible disease and she does not deserve to have it. She is such a worker and a giver. Thank you for supporting her in all of this as she has to re-organise her life and make very final plans. It has been a ray of sunshine. I am already working on raising funds for R.A.B.I because of the help you have given."

"A massive thank you for your financial help a few months ago when we were in absolute hell. Thanks to your help we can now see the light at the end of the tunnel."

It's from these communications that we can gauge how effective our work is and whether we are really making a difference.

Her Majesty The Queen's 90th Birthday

In June 2016, R.A.B.I joined other charitable organisations for which Her Majesty The Queen acts as Patron, in London, to celebrate Her Majesty's 90th birthday. The Patron's Lunch provided a unique opportunity for R.A.B.I to raise funds which, with the support of the National Farmers Union, was very successful. The charity was also grateful to be able to apply for a gift from the Patron's Fund.

Public Benefit

The Trustees have given due regard to the Charity Commission's general guidance on public benefit and, in particular, supplementary guidance on the relief of poverty (or financial hardship) as well as distress to members of the farming community. During the year to 31 December 2016, the benefits given by the charity have been to the benefit of long-term support and care for the elderly and those of any age who are disabled, by providing regular grants or one-off payments for special items. The working farmer and their family is supported by grant funding under the categories of 'death, disease or distress' with payments for domestic purposes. The Trustees are of the view that the benefits are clear, are related to the aims of the charity and no detriment or harm results. It is considered that the discharge of the charity's aims and objectives during the year to 31 December 2016, taking into account the guidance and relatively limited resources available satisfy the public benefit test.

In April 2016 the charity reviewed its welfare guidelines which will further enhance the support it gives to the farming community.

Environmental Policy

Our policy is to meet or exceed all environmental regulations, laws and codes of practice. R.A.B.I. is committed to the prevention of pollution and to minimising the impact of our operations on the local, regional and global environment:

- We actively seek to use environmentally safe and sustainable energy sources to meet our needs whenever possible.
- Lights, computers and electrical equipment will be switched off when not in use.
- Paper use will be minimised - printing of emails, for example, will be discouraged.
- All cleaning materials to be used will be as environmentally friendly as possible.
- We will recycle all paper and cardboard where appropriate.
- Electrical equipment no longer required is recycled through a licenced waste disposal company where any stored data is eradicated or storage drives shredded.

Financial Review

The results for this year show a revenue deficit of £371,000 (2015: £130,000 deficit) and after adding the realised and unrealised gains on the investment portfolio produced an overall surplus of £3,387,000 (2015: £338,000).

Voluntary income was slightly reduced in 2016 at £2,080,000 (2015: £2,197,000) although the public was once again extremely generous with individual donations and fundraising of £1,138,000 (2015: £894,000). R.A.B.I is fortunate to have such loyal and committed volunteers around the country who fundraise for the charity.

R.A.B.I is registered with the Fundraising Regulator. Responsible and ethical fundraising is extremely important to the charity. At present, we record our supporters' details for a maximum of four reasons:

- In case of an enquiry when we process someone's kind donation
- To provide the necessary audit trail in order to claim Gift Aid from HMRC
- To send our newsletter 'R.A.B.I News' when it has been requested, either in the post or by email
- To occasionally invite supporters to events organised by or in aid of R.A.B.I that are the same as or similar to those they have attended in the past. We do not pass supporters' personal data to any other parties and in 2016 R.A.B.I did not receive any formal complaints about its fundraising practices.

Income from trusts and other charitable funds remained steady at £302,000 (2015: £293,000). As always, sincere thanks go to the trusts all over the country that gave grants towards the on-going work of the charity in 2016, including those trustees who have responded favourably to our applications and supported R.A.B.I. for the first time, as well as other trusts which so generously donate on a more frequent basis.

Legacy income reduced to £560,000 (2015: £885,000). This type of income is always difficult to predict for budget purposes. Through legacies, R.A.B.I. manages several farms which, in addition to bringing in annual income, give the charity security and potential opportunities to continue its work within the farming community.

Investment income was £1,472,000 (2015: £1,339,000) which covers the support and governance costs of the charity enabling voluntary income to be used for welfare payments.

Income from R.A.B.I.'s farms was £340,000 (2015: £334,000) and expenditure/repairs £149,000.

Reserves Policy

The charity has a traditional long-term commitment to its non-working beneficiaries. Each costs in the region of £1,500 per annum and today's improved health care means that this requirement can continue for 30 years. Overall, this could demand an annual expenditure in the region of £1,200,000.

The trustees have considered the level of reserves in line with the annual expenditure and with the charity's obligation to its long-term beneficiaries. The trustees also need the ability to respond to major crises as they occur in the farming industry. They believe that the present position is appropriate.

Investment Policy

The Chairman's Executive committee which incorporates the Investment sub committee in conjunction with the charity's professional advisors formally reviews the portfolio twice a year. Funds are managed by Rathbone Brothers plc and the aim is to achieve an appropriate balance between income and growth, with a medium risk profile. The restricted funds are 100% invested in the equities via the Troy Trojan Income Fund are classified as a higher risk profile which the trustees are in agreement with.

The trustees have an investment policy which sets an annual income target. It is defined so as not to exclude the potential for long-term capital growth.

Estates

The Estates are managed on a day-to-day basis by the Chief Executive in conjunction with locally based chartered surveyors. All the farms are currently tenanted.

The expenditure on the Estates consists of agents and professional fees, insurance premiums, repairs and maintenance.

Looking forward

As we look ahead to the coming year, it is clear that uncertainty will dominate the industry. We would normally be considering commodity prices, the weather, TB and input costs for example but the arrival of Brexit has thrown everything into disarray! The talk now is of trade deals, availability of seasonal labour and the future of agricultural support payments which all contribute to a very uncertain future. When one considers how significant a part CAP support payments play in the finances of so many of our farms, we can only wish our policy makers and those representing the industry every good fortune in the battles that undoubtedly lie ahead! That said, life must go on and R.A.B.I. remains ready and willing to help all those who find themselves in difficulties. Help and assistance really can be only a phone call away!

R.A.B.I. continues to work closely with other charities, including the Prince's Countryside Fund, Perennial, the Addington Fund and Farm Community Network (FCN) with their different but complementary roles to support the wider farming community.

R.A.B.I. is also most grateful to the National Farmers Union, the NFU Mutual Insurance Society Limited and the NFU Mutual Charitable Trust for their on-going support.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and UKGAAP (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Trust deed.

They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees on 15th March 2017 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'J M Thomas', enclosed within a large, loopy oval scribble.

J M Thomas MBE ARAGs
Chairman of the Council of Trustees

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2016

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	TOTAL 2016 £000	TOTAL 2015 £000
Income and receipt of endowments						
- Donations and legacies	2	1,931	149	-	2,080	2,197
Incoming resources from charitable activities:						
- Fees for residential care		2,103	-	-	2,103	1,747
Income from other trading activities						
- Trading sales	3	32	-	-	32	24
Investment income	4	1,577	235	-	1,812	1,673
Other		9	-	-	9	39
Total		5,652	384	-	6,036	5,680
Expenditure						
Expenditure on raising funds						
- Expenditure on raising donations and legacies	5	696	-	-	696	625
- Expenditure on other trading activities	3	23	-	-	23	21
- Expenditure on generating investment income	7	307	-	-	307	267
Expenditure on charitable activities:						
-Direct welfare payments, grants, support and casework costs	8/9	2,304	532	-	2,836	2,602
-Residential homes	10	2,019	9	-	2,028	1,826
-Publicity and communications	6	517	-	-	517	469
Total		5,866	541	-	6,407	5,810
Net (expenditure) before gains		(214)	(157)	-	(371)	(130)
Net gains on investment assets:						
Realised	18	168	-	-	168	450
Unrealised	18	3,197	354	39	3,590	12
Net incoming resources before other gains/(losses)		3,151	197	39	3,387	332
Other recognised gains/losses						
Gains on fixed assets:						
Gains on revaluation		-	-	-	-	6
Total other recognised gains		-	-	-	-	6
Net movement in funds		3,151	197	39	3,387	338
Reconciliation of funds:						
Total funds brought forward at 1 January 2016		56,838	5,566	617	63,021	62,683
Total funds carried forward at 31 December 2016		59,989	5,763	656	66,408	63,021

BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets:					
Tangible assets (including investment property)	16/17		23,597		23,475
Investments	18		40,971		37,347
Total fixed assets			64,568		60,822
Current assets:					
Trading stock		3		2	
Debtors	19	173		166	
Cash at bank and in hand	20	1,972		2,363	
Total current assets		2,148		2,531	
Current liabilities:					
Creditors: Amounts falling due within one year	21	(308)		(332)	
Net current assets			1,840		2,199
Total net assets			66,408		63,021
The funds of the charity:					
Unrestricted	22/23		59,989		56,838
Restricted	22/23		5,763		5,566
Endowment	22/23		656		617
Total charity funds			66,408		63,021

Approved and authorised by the Trustees on 15 Mar 2017 and signed on their behalf by:



J W Lewis FCA (Retired), BSc (Econ), Hon Treasurer
The notes on pages 12 to 18 form part of these accounts

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £000	2015 £000
Net cash (outflow)/inflow from operating activities	(391)	(73)
Investing activities		
Purchase of tangible fixed assets	(144)	(1,356)
Proceeds from sale of tangible fixed assets	-	-
Transfer from investment managers	134	1,129
	(10)	(227)
(Decrease)/increase in cash & cash equivalents	(391)	(300)
Cash and cash equivalents at 1 January 2016	2,363	2,663
Cash and cash equivalents at 31 December 2016	1,972	2,363

Notes to the Cashflow Statement

1. Reconciliation of changes in resources to net cash inflow from operating activities

Net (outgoing) resources for the year before revaluation	(371)	(130)
Depreciation charges (net)	12	19
(Increase)/decrease in stocks	(1)	4
(Increase) in debtors	(7)	(14)
(Decrease)/increase in creditors	(24)	48
Net cash (outflow) from operating activities	(391)	(73)

2. Analysis of changes in cash and cash equivalents during the year

			Change in Year £000
Short term deposits	1,789	2,133	(344)
Cash at bank and in hand	183	230	(47)
	1,972	2,363	(391)

Notes to the Accounts for the year ended 31 December 2016

1. Accounting Policies

- a) **Basis of preparation.** These financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and ROI (FRS 102) effective 1 January 2015 and the Charities Act 2011. There are no material uncertainties about the Charity's ability to continue as a going concern. RABI meets the definition of a public benefit entity under FRS102.
- b) **Fund accounting.** Unrestricted funds comprise accumulated surpluses and deficits on general funds; these are available for use at the discretion of the trustees in furtherance of the charity's general objectives. Restricted funds are funds subject to specific restricted conditions imposed by the donors and further explanations for these can be found at note 23. Endowment funds are funds where the capital is held to generate income for charitable purposes and where there is no discretion to expend the capital permanent endowment. Details and explanations of the two permanent endowment funds can be found at note 23.
- c) **Income & receipt of endowments.**
Donations and legacies are received by way of grants, donations, legacies and gifts and are included in full in the Statement of Financial Activities when receivable and credited to unrestricted funds. Voluntary income, restricted in use by the wishes of the donor, is taken to restricted funds. Income is only deferred when the donor specifies that the donation must only be used in future accounting periods. Legacies are accounted for when received, or when it becomes probable that the legacy will be received and the value can be measured with sufficient reliability.
Investment income. Investment income is accounted for in the period in which the charity is entitled to receipt.
Fees for residential care. Fees receivable for the use of the premises are accounted for in the period in which the service is provided.
- d) **Expenditure.** All expenditure is accounted for on an accruals basis and has been allocated under headings that include all costs to the category. All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure.
Expenditure on raising donations and legacies comprise the costs incurred in attracting voluntary income, grants and legacies.
Expenditure on Charitable activities comprise the costs of making direct welfare payments, grants and direct welfare support to beneficiaries. They also include the casework costs of running the welfare department. Grants expended are recognised in the Statement of Financial Activities in the period to which they relate. Grants where the beneficiary has not been advised or has to meet certain conditions before the grant is made are not accrued but noted as financial commitments. Residential homes costs are those charges incurred in running the residential homes including the provision of care services. Publicity and communications costs are those relating to the communicating and publicising of R.A.B.I. in general and of specific activities, including publicity and awareness material on the charity, shows, exhibitions and events.
- e) **Governance & trustee costs.** This comprises the costs incurred of governing the charity. These costs include strategic planning for its future, audit costs, legal advice for the trustees, complying with constitutional and statutory requirements, preparing statutory accounts and satisfying public accountability and reimbursement to trustees for reasonable travel and accommodation expenditure whilst carrying out charity business. These costs are allocated to support costs and apportioned accordingly.
- f) **Realised and unrealised gains and losses.** Realised and unrealised gains and losses on fixed assets and investments are recognised in the Statement of Financial Activities in the period to which they relate.
- g) **Investments.** Investments are stated at mid-market price and are listed on recognised stock exchanges.
- h) **Fixed assets.** Freehold land and buildings held for investment purposes are measured at their fair value as at the balance sheet date. Other Freehold land & buildings are valued at their historical market value for their current use and are not depreciated. The treatment is a departure from the requirement of FRS 15. The trustees are of the opinion that a systematic annual charge would be inappropriate to the Fund's circumstances. Grants are deducted from any provisions. Depreciation is provided on office/homes equipment (3-10 years) calculated to write off the cost, less residual value if any, on a straight line basis over their expected useful lives. Individual fixed assets costing £1,000 or more are capitalised at historical cost. Impairment reviews of fixed assets are carried out on an individual basis and in such cases then the requirements of FRS11 are applied.
- i) **Pensions.** The charity contributes to defined contribution pension schemes for staff. The assets of this scheme are held separately from those of the charity. The charity contribution is disclosed in note 14, there were no outstanding contributions at the year end.
- j) **Stocks.** Stocks are stated at the lower of cost and net realisable value.
- k) **Allocation of overhead and support costs.** Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs, unless based on usage, are apportioned on the basis of a percentage of activity levels as a result of an annual survey and are allocated on a basis consistent with use. The allocation for 2016 is as follows; costs of generating voluntary income 34%, publicity and marketing 20%, investment costs 3%, direct welfare payments 36% and residential homes 7%.
- l) **Financial instruments.** The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

m) **Volunteers.** These are recognised in these financial statements on the basis of returns submitted detailing the number of volunteers and hours contributed in helping the charity and not on a value of service provided.

	2016	2015
	£'000	£'000
2 Voluntary income		
Annual subscriptions	56	53
Donations	1,138	894
Voluntary income from trusts	302	293
Income tax recovered under Gift Aid	24	22
Grants	-	50
Legacies	560	885
	<u>2,080</u>	<u>2,197</u>
3 Trading		
Sales	32	24
- less cost of sales	(16)	(13)
- less operating costs	(7)	(8)
Net profit	<u>9</u>	<u>3</u>
4 Investment income		
Income from estates and development	340	334
Listed securities general fund	1,227	1,098
Interest on loans and deposits	9	11
Trust funds		
- Manson House Special Fund	6	5
- Beaufort House Special Fund	-	1
- RABI Emergency Fund	206	201
- Barnes Trust	23	22
- David Beale Charitable Trust	1	1
	<u>1,812</u>	<u>1,673</u>
5 Costs of raising donations and legacies		
Centralised staff & fundraising costs	203	120
Fundraising costs - Regional/Branches	104	76
Regional staff shared costs	171	213
Legacies	2	2
Allocation of support costs (see note 13)	216	214
	<u>696</u>	<u>625</u>
6 Publicity and communications		
Central staff, marketing & publicity costs	114	125
Publications and advertising	20	24
Regional staff shared costs	256	213
Allocation of support costs (see note 13)	127	107
	<u>517</u>	<u>469</u>

Costs allocated against costs of generating voluntary income and publicity & communications are reported separately. Some costs that relate to both, including Regional Staff costs and Campaigns and Events, are apportioned on the basis of Publicity/communications 60% and Cost of generating voluntary income 40%.

These costs relate to the publicising and communicating of the Royal Agricultural Benevolent Institution in general and of specific activities, including publicity, communications and awareness material on the charity, shows, exhibitions and events.

	2016	2015
7 Costs of generating investment income	£'000	£'000
Investment manager's fees	139	134
Estates expenditure	149	115
Allocation of support costs (see note 13)	19	18
	307	267
8 Direct welfare payments, grants, support and casework costs		
Grants	1,317	1,295
Homes fees paid	242	261
Home helps	46	49
Emergency Relief (Stapnalls)	67	58
Helpline (Aid for working farmers, farming staff and families)	383	212
Welfare support	353	321
Casework costs	200	193
Allocation of support costs (see note 13)	228	213
	2,836	2,602
Beneficiaries assisted	No. Assisted	No. Assisted
Non-working farmers/farmworkers (retired and disabled) regular grants	1,142	1,189
Working farmers/farmworkers	216	151
	1,358	1,340
9 Expenditure commitments		
	£'000	£'000
Grants authorised	7	2
10 Residential homes		
Costs of running residential homes	1,975	1,741
Expenditure from Homes Special Funds (Restricted Funds)	9	43
Allocation of support costs (see note 13)	44	42
	2,028	1,826
11 Support costs		
Printing, stationery, books, postage, telephone	28	24
Staff costs	362	334
Establishment expenses	46	61
Legal, health & safety, audit and bank charges	17	30
Governance & trustee expenses/costs *	81	59
Office machinery, IT equipment and maintenance	70	58
Staff training	9	9
Sundry expenses	21	19
	634	594

12 Governance & trustee expenses/costs *

- **Trustees** receive no remuneration but expenses/costs of £40,670 were paid on behalf of 15 trustees for reasonable travel, IT equipment & training, trustee training, accommodation and meals expenditure whilst carrying out charity business and activities compared with £29,814 to 14 trustees in 2015. Included in the trustee expenses/costs is trustee liability insurance costing £2,560 compared with £2,712 in 2015.

- **Governance** costs include the Auditors' remuneration for audit services which in 2016 was £9,900, compared with £9,600 in 2015. Other financial and tax advice was provided by the audit company in 2016 to the value of £600 compared with £1,944 in 2015.

Governance also includes the cost of producing Financial Statements and Annual Review and a 50% share of the AGM costs.

13 Allocation of support costs

The breakdown of support costs and how much was allocated between resources expended.

	Cost of generating Vol Income £'000	Investment costs £'000	Publicity and comms £'000	Direct welfare payments £'000	Residential homes £'000	Total £'000
Staff costs	123	11	73	130	25	362
Printing, stationery, postage, telephone	9	1	6	10	2	28
Office IT, equipment and maintenance	24	2	14	25	5	70
Establishment expenses	16	1	9	17	3	46
Governance & trustee expenses/costs*	28	2	16	29	6	81
Legal, audit and bank charges	6	1	3	6	1	17
Staff training	3	-	2	3	1	9
Sundry	7	1	4	8	1	21
Total	216	19	127	228	44	634

Support Costs – Method of allocation, all payments are based on a percentage basis and reviewed annually, as detailed in the accounting policy note on page 12.

14 Staff numbers	Number of Employees	
	2016	2015
Residential homes	62	60
Welfare & casework	12	12
Fundraising marketing & communications	17	17
Management & admin	7	7
	98	96

The average numbers are based on full-time equivalent employees (including casual and part time staff)

Analysis of Staff Costs 2016

	Wages £'000	Social Security Costs £'000	Pension Costs £'000	Totals £'000
Residential homes	1,310	90	18	1,418
Welfare & casework costs	379	32	30	441
Fundraising & communications	475	45	12	532
Management & admin	313	37	16	366
	2,477	204	76	2,757

As a comparison 2015

Residential homes	1,158	77	17	1,252
Welfare & casework costs	354	29	27	410
Fundraising & communications	439	41	12	492
Management & admin	291	34	15	340
	2,242	181	71	2,494

One employee had emoluments for the year between £90,000 - £100,000 (One in 2015)

15 Recognition of volunteers

R.A.B.I, like many charities, relies on the contribution of time and effort by its volunteers. These volunteers are involved in generating income for the charity as well as assisting in delivering many of its other services. The table below based on returns submitted, details the number of volunteers and the amount of hours they have contributed in helping R.A.B.I. carry out its work in 2016.

Fundraising No Vols	Hrs	Welfare No Vols	Hrs	Support No Vols	Hrs	Publicity No Vols	Hrs	Total Vols	Total Hrs
483	7,610	23	87	194	2,042	164	1,271	864	11,010

16 Tangible fixed assets

	Investment land and buildings £'000	Freehold land and buildings £'000	Office/ homes equipment £'000	TOTAL £'000
Cost				
At 1 January 2016	11,087	12,364	81	23,532
Additions	-	144	-	144
Disposals	(10)	-	(57)	(67)
At 31 December 2016	11,077	12,508	24	23,609
Depreciation				
At 1 January 2016	-	-	57	57
Charge for 2016	-	-	12	12
Disposals	-	-	(57)	(57)
At 31 December 2016	-	-	12	12
Net Book Value				
At 31 December 2016	11,077	12,508	12	23,597
At 31 December 2015	11,087	12,364	24	23,475

Investment land and buildings (farms and estates) have been taken at their book value as at the balance sheet date and will be reviewed periodically and measured at their fair value, with additions added at cost:-

Brook Farm, Red Book value, December 2010

Moles Farm, Red Book value, December 2009.

Furzehill Farm, Red Book value, December 2014

Caustons Hall Estate, Red Book value, at December 2011

Mounstephen Estate, Red Book value, December 2012

Boarscroft Farm, Probate value, December 2012

All other farms & estates are currently valued at 15 times the rentals (as at 31 Dec 2014)

Freehold Land and buildings those assets providing an economic benefit to the charity on an on-going basis at historical cost:-

Shaw House - estimated at £887,000, December 2009

Residential homes -

Beaufort, 3 times the fees as at Dec 2015. Manson rebuild costs to date (31 Dec 2016) with £0.5m land value added. Both homes with additions added at cost going forward.

17 Capital commitments	2016 £'000	2015 £'000
Authorised and contracted for	81	110
Authorised but not contracted for	192	180
	<u>273</u>	<u>290</u>

These capital commitments are for the on-going Manson House rebuild project and retention amounts (£55k), Manson House Improvements (£180k), Manson House External works (£26.5k), Beaufort House equipment (£7.6k) and Mini Marquees for the F&D department (£3.5k)

18 Investments	2016 £'000	2015 £'000
Market value at 1 January	37,347	38,014
Gains upon disposal	168	450
Transfers (from) investments	(134)	(1,129)
Net gains on revaluation at 31 December	3,590	12
Market value at 31 December	<u>40,971</u>	<u>37,347</u>
Historical cost at 31 December	<u>29,461</u>	<u>28,883</u>

	2016 £'000	2015 £'000
Investments comprise:-		
Quoted investments - UK	37,646	33,321
Quoted investments - Overseas	2,911	3,520
	<u>40,557</u>	<u>36,841</u>
Cash held within investments portfolios	414	506
	<u><u>40,971</u></u>	<u><u>37,347</u></u>

Material investments greater than 5% of portfolio:

3,653,500 Capita Financial Managers Trojan Income S Inc – Market value at 31 Dec 2016 - £7,084,136

19 Debtors

Taxation recoverable	10	15
Other debtors	143	126
Prepayments	20	25
	<u>173</u>	<u>166</u>

20 Cash at bank and in hand

Cash and current account balances	183	130
Short term deposits	1,789	2,233
	<u>1,972</u>	<u>2,363</u>

21 Creditors

Fees and commissions	66	26
Other creditors	167	247
Taxation and social security (PAYE, NIC & VAT)	75	59
	<u>308</u>	<u>332</u>

22 Analysis of net assets between funds

	Tangible fixed assets £000	Investments £000	Current assets £000	Current liabilities £000	TOTAL £000
<i>Restricted funds</i>					
Manson House Special Fund	-	157	22	-	179
Beaufort House Special Fund	-	19	12	-	31
RABI Emergency Fund	-	5,549	-	-	5,549
Glos NFU Farmers Trust	-	-	4	-	4
	-	<u>5,725</u>	<u>38</u>	-	<u>5,763</u>
<i>Endowment funds</i>					
The Barnes Trust	-	636	-	-	636
David Beale Charitable Trust	-	20	-	-	20
	-	<u>656</u>	-	-	<u>656</u>
<i>Unrestricted funds</i>					
At 31 December 2016	<u>23,597</u>	<u>34,590</u>	<u>2,110</u>	<u>(308)</u>	<u>59,989</u>
	<u><u>23,597</u></u>	<u><u>40,971</u></u>	<u><u>2,148</u></u>	<u><u>(308)</u></u>	<u><u>66,408</u></u>

	Balance	Incoming		Investment	Balance
	01-Jan-16	resources	Expenditure	gains/ losses	31-Dec-16
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	56,838	5,652	(5,866)	3,365	59,989
Restricted funds					
Manson House Special Fund	171	8	(9)	9	179
Beaufort House Special Fund	19	11	-	1	31
RABI Emergency Fund	5,374	246	(415)	344	5,549
Income from Barnes Trust	-	22	(22)	-	-
Gloucestershire NFU Farmers Trust	2	4	(2)	-	4
Restricted Voluntary Income (Various)	-	93	(93)	-	-
	5,566	384	(541)	354	5,763
Endowment funds					
<i>Permanent endowment</i>					
The Barnes Trust	598	-	-	38	636
David Beale Charitable Trust	19	-	-	1	20
	617	-	-	39	656
TOTAL FUNDS	63,021	6,036	(6,407)	3,758	66,408

The Manson House Special Fund initially arose through the generosity of three Trusts, The Eleanor Stevens Trust, The J W Watmough Trust and The Nowton Almshouse Trust for the benefit of the residents of Manson House. These funds have since been added to by various fundraising efforts and gifts specifically for the benefit of the residents. The funds are accumulated and used to provide as and when the need arises, or a contribution towards, or full funding of, certain projects delivering mutual benefit to the residents.

The Beaufort House Special Fund was created in an attempt to bring funds in which would benefit the residents in the same way that the Manson House Special Fund has done. These funds have come from various fundraising efforts and gifts specifically for the benefit of the residents. The funds are accumulated and used to provide as and when the need arises, or a contribution towards, or full funding of, certain projects deriving mutual benefit to the residents.

R.A.B.I. Emergency Fund represents the balance of money from public donations received during the 2001 Foot & Mouth epidemic and restricted working farmer donations and subsequent restricted donations to help working farmers only. This money is used to provide help, both emergency and via the training grants, for working farmers, farm workers and their families affected by death, disaster or disease in farming. In 2016 this fund was actively used to provide continued assistance to beneficiaries in counties affected by the flooding.

Gloucestershire NFU Farmers Trust. This was a donation to fund hampers for beneficiaries in the county of Gloucestershire only.

Income from Barnes Trust is the income from the Barnes Trust Permanent Endowment Fund and is to aid beneficiaries in Dorset, Hampshire or Somerset who are in conditions of need, hardship or distress.

Restricted Voluntary Income (Various) represents other general restricted funds. The funds received/expended involved the 2016 campaign for Christmas Hampers (£25k) and the Daily Mail campaign for those affected by flooding (£30.95k). There was also specific regional expenditure on beneficiary payments for Dorset & Hampshire (£10k), Kent (£5k), Shropshire (£2.5k), Cumbria for Flooding (£1.365k), Yorkshire for Flooding (£1k), Norfolk (£3k), Cambridgeshire (£1.4k), Devon and East Devon (£11k), Christmas hampers for East Anglia (£1k). In all cases the conditions specified by the donor or the fundraising were met in full.

The John Iles Barnes Charity for Farmers and their Widows (Registered Charity No 282661), was founded by will in 1914 to relieve the aforesaid persons who are, or have been engaged in agriculture, being resident in the counties of Dorset, Hampshire or Somerset and who are in conditions of need, hardship or distress. By a Scheme, including appointment of R.A.B.I. as trustee, of the Charity Commissioners dated 28 March 1994, the Charity was transferred to R.A.B.I. The fund is represented by a separate investment.

David Beale Charitable Trust represents the permanent endowment capital funds transferred to R.A.B.I. when the trustees brought the fund to an end in 2004 and again in 2009 when the Trustees of the fund wound up the Trust completely. The income from the fund is to be applied for the general purposes of the charity.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION**

We have audited the financial statements of The Royal Agricultural Benevolent Institution for the year ended 31 December 2016, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees are 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 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Council of Trustees Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

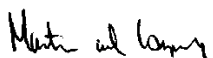
In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the 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 Council of Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.



Martin and Company
Chartered Accountants
Statutory Auditor
16 March 2017

25 St Thomas Street
WINCHESTER
SO23 9HJ

Martin and Company is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006