



**The Royal Agricultural
Benevolent Institution**

Registered Charity No 208858

**REPORT AND
FINANCIAL STATEMENT
2017**

Patron

HER MAJESTY THE QUEEN

REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

The Council presents its report and the Statement of Financial Activities of the charity for the year ended 31 December 2017. 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 - *(Resigned November 2017)*
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 - *(Resigned December 2017)*

Council of Trustees

J M Thomas MBE ARAGs – *Chairman*
J G Orme – *Joint Deputy Chairman*
J Hosier - *Joint Deputy Chairman*
J W Lewis FCA (Retired), BSc (Econ) – *Treasurer*
R Binning MRICS
Mrs P Davies BSc – *(Retired May 2017)*

Mrs J Dawson OBE
C D'Olley MRICS, FAAV
J Hoskin FRAGS
S P Miles DL
J W Stanley FRAGS
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 Audit Limited, 25 St Thomas Street, Winchester, SO23 9HJ

Bankers

NatWest Bank PLC, 43 Cornmarket Street, Oxford, OX1 3ES
Lloyds Bank PLC, 1-5 High Street, Carfax, Oxford, OX1 4AA

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

Report by the Council of Trustees for the year ended December 31, 2017

Information in this statement has 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 from January 1, 2015.

LEGAL AND ADMINISTRATIVE DETAILS

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 July 13, 2011. It is registered under the Charities Act 2011.

Governed by trustees

R.A.B.I's work is governed by a council of up to 12 trustees who meet at least four times a year. The council has overall responsibility for running the charity and ensuring that it meets its aims and objectives. Trustees, who are unpaid volunteers are elected at the charity's annual AGM in May. The majority are currently, or have previously been, engaged in agriculture.

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 trustees embrace the new Charity Commission Governance Code and will be following the seven principles. In particular the trustees will be developing the skills matrix which will highlight other areas of expertise needed in an ever changing environment.

They serve for four years, though they are often re-elected for a second term. Office holders are elected by the trustees from amongst their number at their first meeting after the AGM. Office holders serve for a term of three years. Trustees are also official members of R.A.B.I and remain so for five years after they retire from council. In addition to trustees, R.A.B.I membership comprises the national president and vice-presidents and up to three officers from each of our voluntary county committees, most of whom come from the world of farming. Committees must register their members formally with head office every year to ensure their voting rights.

Sub-committees

The Council has five main sub-committees:

- The chairman's executive committee: This committee is advisory to the CEO and a body for urgent decision-making with subsequent approval by all trustees.
- The grants committee: Authorised by the full council to make grants and to take on new beneficiaries.
- The health and safety committee: Comprises two trustees and a staff representative from each department and the two residential homes.
- The Beaufort House and Manson House management committees: Each residential home's committee comprises trustees, senior staff and the management teams.

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

Council changes 2017

At the AGM in May, Joshua Hosier and Christopher D'Oalley were re-elected to serve second terms as trustees. Pat Davies stepped down after four years.

OUR OBJECTIVES

Vision: *To reach and support all farming people in need*

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

R.A.B.I is farming's oldest and largest charity and works closely with other rural charities throughout the country. R.A.B.I offers financial assistance to retired farm staff as well as to retired farmers, farm managers and their families. The charity also provides financial support to working farmers, farmworkers and/or their dependants.

RISK, PUBLIC BENEFIT & ENVIRONMENTAL POLICIES

Risk management

Strategic risks are ones which can potentially prevent the organisation from delivering on strategies, goals and objectives. R.A.B.I has identified six main strategic risk categories.

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

In respect of operational risks, the charity has measures in place to manage and monitor the likelihood of 'risk events' in order to minimise the financial and reputational damage they might have on R.A.B.I. One strategic risk highlighted at an early stage was the impending EU General Data Protection Regulations (GDPR). An external GDPR audit was carried out in 2017 and policies, procedures and training were updated in readiness for the new legislation which comes into effect in May 2018.

Public benefit

The trustees have given due consideration to the Charity Commission's general guidance on public benefit and, in particular, supplementary guidance on the relief of financial hardship and distress to members of the farming community. During the year, the benefits given by the charity have been to the advantage of the elderly, sick and disabled by providing regular grants and/or one-off payments for special items. Working farmers and their dependants are supported financially in times of 'death, disease or distress' with payments to relieve domestic hardship.

Environmental policy

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

- 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 used will be as environmentally friendly as possible.
- We will recycle 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.

RESERVES, INVESTMENTS & ESTATES

Reserves policy

R.A.B.I has a long-term commitment to its non-working beneficiaries. Each one costs in the region of £1,500 per annum and improved health care means that this requirement can continue for 30+ years. Overall, this could therefore result in an annual expenditure of around £1,200,000.

The trustees have considered the level of reserves in line with the annual expenditure and with the charity's obligations to its long-term beneficiaries. The trustees also need to ensure the charity is in a position to respond quickly and effectively to any major crisis (or crises) in the farming industry. The trustees 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 equities via the Troy Trojan Income Fund and are classified as a higher risk profile. 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 CEO, with professional advice from locally based chartered surveyors. All the farms are currently let. The expenditure on the estates consists of agents and professional fees, insurance premiums, repairs and maintenance.

THE WORK OF WELFARE

The Royal Charter states that the objects of the charity are to 'relieve beneficiaries in case of need, hardship or distress in such a manner as the corporation in its discretion thinks fit'.

R.A.B.I provides a range of long-term support / continuous care for the elderly, sick and disabled, offering regular grants and/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 for training. R.A.B.I does not pay for business expenses nor support businesses in terminal decline.

Many people who are beneficiaries of R.A.B.I, receive regular quarterly or annual grants. R.A.B.I also helps with payments for telephone line rentals, lifeline alarms, TV licences and home-help costs. Additionally, the charity might pay for larger items that people need but cannot afford, such as electrically powered wheelchairs, scooters and other disability equipment, as well as white goods. R.A.B.I supports working farmers by providing one-off emergency grants to help with domestic bills in times of hardship. Many people fall into financial difficulty through circumstances beyond their control, such as ill health, accidents, extreme weather or animal disease. Most new applicants for regular assistance are visited by a regional welfare officer. Thereafter, they generally receive home visits around once a year, but more frequently if required, or if their personal situation should change substantially.

All applications for help are made through head office. People must have limited savings and be on a low income to qualify for help, but even if a grant can't be given, support may be provided in other ways, for example, with advice or food vouchers.

OUR CARE HOMES

R.A.B.I owns and manages two residential care homes, Beaufort House in Somerset and Manson House in Suffolk. Most residents come from farming backgrounds. R.A.B.I works hard to respect and promote residents' independence, dignity and choice. In addition to caring for elderly people in our residential homes, R.A.B.I can also help others who need residential care to stay close to their family and friends. This is achieved by paying the difference between the sum paid

by local authorities for people eligible for payments for adult social care and the fees charged by residential homes.

Beaufort House

Set in two acres of landscaped grounds a short distance from the seafront in Burnham-on-Sea, Beaufort House has 33 en-suite rooms in the main home and 12 self-contained, independent apartments. It has been extensively modernised but retains its Victorian splendour. Twenty-four hour residential care is available in the main home.

Manson House

Located in the historic market town of Bury St Edmunds, Manson House is a Grade II* listed building in a residential area with shops and other amenities just a short walk away. The home offers 31 en-suite residential rooms and 23 self-contained apartments in independent blocks.

Outstanding CQC

At the turn of the year, Beaufort House was rated outstanding by the Care Quality Commission (CQC), the independent regulator of health and social care in England. The inspection took place unannounced over two days in September 2016. As well as receiving an overall rating of 'outstanding', Beaufort House was rated 'outstanding' for its caring and for being well led. The home's services were rated 'good' for effectiveness, responsiveness and safety. The CQC report stated: "Residents' wellbeing and happiness was central, staff had a positive rapport with people and they were gentle, attentive, kind and respectful in their approach. The culture within the service was open, friendly and welcoming. The registered manager was open and transparent in her approach."

The CQC report praised Beaufort House for forging strong links with the local community and helping residents to pursue hobbies and pastimes. Residents' personal histories and achievements were recognised and celebrated with staff 'doing small acts of kindness' to support this. The report also praised the clean and safe environment, the way medicines were managed and administered and the attention to detail given towards 'end of life' care.

It also said: "As the service was a registered charity for people who had worked in agriculture, good wholesome local produce was part of the philosophy of care. People mattered and care and attention was given to every small detail."

REVIEW OF 2017

Financial

This year, a revenue surplus of £1,838,000 was achieved (2016: £371,000 deficit). After adding the realised and unrealised gains on the investment portfolio the overall surplus was £3,821,000 (2016: £3,387,000).

R.A.B.I. thanks the trustees of the Jonathan Billing Charitable Trust whose donation of £1,882,340 paid for some of the work we carried out over the past few years at our residential home, Manson House. Without this money the charity would have shown a small revenue deficit.

The public was once again extremely generous, with individual donations and fundraising bringing in £1,266,000 (2016: £1,138,000). Total income from trusts and other charitable funds was £2,123,000. Our thanks go to trusts all over the country that gave support to RABI's work in 2017 whether for the first time or as a regular donor.

Legacy income was £572,000. Because of legacies, R.A.B.I owns several farms which bring in annual income and give the charity security.

Investment income was £1,579,000. This covers the support, administrative and governance costs of the charity so that voluntary income can be used for welfare payments.

R.A.B.I is registered with the Fundraising Regulator.

Welfare

R.A.B.I gave out grants of £1,990,000 to 1,260 individuals / families during 2017. The sum paid to those no longer working, including retired, ill and disabled people, was £1,693,000. Grants of £297,000 were paid to working families.

Significantly, R.A.B.I helped people from the farming sector claim £472,809 in state benefits. This represented a major increase on 2016 (£286,691). The work of a welfare officer is becoming more time consuming. Helping people to understand a complex benefits system, which is constantly evolving, is something that the charity is increasingly being asked to do – particularly in light of service cutbacks elsewhere. Many people fall through the state benefits net and face the threat of eviction and homelessness. General debt continues to be a big problem too. Providing benefits advice and signposting people towards other charities and local authorities is vital work that is not always reflected in statistics. In September, the grants committee reviewed welfare guidelines and it was agreed that all regular payments to beneficiaries would be increased from January 1, 2018.

Governance

At a strategy meeting in February 2017, trustees and senior management reviewed the past three years and set 12 key objectives for the period 2017 to 2022 based on R.A.B.I's vision, mission and values as well as changes within the farming industry. The 12 objectives are:

1. Deliver individually tailored welfare support – primarily financial grants – to farming people on low incomes and explore new ways to help and reach potential beneficiaries.
2. Improve the level of awareness of R.A.B.I among potential beneficiaries and referral agencies in order to reach more people within the farming community who are in financial need.
3. Communicate widely to ensure R.A.B.I is known, understood and respected.
4. Maintain and develop income streams to raise funds considerably and with a suitable return on investment.
5. Motivate and thank our supporters, whether they are individuals, organisations or companies.
6. Strengthen and regenerate the county committee structure; offer, where appropriate, a choice of ways to support the charity.
7. Maintain high quality accommodation, care and support for older members of the community via our two residential care homes.
8. Develop the potential of our staff and value / reward them appropriately.
9. Manage risk and protect R.A.B.I's reputation.
10. Demonstrate legislative compliance / good practice in all of the charity's policies and procedures.
11. Manage cash balances and investments to ensure financial stability for the charity; manage the estates and property portfolio as an important long-term asset.
12. Demonstrate good governance of the charity and develop the capacity and skills of trustees in pursuit of R.A.B.I's objectives.

CHAIRMAN'S SUMMARY: LOOKING AHEAD

There is much uncertainty about the future of the farming sector, both short and long term, particularly relating to Brexit. As yet, we have no real indication of the impact that leaving the EU would have upon the number of farming families who might need to turn to R.A.B.I. We are, however, conscious of the reliance of a significant number of farmers on EU support.

Until there are firm proposals on the table all we can do is review our practices and costs to ensure we are ready to react quickly to any issues that might arise. Come what may, R.A.B.I is both determined and well placed to support the industry and we already have a number of schemes in place to enable people to earn additional income – such as offering training grants to develop secondary 'off-farm' skills.

Across the board, we are trying to raise more awareness about what we do, in order to attract more beneficiaries. 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 most grateful to the National Farmers Union, the NFU Mutual Insurance Society Limited and the

NFU Mutual Charitable Trust for their ongoing support. Working with partners is also essential when tackling industry-wide issues such as mental health problems.

RESPONSIBILITIES OF THE TRUSTEES

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

The law applicable to charities in England and Wales requires 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 statement, 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 statement.
- Prepare the financial statement 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 statement complies 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 March 14, 2018 and signed on their behalf by:

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

J M Thomas MBE ARAgS
Chairman of the Council of Trustees

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2017

Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	TOTAL 2017 £000	TOTAL 2016 £000	
Income and receipt of endowments						
- Donations and legacies	2	3,812	88	156	4,056	2,080
Incoming resources from charitable activities:						
- Fees for residential care		2,532	-	-	2,532	2,103
Income from other trading activities						
- Trading sales	3	28	-	-	28	32
Investment income	4	1,602	218	-	1,820	1,812
Other		10	-	-	10	9
Total		7,984	306	156	8,446	6,036
Expenditure						
Expenditure on raising funds						
- Expenditure on raising donations and legacies	5	753	-	-	753	696
- Expenditure on other trading activities	3	19	-	-	19	23
- Expenditure on generating investment income	7	243	-	-	243	307
Expenditure on charitable activities:						
-Direct welfare payments, grants, support and casework costs	8/9	2,463	368	-	2,831	2,836
-Residential homes	10	2,130	26	-	2,156	2,028
-Publicity and marketing	6	606	-	-	606	517
Total		6,214	394	-	6,608	6,407
Net income/(expenditure) before gains		1,770	(88)	156	1,838	(371)
Net (losses)/gains on investment assets:						
Realised	18	(105)	-	-	(105)	168
Unrealised	18	1,927	141	20	2,088	3,590
Net income and net movement in funds for the year		3,592	53	176	3,821	3,387
Reconciliation of funds:						
Total funds brought forward at 1 January 2017		59,989	5,763	656	66,408	63,021
Total funds carried forward at 31 December 2017		63,581	5,816	832	70,229	66,408

BALANCE SHEET AT 31 DECEMBER 2017

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets:					
Tangible assets (including investment property)	16/17		24,435		23,597
Investments	18		41,966		40,971
Total fixed assets			66,401		64,568
Current assets:					
Trading stock		4		3	
Debtors	19	219		173	
Cash at bank and in hand	20	3,897		1,972	
Total current assets		4,120		2,148	
Current liabilities:					
Creditors: Amounts falling due within one year	21	(292)		(308)	
Net current assets			3,828		1,840
Total net assets			70,229		66,408
The funds of the charity:					
Unrestricted	22/23		63,581		59,989
Restricted	22/23		5,816		5,763
Endowment	22/23		832		656
Total charity funds			70,229		66,408

Approved and authorised by the Trustees on 14 Mar 2018 and signed on their behalf by:



J W Lewis FCA (Retired), BSc (Econ), Hon Treasurer

The notes on pages 11 to 18 form part of these accounts

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £000	2016 £000
Net cash inflow/(outflow) from operating activities	1,785	(391)
Investing activities		
Purchase of tangible fixed assets	(933)	(144)
Proceeds from sale of tangible fixed assets	85	-
Transfer from investment managers	988	134
	140	(10)
Increase/(decrease) in cash & cash equivalents	1,925	(391)
Cash and cash equivalents at 1 January 2017	1972	2,363
Cash and cash equivalents at 31 December 2017	3,897	1,972

Notes to the Cashflow Statement

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

Net incoming/(outgoing) resources for the year before revaluation	1,838	(371)
Depreciation charges (net)	10	12
(Increase) in stocks	(1)	(1)
(Increase) in debtors	(46)	(7)
(Decrease) in creditors	(16)	(24)
Net cash inflow/(outflow) from operating activities	1,785	(391)

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

			Change in Year £000
Short term deposits	3,758	1,789	1,969
Cash at bank and in hand	139	183	(44)
	3,897	1,972	1,925

Notes to the Accounts for the year ended 31 December 2017

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. R.A.B.I 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 three 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 2017 is as follows; costs of generating voluntary income 31%, publicity and marketing 20%, investment costs 3%, direct welfare payments 37% and residential homes 9%.
- 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.

	2017	2016
	£'000	£'000
2 Voluntary income		
Annual subscriptions	42	56
Donations	1,266	1,138
Voluntary income from trusts	2,123	302
Income tax recovered under Gift Aid	53	24
Grants	-	-
Legacies	572	560
	<u>4,056</u>	<u>2,080</u>
3 Trading		
Sales	28	32
- less cost of sales	(11)	(16)
- less operating costs	(8)	(7)
Net profit	<u>9</u>	<u>9</u>
4 Investment income		
Income from estates and development	241	340
Listed securities general fund	1,330	1,227
Interest on loans and deposits	3	9
Trust funds		
- Manson House Special Fund	6	6
- Beaufort House Special Fund	1	-
- R.A.B.I Emergency Fund	214	206
- Barnes Trust	24	23
- David Beale Charitable Trust	1	1
	<u>1,820</u>	<u>1,812</u>
5 Costs of raising donations and legacies		
Centralised staff & fundraising costs	177	203
Fundraising costs - Regional/Branches	156	104
Regional staff shared costs	209	171
Legacies	2	2
Allocation of support costs (see note 13)	209	216
	<u>753</u>	<u>696</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%.		
6 Publicity and communications		
Central staff, marketing & publicity costs	137	114
Publications and advertising	21	20
Regional staff shared costs	313	256
Allocation of support costs (see note 13)	135	127
	<u>606</u>	<u>517</u>

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

	2017	2016
7 Costs of generating investment income	£'000	£'000
Investment manager's fees	144	139
Estates expenditure	79	149
Allocation of support costs (see note 13)	20	19
	243	307
8 Direct welfare payments, grants, support and casework costs		
Grants	1,412	1,317
Homes fees paid	241	242
Home helps	40	46
Emergency Relief (Stapnalls)	53	67
Helpline (Aid for working farmers, farming staff and families)	244	383
Welfare support	380	353
Casework costs	212	200
Allocation of support costs (see note 13)	249	228
	2,831	2,836
Beneficiaries assisted	No. Assisted	No. Assisted
Non-working farmers/farmworkers (retired and disabled) regular grants	1,103	1,142
Working farmers/farmworkers	157	216
	1,260	1,358
9 Expenditure commitments		
	£'000	£'000
Grants authorised	-	7
10 Residential homes		
Costs of running residential homes	2,070	1,975
Expenditure from Homes Special Funds (Restricted Funds)	26	9
Allocation of support costs (see note 13)	60	44
	2,156	2,028
11 Support costs		
Printing, stationery, books, postage, telephone	28	28
Staff costs	397	362
Establishment expenses	60	46
Legal, health & safety, audit and bank charges	10	17
Governance & trustee expenses/costs *	59	81
Office machinery, IT equipment and maintenance	84	70
Staff training	15	9
Sundry expenses	20	21
	673	634

12 Governance & trustee expenses/costs *

- **Trustees** receive no remuneration but expenses/costs of £29,036 were paid on behalf of 12 trustees for reasonable travel, IT equipment & training, trustee training, accommodation and meals expenditure whilst carrying out charity business and activities compared with £40,670 to 15 trustees in 2016. Included in the trustee expenses/costs is trustee liability insurance costing £2,848 compared with £2,560 in 2016.

- **Governance** costs include the Auditors' remuneration for audit services which in 2017 was £10,200, compared with £9,900 in 2016. No other financial and tax advice was provided by the audit company in 2017 compared with £600 in 2016.

Governance also includes the cost of producing Financial Statements and Annual Review and a 40% 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	12	79	147	36	397
Printing, stationery, postage, telephone	9	1	6	10	2	28
Office IT, equipment and maintenance	26	2	17	31	8	84
Establishment expenses	19	2	12	22	5	60
Governance & trustee expenses/costs*	18	2	12	22	5	59
Legal, audit and bank charges	3	-	2	4	1	10
Staff training	5	-	3	6	1	15
Sundry	6	1	4	7	2	20
Total	209	20	135	249	60	673

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 11.

14 Staff numbers	Number of Employees	
	2017	2016
Residential homes	64	62
Welfare & casework	13	12
Fundraising marketing & communications	17	17
Management & admin	8	7
	102	98

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

Analysis of Staff Costs 2017

	Wages	Social Security Costs	Pension Costs	Totals
	£'000	£'000	£'000	£'000
Residential homes	1,389	95	19	1,503
Welfare & casework costs	405	35	31	471
Fundraising & communications	523	51	15	589
Management & admin	352	40	20	412
	2,669	221	85	2,975

As a comparison 2016

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

One employee had emoluments for the year between £90,000 - £100,000 (One in 2016)

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 2017.

Fundraising		Welfare		Support		Publicity		Total	Total
No Vols	Hrs	Vols	Hrs	Vols	Hrs	No Vols	Hrs	Vols	Hrs
455	8,300	17	41	192	2,422	149	1438	813	12,201

16 Tangible fixed assets

	Investment land and buildings £'000	Freehold land and buildings £'000	Office/ homes equipment £'000	TOTAL £'000
Cost				
At 1 January 2017	11,077	12,508	24	23,609
Additions	653	247	33	933
Disposals	(85)	-	-	(85)
At 31 December 2017	<u>11,645</u>	<u>12,755</u>	<u>57</u>	<u>24,457</u>
Depreciation				
At 1 January 2017	-	-	12	12
Charge for 2017	-	-	10	10
At 31 December 2017	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>
Net Book Value				
At 31 December 2017	<u>11,645</u>	<u>12,755</u>	<u>35</u>	<u>24,435</u>
At 31 December 2016	<u>11,077</u>	<u>12,508</u>	<u>12</u>	<u>23,597</u>

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

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

	2017 £'000	2016 £'000
Authorised and contracted for	33	81
Authorised but not contracted for	105	192
	<u>138</u>	<u>273</u>

These capital commitments are for the on-going Manson External Works (£3k), Manson House Laundry Room Improvements (£30k), Moles Farm contingency capital repairs (£100k) and Mini Marquees for the F&D department (£5k)

	2017 £'000	2016 £'000
18 Investments		
Market value at 1 January	40,971	37,347
(Losses)/gains upon disposal	(105)	168
Transfers (from) investments	(988)	(134)
Net gains on revaluation at 31 December	2,088	3,590
Market value at 31 December	<u>41,966</u>	<u>40,971</u>
Historical cost at 31 December	<u>28,925</u>	<u>29,461</u>

	2017 £'000	2016 £'000
Investments comprise:-		
Quoted investments - UK	38,470	37,646
Quoted investments - Overseas	2,836	2,911
	<u>41,306</u>	<u>40,557</u>
Cash held within investments portfolios	660	414
	<u><u>41,966</u></u>	<u><u>40,971</u></u>

Material investments greater than 5% of portfolio:

3,732,000 Capita Financial Managers Trojan Income S Inc – Market value at 31 Dec 2017 - £7,414,365

19 Debtors

Taxation recoverable	7	10
Other debtors	190	143
Prepayments	22	20
	<u>219</u>	<u>173</u>

20 Cash at bank and in hand

Cash and current account balances	139	183
Short term deposits	3,758	1,789
	<u>3,897</u>	<u>1,972</u>

21 Creditors

Fees and commissions	54	66
Other creditors	166	167
Taxation and social security (PAYE, NIC & VAT)	72	75
	<u>292</u>	<u>308</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	17	-	174
Beaufort House Special Fund	-	19	15	-	34
R.A.B.I Emergency Fund	-	5,603	-	-	5,603
Glos NFU Farmers Trust	-	-	5	-	5
	<u>-</u>	<u>5,779</u>	<u>37</u>	<u>-</u>	<u>5,816</u>
<i>Endowment funds</i>					
The Barnes Trust	-	652	-	-	652
Ken & Ann Woodward Fund	-	160	-	-	160
David Beale Charitable Trust	-	20	-	-	20
	<u>-</u>	<u>832</u>	<u>-</u>	<u>-</u>	<u>832</u>
<i>Unrestricted funds</i>					
	24,435	35,355	4,083	(292)	63,581
At 31 December 2017	<u>24,435</u>	<u>41,966</u>	<u>4,120</u>	<u>(292)</u>	<u>70,229</u>

	Balance 01-Jan-17 £'000	Incoming resources £'000	Expenditure £'000	Investment Gains/ losses £'000	Balance 31-Dec-17 £'000
Unrestricted funds	59,989	7,984	(6,214)	1,822	63,581
Restricted funds					
Manson House Special Fund	179	10	(19)	4	174
Beaufort House Special Fund	31	10	(7)	-	34
R.A.B.I Emergency Fund	5,549	214	(297)	137	5,603
Income from Barnes Trust	-	24	(24)	-	-
Glos NFU Farmers Trust	4	3	(2)	-	5
Restricted Voluntary Income (Various)	-	45	(45)	-	-
	5,763	306	(394)	141	5,816
Endowment funds					
<i>Permanent endowment</i>					
The Barnes Trust	636	-	-	16	652
Ken & Ann Woodward Fund	-	156	-	4	160
David Beale Charitable Trust	20	-	-	-	20
	656	156	-	20	832
TOTAL FUNDS	66,408	8,446	(6,608)	1,983	70,229

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.

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 2017 campaign for Christmas Hampers (£27k). There was also specific regional expenditure on beneficiary payments for Dorset & Hampshire (£10k), Kent (£5k) and Suffolk (£3k). 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 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.

Ken and Ann Woodward Fund represent a permanent endowment donation in which the capital is used to generate income which is to be used for the benefit of beneficiaries in Suffolk.

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 2017, 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 charity's 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 8, 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 2017, 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 Audit Limited
Chartered Accountants
Statutory Auditor
15 March 2018

25 St Thomas Street
WINCHESTER
SO23 9HJ

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