



**The Royal Agricultural
Benevolent Institution**

**Annual Report and Financial Statements
for the year ended 31 December 2019**

Charity Registered in England and Wales: 208858

**THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019**

Patron

Her Majesty The Queen

President

HRH The Duke of Gloucester KG GCVO

Vice Presidents

The 9 th Earl Bathurst	R Nash FRAgS
Countess Bathurst	The Lord Plumb of Coleshill DL
S Chakravarty	C P Riddle
The Lord Curry of Kirkharle CBE FRAgS	J A Sayers FRICS FAAV FRAgS
H A C Densham CBE FRAgS	J D Wallis FRICS

Council of Trustees

Chair

J Dawson OBE	<i>Appointed Chair 3 December 2019</i>
J M Thomas MBE ARAgS	<i>Resigned 3 December 2019</i>

Committee Membership

Honorary member of all Committees

Deputy Chair

J G Hosier MRICS		1,2
J Turnbull	<i>Appointed Deputy Chair 13 May 2019</i>	2,3,4
J G Orme	<i>Retired 13 May 2019</i>	

Treasurer

J Elliot	<i>Appointed 13 May 2019</i>	1,2
J W Lewis FCA (rtd)	<i>Retired 13 May 2019</i>	

Trustee Members

R Binning MRICS		1
C D'Olley MRICS FAAV		1
J Hoskin FRAgS		4
S Lister		3,4
S P Miles DL	<i>Retired 12 May 2020</i>	
J W Stanley FRAgS		2,3
J Woolliscroft	<i>Appointed 13 May 2019</i>	2,4

Trustee Committee Memberships:

- 1 *Finance & Estates Committee*
- 2 *Welfare & Service Provision Committee*
- 3 *Compliance & Risk Committee*
- 4 *Homes Committee*

Principal Office

Shaw House, 27 West Way, Oxford, OX2 0QH

**THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
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Senior Management Team

Chief Executive

A Chivers FCA DChA

Head of Operations

D Whitbread

Appointed 4 November 2019

Head of Finance

D Locke FCA

Appointed 20 April 2020

J Rees

Appointed 19 August 2019, Resigned 8 May 2020

Head of Governance

K Band

Head of Welfare & Service Provision

P Pickford BEd

Head of Fundraising & Development

S Noble

Head of Human Resources

V Sadler FCIPD BPS

Head of Home Beaufort House

K Bialecka

Head of Home Manson House

C Smith

Professional Advisors

Investment Managers

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

Bankers

NatWest Bank PLC
43 Cornmarket Street
Oxford, OX1 3ES

Lloyds Bank PLC
1-5 High Street
Carfax, Oxford, OX1 4AA

Legal Advisors

Blake Morgan LLP
Seacourt Tower
West Way

Freeths LLP
5000 Oxford Business Park South
Oxford, OC4 2BH

Russell-Cooke LLP
2 Putney Hill
London, SW15 6AB

Independent Auditors

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London, EC1M 7AD

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REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

The Council of Trustees presents its report and audited financial statements for the year ended 31 December 2019. The financial statements have been prepared in accordance with the provisions of the Statement of Recommended Practice 'Accounting & Reporting by Charities (FRS102)' and in line with current statutory requirements, the Royal Charter and applicable Accounting Standards in the United Kingdom.

OBJECTIVES AND ACTIVITIES

The Royal Agricultural Benevolent Institution ('R.A.B.I') was initially founded in 1860 by a group of Essex farmers under the leadership of Alderman John Mechi for 'the relief of farmers, their widows and orphans'. Remaining steadfast in its duty to support the most vulnerable members of the farming community, R.A.B.I was incorporated by Royal Charter in 1935 (as amended 2011). R.A.B.I is a charity registered in England and Wales 208858.

The object of R.A.B.I as defined in the Royal Charter is:

'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: employed or engaged in the farming industry; married to or in civil partnership with such persons; or the dependants of such persons'.

The object presents the Council of Trustees ('the Trustees') with comprehensive powers, enabling them to provide wide-ranging charitable assistance to the agricultural community. R.A.B.I's principle means of currently delivering this support is through financial grants.

Aims and objectives

From the formation of R.A.B.I in 1860, through to the present day, the charity has remained steadfast in its duty to support the most vulnerable members of the farming community. Against the backdrop of continuing fundamental uncertainties facing those working in agriculture, including the impacts of extreme weather and EU Exit, R.A.B.I believes it has a crucial role to play now and into the future to provide guidance, care and financial support to those in need within the farming community.

Following the recruitment of the new Chief Executive in November 2018, the Council of Trustees ('the Trustees') commenced an ambitious strategic review during 2019 to look ahead and ask some fundamental questions about what the future could look like and how R.A.B.I can be best placed to provide support. Building on the objectives established in the 2017 strategic plan, the 2019 strategy sets-out a clear and effective aim to:

"Support the farming community, developing new approaches to deliver accessible and flexible solutions to address immediate needs and provide longer-term support packages."

Recognising the increasingly complex nature of the wide-ranging challenges facing the farming community, Trustees believe that R.A.B.I must also evolve to identify and develop solutions that will provide this community with tools to help them get through difficult times. At the forefront of the 2019 strategic review is acknowledgement that the creation of earlier, preventative support actions is essential to ensuring the long-term wellbeing of those who farm today and in the future.

During 2019 R.A.B.I continued to identify areas of unmet need within the farming community and act as an enabling force for these needs to be satisfied, primarily through its grant making programmes.

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In addition to ensuring the continuance of the charity's core existing programmes of support, 2019 saw the commencement of planning and foundational activities to support the four strategic aims identified in the 2019 strategy:

- Evidencing our understanding of how life's challenges affect those who farm; using this knowledge to develop and deliver flexible and accessible programmes of support that reach more people.
- Continue to increase awareness of our work and support programmes within the farming community.
- Strengthen existing relationships and develop new ways to engage with our supporters.
- Manage R.A.B.I as effectively and efficiently as possible.

Following the adoption of the strategy in May 2019, work commenced to support the development of detailed strategic and business plans to define and prioritise core activities across the next five years. Key developmental aims for 2019 focused towards:

- Organisational Structure and Governance

Building on the Chief Executive's appointment, work continued during 2019 to evaluate the core competencies of trustees and staff to develop a resilient framework within R.A.B.I that will continue to evolve to support the charity's immediate and longer-term aims.

- Information Systems

To better meet the charity's needs to manage data and communicate effectively, a programme of review and renewal of R.A.B.I's functional information systems is essential. Following the appointment of the charity's new Information Systems Manager during 2019, work commenced to consider and prioritise the response to current inefficiencies and obsolescence.

- Developing Collaborative Networks

A key strategic focus for R.A.B.I is the extension of the charity's links with other farming support organisations, whereby these facilitate the development of holistic and coordinated programmes of support. Work commenced during 2019 to identify and commence pilot key stakeholder engagement projects with corporate and charity partners across agriculture.

- Integrated Assistance

Work with external specialists commenced during 2019 to support an evidence-led approach to the development and implementation of additional support programmes. Planning and development work commenced in 2019 to build an evidence library and create a social impact framework.

- Marketing and Communications

Effective communication remains paramount to ensuring R.A.B.I can better reach both service users and supporters. During 2019 R.A.B.I planned to commence a digital media review project to better understand service users' and supporters' digital journeys with R.A.B.I to assist in developing a programme to modernise and extend the content and reach of digital media channels.

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Grant Making

As noted above, R.A.B.I currently principally seeks to meet its objectives through the provision of support as a grant making charity. R.A.B.I provides a range of support via programmes of regular grants coupled with the provision of single grant awards.

Longer-term support is more typically provided to those who are no longer working due to injury, ill-health or age. Many of R.A.B.I's longer-term beneficiaries receive regular quarterly or annual grants and additional support for larger one-off items if required. All those who obtain regular grant support receive at least an annual update visit from their R.A.B.I regional case officer to review their circumstances and ensure the grant award remains appropriate.

R.A.B.I most commonly provides support to working farmers, farmworkers and their families through the provisions of one-off grants to help them through a challenging period or time of hardship. The circumstances that impact on the farming community are complex and varied and generally out with direct control, such as ill-health, extreme weather and animal health.

Applicants are encouraged to contact R.A.B.I in the first instance via the Freephone helpline number (0800 281 9490) following which most applicants will receive a visit from one of R.A.B.I's regional case officers. R.A.B.I's case officers will provide support, collate appropriate documentation and complete an internal application form with the applicant. All applications are initially submitted to and assessed by the central specialist support team based in Oxford, with complex cases, or grants in excess of £5,000, being additionally considered by the Welfare & Service Provision Committee.

The Welfare & Service Provision Committee can approve applications up to a maximum of £15,000 with approved grants in excess of £15,000 being recommended by the Committee to the next full Council of Trustees Meeting for consideration.

In addition to financial assistance, R.A.B.I's case officers also provide advice and support to the farming community: both directly to support claims for state benefits and subsidies; arranging debt advice and free business appraisals; and working to refer and signpost to other support organisations.

Residential Homes

R.A.B.I maintain two residential homes, Beaufort House in Somerset and Manson House in Suffolk. The homes are held to provide residential support to those from farming backgrounds in-line with the charitable aims of R.A.B.I.

Beaufort House has 33 ensuite rooms and is set in two acres of landscaped grounds a short distance from the seafront in Burnham-on-Sea. Manson House offers 31 ensuite rooms and is located in the historic market town of Bury-St-Edmunds. Activities at both Beaufort House and Manson House are regulated by the Care Quality Commission ('CQC').

R.A.B.I additionally own several self-contained flats at both sites which are subject to standard tenancy agreements for independent living. There are currently 12 self-contained flats held on the site at Burnham-on-Sea and 23 self-contained flats at the site in Bury-St-Edmunds.

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In addition to caring for people in our residential homes, R.A.B.I also offers financial grant support to assist those from the farming community requiring either residential or care support who wish to stay close to family and friends. R.A.B.I will assist successful applicants by paying the difference between the Local Authority's award for and the fees charged by relevant local residential or care home.

Volunteers

R.A.B.I is extremely fortunate to be supported by an extensive network of volunteers across England and Wales who primarily assist the charity to raise funds via local and regional fundraising events. The majority of volunteers have a farming and agricultural sector background and additionally help to raise awareness of R.A.B.I's work within their local communities.

For 2019 we estimate that R.A.B.I's volunteers contributed the equivalent of in excess of 10,000 hours to R.A.B.I, raising funds in excess of £500,000. Without the fantastic work of all our amazing volunteers, R.A.B.I would not be able to provide so much crucial support to the farming community.

Objects and Activities for the Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The Trustees recognise the two principles of public benefit and believe that the objectives and activities of R.A.B.I formally meet these principles through the provision of fee-free support to the farming community.

During 2019 R.A.B.I continued to provide direct support to those in need who were unable to continue working in farming due to injury, ill-health or age but, as noted below, increasingly provided assistance to working farmers, farmworkers and their families. The support assists those still working in agriculture to better cope with challenging circumstances and hence additionally provides a benefit not only to the direct beneficiary, but also to the wider public in helping to ensure a robust agricultural population endures to continue generating food for the nation.

ACHIEVEMENTS AND PERFORMANCE

Addressing the 159th AGM and Conference in May 2019, guest speaker Stuart Roberts, NFU vice-president, noted that R.A.B.I lies at the core of the farming community and has a key role providing support during the changing and difficult times ahead. Understanding that the needs of those working in farming continue to become increasingly complex, 2019 marked the launch of R.A.B.I's ambitious new strategy, based on the fundamental aim to ensure no member of the farming community will ever have to face adversity alone.

As those working in farming continued to face significant challenges and pressures during 2019, the provision of financial support and advice remained at the core of R.A.B.I's actions across the year, with foundational activities to support the new strategy being necessarily accommodated around existing support programmes.

The level of direct grant funding support increased by almost a third in comparison to 2018 with the charity providing financial support during 2019 in excess of £3million. Working in partnership with the Welsh Government, R.A.B.I completed a grant campaign in 2019 providing support to Welsh farming families impacted by the 2018 summer droughts. R.A.B.I received in excess of 200 applications for support and with the Welsh Government monies supporting 80 grants of £3,000 to affected families, R.A.B.I were able to supplement the Government funding to financially help the majority of those who sought assistance via the campaign.

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Whilst direct financial payments represent a vital element of R.A.B.I's work, focus on the grant figures alone fails to highlight the wider nature of support provided by the charity. The work of the R.A.B.I team to listen and reassure people, help them find positive ways to move forwards, assist with paperwork and benefits and have someone on their side, someone to talk to, carry equal significance.

R.A.B.I understand how important it is for the team to build trusting, supportive relationships that can help to equip people with the tools they need to overcome challenges and increase physical and mental wellbeing. During 2019 the total level of welfare support provided increased 30% to £3,947k, largely driven by an 38% increase in the numbers of working farming families supported during 2019.

Understanding that the farming community are raised to be self-reliant and that asking for help can be difficult, R.A.B.I continued to focus local and national messaging during 2019 on breaking down the barriers to seeking support. 2019 communication messages reinforced R.A.B.I's ethos that the charity must do all it can to give people the confidence to know that 'it's OK not to be OK' and that asking for help means you're brave enough to admit you don't have all the answers, which is a sign of real strength.

Continued pressures on the small communications team during the year delayed the commencement of the planned digital media review project into 2020. The team continued to ensure nonetheless that R.A.B.I had a strong media presence during 2019, with over 560 regional and national print articles being published and the launch of the Welsh language R.A.B.I DVD.

R.A.B.I is extremely fortunate that some of those we have supported are happy to share their personal experiences and tell their stories, as these are deeply impactful. The continued use of key messages, coupled with these personal stories helped extend the scope of the charity's existing digital platforms, with Twitter followers increasing by 7.5% during 2019 and Instagram followers by almost 40% in comparison to 2018.

Working in partnership with a wide range of agricultural sector organisations is a fundamental element of R.A.B.I's awareness raising work and fundamental to ensuring those facing challenges are aware of the availability of R.A.B.I's support programmes. R.A.B.I are extremely grateful to the many agricultural societies, membership organisations and corporate supporters for all the help they provide, including the continued invitations to attend key agricultural shows and events. During 2019 R.A.B.I were delighted to be represented at many of the regional and local agricultural shows, LAMMA, Cereals, the NFU Conference and were privileged to have a garden designed in support of the charity at the Suffolk Show in June 2019.

Following adoption of the new strategy in May 2019, the planning focus for the Chief Executive and Senior Management Team was the establishment of enhanced operational structures and strategies needed to provide R.A.B.I with the most efficient framework from which to develop new flexible programmes of support to achieve the strategic aims.

Building on strong foundational activities started in 2018, the preliminary stage of a wide-ranging review of the charity's existing information and data management systems commenced during 2019 which confirmed many of the charity's existing technology platforms have now reached end-of-life. Completion in the year of the prioritised replacement plan, providing the most efficient platforms to ensure the charity can communicate and operate effectively into the future, allow for the second phase process reviews to commence in 2020 (see Chair's Future Plans below for additional details).

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The 2019 strategy identifies that, in common with all those working in farming, R.A.B.I must constantly evolve to ensure the charity can continue to provide the guidance, practical care and financial support that people deserve, both now and in the future, including assisting people to build mental health resilience. During 2019 R.A.B.I continued to support individuals to achieve better mental health by removing some of the key sources of stress through diverse and targeted ways including: contributing towards domestic bills; paying for relief farm staff; organising free business appraisals; and providing debt advice, underpinned by the relief of knowing there is someone trusted to rely on.

Planning to support two areas of strategic focus, identified as fundamental foundations for R.A.B.I to develop integrated holistic support programmes commence in 2019. The development of existing partnerships and identification of new strategic partners lies at the core of R.A.B.I's intention to facilitate holistic packages of support. R.A.B.I is seeking to ensure that anyone requiring assistance is provided with a consistent coordinator throughout the period of support, even where assistance may be obtained over extended periods of time and via multiple partner organisations. Planning work commenced during 2019 to identify current and expected future support requirement themes and consider where opportunities to collaborate with local and national partner organisations could exist.

Looking to ensure R.A.B.I understands how to best maximise the effectiveness of the charity's support programmes, the first of a series of preliminary planning meetings were held with external specialists during 2019 to begin the development of the charity's social impact framework.

The two residential homes continued to provide excellent facilities and care across 2019 with both homes maintaining high occupancy across the year. Feedback from residents and their families is particularly welcomed by R.A.B.I and the latest annual survey indicates that those living at the home feel cared for, safe and valued as important individuals within the home community. Comments supporting the dedicated work from all of the homes team include " Carers, kitchen staff are all wonderful, residents are lovely too and I am very happy here" and "Mum is very happy and grateful to be in the best possible home! Thanks to all staff for their efforts and achievements".

Once again in 2019 the fantastic volunteers that make-up our County Committees held hundreds of events across England and Wales, raising funds and awareness of the charity. The charity's fundraising programme is heavily reliant on the generous contribution of time, ideas and enthusiasm from our committed volunteers with another successful year resulting in donations and gift aid receipts increasing almost 5% during 2019 to £1,398k.

R.A.B.I is also tremendously thankful for the support received from individual and corporate supporters who additionally raise funds for the charity. The breadth of support makes it difficult to highlight specific supporters to thank, however R.A.B.I is extremely grateful for the dedication of every one of our supporters. Every pound raised really does count and makes a difference to those in agriculture needing support.

Our heartfelt thanks to all our fantastic corporate supporters, such as the NFU, who raise tens of thousands of pounds for R.A.B.I every year, including £10k raised for the charity at the 2019 NFU Conference prize draw.

On behalf of those R.A.B.I support, we thank the amazing County Committees for their commitment to the charity and for raising monies for R.A.B.I with diverse and brilliant events such as the County Durham Committee 2019 lunch at Thornton Hall which raised £33k.

Without our brilliant individual supporters, which for 2019 included Nick Bragg who raised £28k cycling across Canada, R.A.B.I could simply not provide the help that is needed by so many and R.A.B.I thank you all.

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Investment Performance

R.A.B.I.'s investment portfolio of £43,030k (£38,391k: 2018) is managed by Rathbone Investment Management and is invested within permitted operating ranges across agreed asset classifications. The portfolio mandate is to achieve protection of capital in real terms with balanced income receipts. At the direction of the Trustees, restricted funds are fully invested in equities within separated portfolios and managed on a non-discretionary basis by Rathbone Investment Management.

Rathbone Investment Managers are expected to meet a relative-return investment performance over a rolling one year period and deliver an agreed amount of annual income. For 2019 Rathbone Investment Management posted total portfolio returns of -16.7% (-4.6%: 2018) against a composite benchmark of 16.7% (-5.1%: 2018).

R.A.B.I continues to invest in property, to diversify the nature of its investments, both through direct holdings and indirectly through managed property funds. The managed property funds are managed on a discretionary basis by Rathbone Investment Management and disclosed within the wider portfolio. Directly owned investment properties represent farms and estates that have been gifted to R.A.B.I and are primarily held to provide long-term asset value protection. Investment properties are managed by local qualified chartered surveyors in conjunction with the Chief Executive.

During 2019 the investment portfolio delivered income of £1,555k (£1,560k: 2018) against the target for the year of £1,545k (£1,500k: 2018). Income generated from directly held investment properties totalled £415k (£759k: 2018) following the inclusion in 2018 of a nonrecurring receipt due under agreement of £487k.

FINANCIAL REVIEW

Following two years of financial consolidation, significant increases in the provision of welfare support during 2019 resulted in R.A.B.I recognising a £1,292k deficit position at the year end, prior to the application of market movements in investments (£344k surplus:2018).

Total income for the year of £7,114k decreased in comparison to 2018 (£7,699k), however following exclusion of the 2018 non-recurring estates receipt of £487k, underlying income totals are consistent with both the prior year and the budgeted sustainable income level. Further detailed income information is shown in notes 2-4 of the financial statements.

Community fundraising income increased during 2019 to £1,321k, representing a 5% increase from 2018, however this growth was offset by a year-to-year drop in the level of legacy receipts, partly resulting from the recognition of an individually significant legacy during December 2018.

The charity received a non-recurring grant award from the Welsh Government in March 2019 of £240k, restricted to the provision of support to farmers in Wales adversely affected by the impacts of the hot weather across the summer of 2018. The entirety of these monies were utilised during 2019 to provide direct financial support to 80 Welsh Farmers in accordance with the restriction.

Despite continued volatile market conditions, income from the investment portfolio remained strong during 2019. Total investment income, following elimination of the 2018 non-recurring estates receipt increased 7% to £1,986k.

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Expenditure increased to £8,406k in 2019, largely resulting from increased spend on R.A.B.I's grants and welfare support services, which increased in total from £3,043k in 2018 to £3,947k in 2019. Continuing the Trustees commitment to provide support to our grants programme beyond the level of income generated from fundraising, direct grant support increased to over £3million for the first time in 2019 (£3,101k).

The direct costs of running the two residential homes increased by 6% to £2,484k in 2019, primarily as a result of an approved uplift of pay rates at the end of 2018 to ensure all staff employed at the homes receive a living salary commensurate to the location of the homes. Occupancy at the homes has remained high during 2019 with income from fees increasing marginally to £2,624k.

Following the recognition at the 2018 year-end of over £3 million of unrealised market losses, unrealised market gains of £4,232k were recognised at 31 December 2019, to show a closing market valuation of the portfolio of £43,030k. The application of the total realised and unrealised market movements on R.A.B.I's investments results in a year-end surplus of £20,265k (£7,503k deficit: 2018).

Having completed a realignment of R.A.B.I's functional property valuations in 2018, full RICS valuations were completed for all the charity's investment properties during 2019. Prior to 2019, investment properties were subject to a rolling ten-year professional valuation with many of the properties having not been subject to a full RICS valuation since 2010, resulting in an unrealised revaluation surplus being recognised for 2019 of £16,281k. Further information is shown in note 16.

Following the economic impacts of the Coronavirus pandemic during 2020, Trustees consider it likely that the market value of the investment properties may be materially different at the reporting date to those noted in the financial statements. Trustees have not sought to obtain updated valuations due to the current valuation restrictions and the increased inclusion of material uncertainty declaration. Further information regarding the impacts of the pandemic are included in the notes to the financial statements.

Reserves

R.A.B.I's financial reserves strategy seeks to ensure that funds are maintained at a level that enables the charity to manage financial risk and short-term income volatility whilst maintaining optimal levels of support over the long-term. The holding of reserves is additionally important to allow R.A.B.I to implement new strategic priorities to allow the charity to evolve to meet the changing needs of the farming community.

The nature of the support provided by R.A.B.I requires an enduring commitment to beneficiaries in the medium to longer-term. As a fundraising charity, R.A.B.I recognise that there is an exposure to short-term volatility in income levels and therefore hold funds in reserve to ensure the charity can continue to meet the core welfare support programmes in the face of income fluctuations.

To ensure R.A.B.I remains able to fund core charitable commitments over a rolling three-year cycle, the charity needs to hold a minimum level of cash equivalent resources, consisting of the investment portfolio and cash balances. The cash equivalent reserve threshold is the most important element of R.A.B.I's reserve strategy and is reviewed at least every three years against forecast requirement and income yields.

Trustees have agreed that, to meet these core commitments, R.A.B.I should maintain cash equivalent resources of at least £50 million. At 31 December 2019 cash equivalent reserves stood at £46,533k (2018: £43,156k). Trustees are content that there are adequate resources as at 31 December 2019 to meet foreseeable commitments.

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Following recognition of unrealised revaluation movements on the investment properties, R.A.B.I held total reserves at the year-end of £82,991k, including cash equivalent funds of £46,533k and £36,471k of investment and functional properties. These property resources are illiquid in nature, subject to valuation volatility and held on a long-term basis to support the delivery of R.A.B.I's aims. Free reserves as at 31 December 2019, representing unrestricted fund balances excluding investments and property fixed assets were £3,411k (2018:£4,522k).

R.A.B.I hold a number of restricted funds which have been donated to the charity with specific conditions attached to their use. At 31 December 2019 these totalled £6,709k (2018: 4,962k). The charity additionally holds three endowed funds that have been donated subject to the condition that the capital must remain unspent in perpetuity. The balance of the endowed funds at the year-end totalled £852k (2018:£744k) . Further fund details are provided at note 20.

Investments

To meet the need for an enduring source of annual income increasing with inflation, whilst protecting capital value, R.A.B.I's investment strategy is to hold a diversified portfolio across established markets with a bias towards assets that offer growth and yield. R.A.B.I has a neutral ethical investment strategy.

The main objectives of the investment strategy are:

- To hold investments in a manner that will assist R.A.B.I to deliver its charitable aims in the short, medium and long-term;
- To provide a return of inflation + so that real capital values are preserved whilst generating income;
- To measure performance against appropriate benchmarks;
- To employ investment managers to develop portfolios to meet the investment mandate at an appropriate level of risk and volatility.

R.A.B.I has been extremely fortunate to be gifted several farms and estates, which are held following receipt to generate income and act as a further diversifier to the investment portfolio. The performance of the investment properties is considered in conjunction with the portfolio within the overarching aim to protect the value of investments whilst seeking an appropriate return.

The investment strategy is subject to ongoing review and recommendations to Trustees by the Finance and Estates Committee, who hold a minimum of biannual investment portfolio review meetings with R.A.B.I's investment managers and advisors.

Following stock-market recoveries during 2019, the value of the investment portfolio at the year-end increased to £43,030k (2018:£38,391k). As noted above, the investment properties were subject to a full revaluation during 2019, noting unrealised revaluation gains during 2019 of £16,281k to show a year-end closing valuation of £28,244k. Further information regarding investment performance is included in the section above and in note 16 and 22.

Risk Management

The Compliance and Risk Committee review the major risks facing R.A.B.I and provide assurance and recommendations to the Trustees at all Council Meetings. The Committee and Trustees continually seek to identify significant risks to R.A.B.I and work with the Senior Management Team to implement procedures to both mitigate risk where possible and minimise potential impact should risks materialise.

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Trustees continued to monitor and manage the following significant strategic risks during 2019:

- Understanding the factors that could impact negatively on R.A.B.I's reputation, minimising these where possible and responding efficiently where necessary;
- Compliance management including analysis and management of safeguarding, financial and fundraising regulations and risks;
- Risks relating to the extent of the charity's resources being sustainable and appropriately structured to deliver R.A.B.I's strategic aims;
- Ensuring R.A.B.I is best placed to identify the needs of the farming community and respond with effective service delivery programmes;
- Recruiting, training and retaining appropriately skilled trustees, employees and volunteers who fully understand how to fulfil their roles and responsibilities;
- Managing the expansion of R.A.B.I partnership working programmes.

The Trustees are satisfied that the arrangements for managing potentially significant risks identified are adequate, mitigate the risks noted to an appropriate level and are subject to sufficiently rigorous monitoring and control. R.A.B.I employs professional specialist advisors to provide support where deemed appropriate including: legal; accountancy and taxation; health and safety; investment and estate management; and other matters of regulation and compliance as they arise.

Key elements of the internal risk management controls include:

- The Compliance & Risk Committee provide oversight, review and advice to the trustees regarding the monitoring and management of key existing and emerging risk profiles;
- The Trustees meeting at least four times a year to consider strategic risk responses;
- The Senior Management Team meeting approximately eight times a year with ongoing assessment of operational risk effectiveness occurring at each meeting;
- Clear organisational structure with appropriate levels of segregation, accountability and reporting;
- An annual operating budget which is approved and reviewed by the Finance and Estates Committee and Trustees;
- Regular consideration by the Finance and Estates Committee of investment management results against benchmarks;
- Regular consideration by the Finance and Estates Committee and Trustees of financial results against budgets and other indicators;
- The use of a risk management framework to identify, assess and prioritise significant risks.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Trustees are satisfied that arrangements for identifying and managing key risks are appropriate and provide reasonable assurance that significant operational risks are monitored and managed appropriately

Responsible Fundraising

R.A.B.I rely on raising voluntary income to keep the charity's welfare services running and has policies and controls to ensure monies are raised responsibly.

R.A.B.I has not employed any third party or professional fundraising agencies during 2019.

R.A.B.I is registered with the Fundraising Regulator and follow the fundraising code of practice which means:

- The charity is transparent about how it raises funds and treats supporters respectfully and fairly;
- Adherence to data protection regulations and clarity as to how to opt out of fundraising communications;
- Taking all reasonable steps to protect vulnerable people from persistent fundraising, including safeguarding training and escalation policies;
- Ongoing training for R.A.B.I fundraising staff providing support to R.A.B.I's network of volunteer fundraisers;
- Responding quickly to resolve any complaints received about fundraising. No formal complaints were received during the year regarding fundraising practices (2018: nil).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

R.A.B.I is governed by its Council of Trustees ('the Trustees') as established within the Royal Charter and By-laws dated 1953 (as amended 2011). Trustees are delegated authority from the members to manage the affairs of R.A.B.I in accordance with the Royal Charter and By-laws.

The Members of R.A.B.I are determined by the Royal Charter as: members of the Council of Trustees; former members of the Council of Trustees for a period of five years following their tenure; up to three officers of each County Committee; and the President and Vice Presidents as appointed by the Council of Trustees.

The By-laws determine the Trustees shall consist of not less than nine and no more than twelve trustees. Trustees are elected by members of R.A.B.I at the AGM for a term of four years and can serve no more than two consecutive terms. Office holders, currently being the Chairman, up to two Deputy Chairmen and the Treasurer are appointed for a term of three years at the discretion of the Trustees.

The Trustees must hold at least four meetings a year with a quorum of at least seven trustees being required to conduct the business of the charity.

Trustee Induction

All new trustees receive a personalised induction programme designed to cover: the key strategic aims of R.A.B.I; the operational framework; regulatory responsibilities; finance; and future plans. The initial induction includes a briefing from R.A.B.I's charity law advisors regarding the rights and responsibilities of trusteeship.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Trustees are expected to attend the annual strategic workshop day, during which they review any significant updates of regulatory or governance importance and are encouraged to attend the annual visit to one of R.A.B.I's investment properties. Trustees are also expected to have visited R.A.B.I's residential homes in Somerset and Suffolk within the first year of appointment and to continue to visit throughout their tenure of office. Newly appointed trustees are invited to attend a range of committee meetings.

Trustees are additionally invited to attend internal and suitable external trustee training courses to ensure an appropriate and ongoing understanding is maintained within the Council with regards to significant issues such as: governance; the role and responsibilities of trustees; understanding charity finance and investments; safeguarding; and identifying and managing risks.

Organisational Structure

The Trustees are responsible for setting the strategic direction of R.A.B.I and monitoring the activities of the Senior Management Team. The Trustees receive reports from all committee meetings and are responsible for approving the annual budget plans. Trustees met four times in addition to the annual strategic workshop during 2019.

The Chief Executive is responsible for the effective and efficient day-to-day management of R.A.B.I and for implementing the strategies and policies agreed by the Trustees. The Chief Executive has delegated authority to determine operating policies, manage operational planning, budgets, property and staffing resources to support the strategic and policy framework set by the Trustees.

Trustees delegate authority to the Chief Executive to authorise budgeted expenditure to a limit of £35k and to approve items of un-budgeted expenditure, subject to an individual item maximum of £25k where this does not represent more than a 10% variance from approved financial forecasts. Details of any unbudgeted expenditure approvals are presented to the Trustees at the next meeting.

The Trustees believe that good governance is key to the ongoing success of R.A.B.I. Following commencement of a review of governance practices in 2019, Trustees approved the formal appointment of the Head of Governance role to act as the focal point for all trustee and governance matters.

In accordance with the By-laws, the Trustees have constituted a number of committees, all of which must contain a minimum of two trustee members. Following a review of the roles and duties of the extant committees, the committee structure was reconstituted in March 2020 to increase clarity and remove duplication of responsibilities. With effect from March 2020 the following four committees provide support to the Trustees:

The Finance and Estates Committee; The Service Provision (Welfare) Committee; the Compliance and Risk Committee; and the Homes Committee. The Trustees have set clear terms of reference and delegation for the committees and receive minutes of meetings and additional reporting as deemed necessary and appropriate.

The Finance and Estates Committee

Trustees delegate supervision of the implementation of the financial strategy to the Finance and Estates Committee with a remit to provide the best possible return at an appropriate level of risk. The Committee is responsible for ensuring R.A.B.I's short and long-term financial viability through oversight of the management, investment and disbursement of the charity's resources.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

The Committee reviews the performance of R.A.B.I.'s Investment Managers and considers investment strategy and performance for all the charity's investment funds and investment properties to provide recommendations to the Trustees. The Committee is additionally responsible for oversight of the external audit process and for providing recommendations to the Trustees with regards to employee and senior management remuneration.

Trustees delegate authority to the Finance Committee to authorise more significant items of expenditure, subject to presentation of approvals at the next trustee meeting.

The Committee is required to meet at least three times during the year and must include members holding relevant specialist financial and property experience. During 2019 the duties of the Finance and Estates Committee were undertaken within a wider remit by the Chairman's Executive and Audit Committee, supported by the Estates Committee. These committees met five times during 2019.

The Service Provision (Welfare) Committee

The Trustees delegate oversight for the development, implementation and review of the welfare strategy and supervision of the associated operational performance to the Service Provisions (Welfare) Committee. The Committee is responsible for ensuring the Trustees' strategic objectives are continually subject to assessment and improvement.

The Committee is additionally responsible for supervision of the disbursements of grant awards. The Committee is delegated authority to award more significant single grants up to £15,000 and to approve new beneficiary status.

The Committee is required to meet at least biannually and met on six occasions during 2019.

The Compliance and Risk Committee

The Compliance & Risk Committee was constituted in 2018 to provide an oversight, review and advisory role to the Trustees with regards to the identification and management of key risks for R.A.B.I.

The Committee reviews emerging risk profiles and the management of operational risks to provide Trustees with assurance and recommendations for action. To ensure appropriate specialist consideration of areas of key operational concern, the Committee has constituted two working groups: the Health & Safety Working Group; and the Safeguarding Working Group. The Committee is required to meet at least biannually and met three times during 2019.

The Homes Committee

Trustees delegate supervision of the development, implementation and review of service provision at the two residential homes to the Homes Committee. The Committee is responsible for providing Trustees with assurance that the homes provide support to the farming community at an appropriate level of risk.

Prior to 2020, the duties of the Homes Committee were undertaken by two separate Committees, the Beaufort House and Manson House Management Committees. To facilitate a more cohesive consideration of strategic and key operational matters across the homes, Trustees approved the constitution of a single Homes Committee in March 2020.

The Committee provide oversight of the key management and operational matters identified at the homes via the executive led Beaufort House and Manson House Management Meetings and consider recommendations within the wider strategic context of the charity.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION

REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

The Homes Committee is required to meet at least three times during the year, with the management led Home Management Meetings occurring at least quarterly. During 2019 the Beaufort House Management Committee met four times and the Manson House Management Committees met five times.

County Committees

As noted above, R.A.B.I is proud to have an extensive network of volunteers across England and Wales who assist the charity to raise funds and increase awareness of the charity's work. The majority of volunteers provide support via membership of one of the wholly volunteer based County Committees, with most of these Committees carrying out fundraising and support work as local branches of R.A.B.I.

The County Committees branches are supported by one of R.A.B.I's Regional Managers, who assist the Committees with advice, materials and technical support. Without the fantastic work of the County Committee volunteers, who we estimate provided the equivalent of over 10,000 hours to R.A.B.I during 2019. the charity would not be able to provide as much crucial support to the farming community.

Collaborations

R.A.B.I seeks to work closely with other charities and organisations to provide maximum benefit to the agricultural community. R.A.B.I is a member of Farming Help, a collaborative forum for the national charities engaged in providing support to the farming sector. The membership of Farming Help increased during 2019 to include: R.S.A.B.I; the Farming Community Network; Rural Support Northern Ireland; the Addington Fund; and Forage Aid.

Employee Remuneration Policy

R.A.B.I is committed to recruiting the correct high-calibre people and rewarding them fairly for the jobs they do. It is extremely important that R.A.B.I use the resources available for the remuneration of our employees effectively and to recruit, retain and develop people with the necessary skills and knowledge to deliver positive contributions that support the charity's objectives. Making effective decisions in relation to remuneration and reward is considered both central and crucial to the continued success of R.A.B.I's overall aims.

Salary levels are based on an assessment of each specific role requirement and are subject to a voluntary sector benchmarking process. Salary levels are subject to an annual review by the Senior Management Team, utilising external market information, following which recommendations are reviewed by the Finance Committee before approval by the Trustees. R.A.B.I does not apply any form of performance related pay or bonus schemes.

The salary of the Chief Executive and other members of the Senior Management Team are set by the Trustees on the recommendation of the Finance Committee. Recommendations are based on benchmarking against similar roles in charities of a similar nature and size, with particular reference to other large benevolent charities. The same benefits, including pensions, apply to the Chief Executive and members of the Senior Management Team as for all other employees.

CHAIR'S PLANS FOR FUTURE PERIODS

R.A.B.I understand that dealing with life's challenges can be tough and that the need is greater than ever for the charity to help identify and develop solutions that provide the farming community with the tools they need to help them get through difficult times. Against the backdrop of continuing fundamental uncertainties affecting agriculture, including the impacts of further extremes of weather, societal isolation and the transition to farming payments being linked to environmental land management, R.A.B.I's 2019 strategy outlines how the charity seeks to develop new approaches that will deliver accessible and flexible solutions to address immediate needs and provide longer-term support packages.

**THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019**

Providing financial support and advice will remain at the core of R.A.B.I's work, however the needs of those who turn to the charity for support are becoming increasingly complex. Whilst continuing to ensure R.A.B.I is there for those who need our support across 2020, the wider reaching strategic plans for 2020 include:

- **Understanding the issues and problems that affect people in agriculture.**

In order to get a clearer picture of the challenges and how they feel and impact for our people in farming, R.A.B.I believe more research is required. During 2020 we intend to focus on expanding the charity's links with other farming support organisations, working with them to gain greater insights into the issues that affect wellbeing.

Planning will commence in 2020 to support a wide-ranging research project, focussing solely on the farming community across England and Wales to help us identify and define where and how support is most needed. Working with our agricultural colleagues across the year to gain more collaborative research will allow R.A.B.I to ensure services are adapted to provide real and meaningful solutions.

- **Social value review**

It is important that the charity can direct support, both currently and when considering future programmes, most effectively. Following completion of preliminary planning with external specialists during 2019 work will commence during 2020 to define and develop the charity's social impact framework. Regional meetings are planned across the year to allow focus groups of R.A.B.I staff and volunteers to engage and add their expertise to the project.

- **Invest in information systems and our people**

Following completion of the charity's existing information and data management systems during 2019 a structured programme of update and replacement will commence in 2020 to maximise workflow efficiencies and provide the charity with the most effective platforms to operate into the future.

Recognising the huge value of R.A.B.I's volunteers, 2020 will mark the start of a longer-term investment in volunteer training and support, seeking to better demonstrate the importance of our volunteer committees by improving communications, training and central support.

The process to evaluate core competencies of staff and volunteers will continue with the expected completion of the review in 2020 allowing the focus for the remainder of the year to move towards the development of a resilient structure within R.A.B.I to support the evolving needs of the people the charity supports.

- **Developing partnership working**

Building from planning work completed during 2019, the development of existing partnerships and identification of new strategic partners lies at the core of R.A.B.I's intention to facilitate holistic packages of support. Work will continue during 2020 to focus on developing relationship, both new and existing to identify unfulfilled areas of need and opportunities to collaborate more effectively to provide unified holistic support with partners, at both a local and national level.

- **Increase income from fundraising**

The objectives for 2020 include a review of the current fundraising resources to ensure the charity has the most appropriate and robust structures going forwards to develop the fundraising strategy to maximise income from existing fundraising channels and explore opportunities for new ways to generate income.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION

REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

In addition to exploring the reach and impact of R.A.B.I.'s digital channels, work will commence in 2020 to increase the profile and reach of R.A.B.I, including a refresh of the R.A.B.I brand to ensure the charity can maximise the charity's brand awareness to get supporters involved.

- **Developing communication networks**

Following delays to the digital communications review project in 2019, R.A.B.I plan to complete a preliminary review and development from the existing digital media platforms. Working with external support where needed, during 2020 R.A.B.I will focus resources on understanding how the charity can best target this engagement to ensure the resources and staffing are used to maximum effect and impact.

- **Drive forward expended service provision**

Working with our colleagues in the farming sector, R.A.B.I is developing new support packages to complement its existing programmes. There are no standard problems, so R.A.B.I will continue to tailor support to the needs of the individual, providing confidential, proactive and meaningful solutions that can be accessed quickly and effectively as they are needed

During 2020 R.A.B.I will begin working with specialist third party providers to schemes across England and Wales that will begin to transform the way the charity works and the services it can offer. The schemes will provide the farming community across England And Wales with easy access to approved and qualified counsellors, including one-to-one online consultations, that are available free at the point of use, 365 days a year.

At the date of the report, it isn't possible to quantify the impact of the Coronavirus pandemic on the 2020 strategic objectives, however R.A.B.I is proud that, with the assistance of the trustees, staff and volunteers, the charity has been able to quickly adapt to remote working and ensuring that the core support service has remained operational throughout the crisis.

The pandemic is forecast to impact R.A.B.I's 2020 income flows following the cancellation of all local and nationally based fundraising events and the expectation of reduced receipts from the investment portfolios. The Trustees have committed to ensuring welfare provision is maintained at pre COVID-19 forecast levels and are confident that cash equivalent reserves are sufficient to facilitate this commitment. Whilst face-to-face visits have not been possible since the lockdown, R.A.B.I's helpline has remained open and 'virtual' visits have continued with the addition of the case officers providing a call-out service to all the charity's most vulnerable service users.

Whilst the unprecedented nature of the pandemic make quantification difficult, Trustees are content that the charity has identified areas of potentially heightened operational and strategic risks. At a strategic level the Trustees are content that the key strategic risks surrounding resourcing, sustainability and reputation are subject to appropriate ongoing review and monitoring, including assessment and management of heightened operational risks imposed by the virus at the two residential homes.

Following the necessity to cancel R.A.B.I's fundraising events, the charity has been delighted by the innovative and positive alternative fundraising initiatives undertaken by supporters including: a 72 mile virtual Kilimanjaro trek; the virtual Tour of Pembrokeshire; the Greatest Online Agricultural Show; the Royal Cornwall online quiz and auction; and Yardley of London supporting the charity through sales of the Byre Bodycare range.

Farmers matter and R.A.B.I's role, to ensure the agricultural community is provided with the support they need to manage life's challenges remains at the core of the charity's work. R.A.B.I is determined to remain ready to react quickly where need arises, whilst planning to ensure the charity will be there to ensure no member of the farming community will have to face adversity alone.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Charity law in England and Wales and the Royal Charter require the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its net income or expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are 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 to operate.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Trustees on 19 June 2020 and signed on their behalf



J E Dawson OBE

Chair of the Council of Trustees

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

Opinion

We have audited the financial statements of The Royal Agricultural Benevolent Institution for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019, 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

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

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP
Statutory auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 26 June 2020

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2019	TOTAL 2018 (restated)
		£000	£000	£000	£000	£000
Income						
<i>Donations, legacies & grants</i>	2	1,910	540	6	2,456	2,708
<i>Charitable activities</i>						
- Fees for residential care		1,209	-	-	1,209	1,331
<i>Other trading activities</i>						
- Fees for residential care		1,415	-	-	1,415	1,291
- Trading sales	3	36	-	-	36	29
<i>Investment income</i>	4	1,760	226	-	1,986	2,332
<i>Other Income</i>		12	-	-	12	8
Total Income		6,342	766	6	7,114	7,699
Expenditure						
<i>Raising funds</i>						
- Donations and legacies	5	845	-	-	845	762
- Residential homes	8	1,258	-	-	1,258	1,190
- Other trading activities	3	31	-	-	31	24
- Generating investment income	7	278	-	-	278	264
<i>Charitable activities</i>						
- Grants and support services	9	3,317	630	-	3,947	3,043
- Residential homes	8	1,586	54	-	1,640	1,256
- Publicity and marketing	6	407	-	-	407	636
Total Expenditure		7,722	684	-	8,406	7,175
Net gains/(losses) on investment assets						
- Realised	16	667	336	41	1,044	(150)
- Unrealised	16	19,977	475	61	20,513	(3,282)
Total gains/(losses) on investment assets		20,644	811	102	21,557	(3,432)
Net income/(expenditure)		19,264	893	108	20,265	(2,908)
Other recognised losses						
Losses on revaluation of tangible fixed assets	14	-	-	-	-	(4,595)
Transfer between funds						
	20	(854)	854	-	-	-
Net movement in funds		18,410	1,747	108	20,265	(7,503)
<i>Reconciliation of funds:</i>						
Total funds brought forward 1 January		57,020	4,962	744	62,726	70,229
Total funds carried forward 31 December		75,430	6,709	852	82,991	62,726

The charity has no recognised gains or losses for the year other than as detailed above.

The net movements in the charity for the year arise from continuing operations.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
BALANCE SHEET AS AT 31 DECEMBER 2019

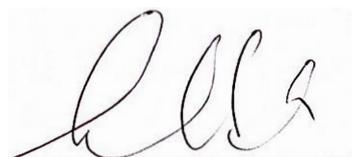
	Notes	TOTAL 2019	TOTAL 2018 (restated)
		£000	£000
Fixed Assets			
Tangible Assets	14	8,293	8,268
Investments	16	71,274	49,926
Total Fixed Assets		79,567	58,194
Current Assets			
Trading Stock		4	5
Debtors	17	251	252
Cash at Bank and In Hand	18	3,503	4,765
Total Current Assets		3,758	5,022
Creditors: Amounts Falling Due Within One Year	19	(334)	(490)
Net Current Assets		3,424	4,532
Total Net Assets		82,991	62,726
The Funds of the Charity			
	20		
Endowed Funds		852	744
Restricted Funds		6,709	4,962
Unrestricted Funds		75,430	57,020
Total Charity Funds		82,991	62,726

The financial statements on pages 23-40 were approved by the Trustees on 19 June 2020 and signed on their behalf by:

J E Dawson OBE
 Chair of the Council of Trustees



J Elliot
 Treasurer



THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £000	2018 (restated) £000
Cash flow from Operating Activities		
Net cash outflow from operating activities	(3,404)	(1,621)
Cash flow from Investing Activities		
Dividend receipts	1,555	1,560
Investment property rentals	415	759
Proceeds from sale of investment property	496	265
Capital purchases investment property	(428)	(109)
Interest on cash deposits	16	13
Net proceeds from sale of investments	141	143
Purchase of tangible fixed assets	(53)	(142)
	2,142	2,489
Change in cash and cash equivalents during the year	(1,262)	868
Cash and cash equivalents as at 1 January	4,765	3,897
Cash and cash equivalents as at 31 December	3,503	4,765

Notes to the Cash flow Statement

	2019 £000	2018 (restated) £000
Reconciliation of Net Income to Net Cash Flows from Operating Activities		
Net income/(expenditure) for the year	20,265	(2,908)
Adjustment for:		
Depreciation charges	28	23
(Gains)/losses on investments	(21,557)	3,432
Investment Income	(1,986)	(2,332)
Decrease/(increase) in stocks	-	(1)
Decrease/(Increase) in debtors	1	(95)
(Decrease)/increase in creditors	(155)	260
Net cash used in operating activities	(3,404)	(1,621)

Analysis of Cash and Cash Equivalents

	31 December 2019 £000	31 December 2018 (restated) £000	Cash Flow
Cash at bank and in hand	703	256	447
Short-term deposits	2,800	4,509	(1,709)
	3,503	4,765	(1,262)

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION

PRINCIPAL ACCOUNTING POLICIES 2019

Basis of Preparation

The Royal Agricultural Benevolent Institution ('R.A.B.I') meets the definition of a public benefit entity under FRS102. The financial statements have therefore, been prepared in accordance with the applicable accounting standards in the United Kingdom, the Accounting Regulations issued under the Charities Act 2011 and the Statement of Recommended Practice 'Accounting and Reporting by Charities (FRS102)'.

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and tangible land and buildings to market value and are in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (FRS102)'.

The financial statements are presented in R.A.B.I's functional currency of Sterling (GBP) and are shown rounded to the nearest thousand (£000).

A summary of the significant accounting policies is set out below.

Going Concern

The Trustees, having particular regard to the impacts of the recent COVID-19 restrictions on the activities of R.A.B.I consider it appropriate to prepare the financial statements on a going concern basis.

As noted in the Trustees Annual Report, financial forecasts have been completed to consider the likely impact of reduced income resulting from a significant reduction in fundraising events during the period of COVID-19 restrictions, coupled with global investment uncertainties.

As at 18 June 2020 the value of the investment portfolio held with Rathbones had fallen by around £2,222k, representing a 5.2% fall in market value. Whilst markets remain volatile, the anticipated lower returns due to this fall in investments, have been considered in the revised forecasts and are not expected to materially affect the charity's ability to continue to operate for the next twelve months.

Trustees consider the level of liquid assets held directly and within the investment portfolio provide adequate assurance that existing welfare and central commitments can continue to be financed during the period of existing uncertainty even if fundraising income remains at depressed levels. The Trustees are assured that there are adequate resources to allow R.A.B.I to continue the charity's activities for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

Income

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. 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 is accounted for in the period in which the charity is entitled to receipt and comprises dividend income, interest on cash deposits and rental income from investment properties.

Residential fees are accounted for in the period in which the service has been provided.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION

PRINCIPAL ACCOUNTING POLICIES 2019

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation for the charity to make payment. All costs have been directly attributed to one of the functional categories of expenditure in the Statement of Financial Activities.

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset where appropriate.

Costs of raising funds include investment managers' fees, costs to provide residential care support to non-beneficiaries at the two R.A.B.I residential homes and expenditure incurred to attract voluntary income, grants and legacies. Residential home costs are charged to the Statement of Financial Activities in the period in which the service has been provided.

Expenditure on charitable activities includes the payment of grants to beneficiaries and the indirect costs of providing the casework support. Grants are recognised in the financial statements in the year in which the grant offer is conveyed to the recipient. Conditional grants to beneficiaries are not recognised where the conditions of receipt have not been met and are noted as financial commitments.

Support costs consist of salary and other expenditure incurred to facilitate the administration and governance of the charity. Support costs are directly attributed to activities where it is possible to allocate to the activity on a basis of use of resource. Where it is not possible to directly attribute support costs, these are apportioned by the estimated percentage of time utilised by employees on each activity. The allocation of support costs for 2019 on this basis are: costs of generating voluntary income 16%-46%; publicity and marketing 3%-8%; investment costs 1%; direct welfare payments 16%-45%; and residential homes 50%-59%.

Tangible Fixed Assets and Depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Freehold land and buildings are measured at market value less impairment and are not depreciated as trustees consider recognition on a market value basis renders any depreciation charge as immaterial. Freehold land and buildings are subject to a full professional review on a rolling minimum five year basis in accordance with RICS "Red Book".

An impairment is recognised in accordance with FRS11 for the difference between the carrying amount and the revalued recoverable amount. Impairment movements are charged to the Statement of Financial Activities in the period incurred.

The fair market value of the two R.A.B.I owned residential homes is deemed to be the market value of the freehold investment in the residential home and the net income for the retirement flats.

It is R.A.B.I's policy to capitalise all assets with a combined purchase value in excess of £1,000. Depreciation is calculated on a straight line basis across the expected useful life of the asset class:

Motor vehicles	three years
Equipment	three - ten years

Investments

Quoted investments are stated at market value at the balance sheet date.

R.A.B.I additionally owns a number of farms and estates which are held to generate a rental income. Investment properties are recognised at market value, with all properties being subject to a full professional valuation in accordance with RICS "Red Book" valuation requirements for the December 2019 year-end. Full professional valuations will be carried out on a minimum basis of every five years. Trustees perform an annual desktop review of the market values of investment properties in the interim of full revaluation reports.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION

PRINCIPAL ACCOUNTING POLICIES 2019

Gains and Losses on Investment Assets

Gains and losses arising on investment assets, both through sale and changes in valuations, are taken to the Statement of Financial Activities in the year they occur.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Stock

Stock is stated at the lower of cost and net realisable value.

Funds Structure

R.A.B.I currently holds three permanently endowed funds with no discretion to expend the capital. Income from two of the permanently endowed funds is restricted, with the third generating unrestricted income for general charitable purposes.

Restricted funds are subject to specific restricted conditions imposed by the donors as indicated below at note 20.

Designated funds comprise unrestricted funds that are set aside by the trustees for a particular purpose.

Employee Benefits

R.A.B.I provides benefits to employees including paid holiday, group life assurance and a defined contribution pension scheme. The short-term benefits of holiday pay and group life assurance are charged to the Statement of Financial Activities during the period incurred.

The charity operates a defined contribution pension scheme for the benefit of all eligible employees. The assets of the scheme are administered by an independent pension provider. Once R.A.B.I has paid contributions to the scheme provider, the charity has no further payment obligations. The employer contributions are charged to the Statement of Financial Activities during the year of payment. Any unpaid employer contributions at the year-end are recognised within creditors.

Branches and Volunteers

R.A.B.I has an extensive network of volunteers across England and Wales who assist the charity to raise funds and increase awareness of the charity's work. An estimate of the contribution provided by the volunteers is included at note 13.

The majority of volunteers provide support to R.A.B.I through membership of one of the wholly volunteer based County Committees, with most of these Committees carrying out fundraising and support work as local branches of the charity.

The transactions undertaken by those County Committees operating as branches are recognised in the Statement of Financial Activities and assets and liabilities in the Balance Sheet in accordance with the charity's other income and expenditure policies as noted above. Income raised by the branches is typically to support the general purposes of R.A.B.I and will be accounted for as unrestricted funds. On occasion of a branch raising funds for a specific purpose, the income raised will be accounted for as restricted funds.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
PRINCIPAL ACCOUNTING POLICIES 2019

Critical Accounting Estimates and Areas of Judgement

In preparing financial statements the Trustees are required to make certain judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other known factors that are considered relevant. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis, with revisions to accounting estimates being recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both periods.

The Trustees consider the key area of judgement deemed to have the most significant effect on values recognised in the financial statements relates to the valuation of investment properties. Note 16 provides further details regarding the valuation methods used assumptions upon which the valuation is based.

Prior Year Adjustments

A detailed review of the County Committee branch returns for the year to 31 December 2019 indicated that timing issues relating to cash in transit around the 2018 year-end had resulted in some of the branch cash and income balances recognised in the 2018 Financial Statements being materially understated and the bought forwards accrued branch income being similarly materially understated.

The bought forward voluntary income, cash and accrued income balances have been restated to ensure the 31 December 2019 Financial Statements recognise the correct opening branch position. The adjustment has the net effect of increasing unrestricted funds as at 31 December 2018 by £71,406.

The bought forward investment property and estates expenditure have been subject to a reallocation of expenditure noted as consistent with capital recognition, previously having been recognised as a cost of generating income from estates. The adjustment has the net effect of increasing unrestricted funds as at 31 December 2018 by £109,078.

The restatement to opening reserves resulting from the two adjustments noted above are:

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Total Funds £000
Opening Reserves as at 1 January 2019	56,840	4,962	744	62,546
Prior Year Adjustments:				
Branch Income Recognition	71	-	-	71
Investment Property Capital Additions	109	-	-	109
Opening Reserves as at 1 January 2019 Restated	57,020	4,962	744	62,726

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Statement of Financial Activities analysis for the year-ended 31 December 2018

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2018 (restated) £000
	£000	£000	£000	£000
Income				
Donations and legacies	2,488	220	-	2,708
Charitable activities				
- Fees for residential care	1,331	-	-	1,331
Other trading activities				
- Fees for residential care	1,291	-	-	1,291
- Trading sales	29	-	-	29
Investment income	2,068	264	-	2,332
Other Income	8	-	-	8
Total Income	7,215	484	-	7,699
Expenditure				
Raising funds				
- Donations and legacies	762	-	-	762
- Residential homes	1,190	-	-	1,190
- Other trading activities	24	-	-	24
- Generating investment income	264	-	-	264
Charitable activities				
- Grants and support services	2,355	688	-	3,043
- Residential homes	1,223	33	-	1,256
- Publicity and marketing	636	-	-	636
Total Expenditure	6,454	721	-	7,175
Net losses on investment assets				
- Realised	(150)	-	-	(150)
- Unrealised	(2,577)	(617)	(88)	(3,282)
Total losses on investment assets	(2,727)	(617)	(88)	(3,432)
Net expenditure	(1,966)	(854)	(88)	(2,908)
Other recognised losses				
Losses on revaluation of tangible fixed assets	(4,595)	-	-	(4,595)
Net movement in funds	(6,561)	(854)	(88)	(7,503)
Reconciliation of funds:				
Total funds brought forward 1 January	63,581	5,816	832	70,229
Total funds carried forward 31 December	57,020	4,962	744	62,726

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2 Voluntary Income

	2019	2018 (restated)
	£000	£000
Annual subscriptions	50	51
Donations	1,321	1,249
Voluntary income from trusts	290	267
Income tax recovered under Gift Aid	27	39
Grants	240	-
Legacies	528	1,102
	<u>2,456</u>	<u>2,708</u>

3 Trading Sales

	2019	2018
	£000	£000
Sales	36	29
- less cost of sales	(23)	(16)
- less operating costs	(8)	(8)
Net profit	<u>5</u>	<u>5</u>

4 Investment income

	2019	2018
	£000	£000
Income from estates and development	415	759
Listed securities general fund	1,330	1,295
Interest on loans and deposits	16	13
Trust funds		
- Manson House Special Fund	5	6
-Beaufort House Special Fund	1	1
- R.A.B.I Emergency Fund	191	225
- Barnes Trust	22	26
- Ken & Ann Woodward Fund	1	1
- David Beale Charitable Trust	5	6
	<u>1,986</u>	<u>2,332</u>

5 Costs of raising donations and legacies

	2019	2018
	£000	£000
Centralised staff & fundraising costs	200	188
Fundraising costs - Regional/Branches	180	120
Regional staff shared costs	287	217
Legacies	1	2
Allocation of support costs (see note 10)	177	235
	<u>845</u>	<u>762</u>

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6 Publicity and marketing

	2019	2018
	£000	£000
Central staff, marketing & publicity costs	144	144
Publications and advertising	40	20
Regional staff shared costs	192	325
Allocation of support costs (see note 10)	31	147
	<u>407</u>	<u>636</u>

Included in the costs to publicise and communicate the work of the charity are costs incurred on general publications, the website and digital media, shows, exhibitions and events.

7 Costs of generating investment income

	2019	2018
	£000	(restated) £000
Investment management fees	146	140
Estates expenditure	98	102
Allocation of support costs (see note 10)	34	22
	<u>278</u>	<u>264</u>

8 Residential homes

	2019	2018
	£000	£000
Costs of running residential homes	2,484	2,347
Expenditure from Homes Special Funds (Restricted Funds)	44	33
Allocation of support costs (see note 10)	370	66
	<u>2,898</u>	<u>2,446</u>

9 Grants and support services

	2019	2018
	£000	£000
Grants	1,846	1,411
Homes fees paid	137	230
Home helps	70	49
Emergency Relief	83	71
Helpline	965	377
Welfare support	239	222
Casework costs	433	418
Allocation of support costs (see note 10)	174	265
	<u>3,947</u>	<u>3,043</u>

Beneficiaries – assisted with direct grant awards

	2019	2018
Non-working farmers/farmworkers (retired and disabled)	1,009	1,003
Working farmers/farmworkers	343	247
	<u>1,352</u>	<u>1,250</u>

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£000	£000
10 Support costs		
Printing, stationery, books, postage, telephone	37	29
Staff costs	485	425
Establishment expenses	55	70
Legal, health & safety, audit and bank charges	26	23
Governance & trustees	96	57
Office machinery, IT equipment and maintenance	71	94
Staff training	13	15
Sundry expenses	3	22
	<u>786</u>	<u>735</u>

Allocation of support costs

The support cost elements of staff and other expenditure has been attributed on a basis consistent with the use of resources:

	Raising Donations & Legacies £'000	Generating Investment Income £'000	Publicity & Marketing £'000	Grants & Support Services £'000	Residential Homes £'000	Total £'000
Printing, stationery, postage, telephone	7	4	1	6	19	37
Staff costs	87	22	16	86	274	485
Office IT, equipment and maintenance	25	-	4	26	-	55
Establishment expenses	5	1	1	5	14	26
Governance & trustees	17	7	2	16	54	96
Legal, H&S, audit and bank charges	33	-	6	32	-	71
Staff training	2	-	1	2	8	13
Sundry	1	-	-	1	1	3
Total	<u>177</u>	<u>34</u>	<u>31</u>	<u>174</u>	<u>370</u>	<u>786</u>

	2019	2018
	£000	£000

Fees for audit of financial statements	17	10
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No other financial or taxation advice was provided by the External Auditors during 2019 (2018: none).

12 Trustees and Employees

	Residential Homes	Welfare & Casework	Fundraising & Marketing	Management & Admin	2019 £000	2018 £000
Wages & Salaries	1,621	474	584	356	3,035	2,833
Employer's National Insurance costs	122	41	52	43	258	238
Employer's pension costs	40	37	27	28	132	98
	<u>1,783</u>	<u>552</u>	<u>663</u>	<u>427</u>	<u>3,425</u>	<u>3,169</u>

No employees earned between £60,000 and £70,000 during the year (2018: one).

No employees earned between £70,001 and £80,000 during the year (2018:nil).

One employee earned between £80,001 and £90,000 during the year (2018:nil).

No employees earned between £90,001 and £100,000 during the year (2018:nil).

No employees earned between £100,001 and £110,000 during the year (2018:one).

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12 Trustees and Employees (continued)

The charity made payment to its key management personnel, deemed to be the Chief Executive and eight (2018:seven) members of the Senior Management Team of £551,415 during 2019 (2018: £556,682). Included within this payment are employer pension contributions of £34,907 (2018: £29,383).

Average Headcount	Residential Homes	Welfare & Casework	Fundraising & Marketing	Management & Admin	2019 Total	2018 Total
Full Time	8	5	12	11	36	51
Part-time and Casual	93	14	4	1	112	93
	101	19	16	12	148	144

Full time is calculated as an average of 35 hours per week equivalent.

Trustees receive no remuneration during 2019 (2018: nil). Expenses totalling £32,935 (2018: £34,173) was paid to 13 trustees (2018: 13) for reasonable travel, trustee training, accommodation and meals expenditure whilst carrying out charity business.

13 Recognition of volunteers

R.A.B.I is fortunate to attract the support from committed volunteers across the country. These volunteers are involved in supporting the generation of income and assisting in the delivery of the charity's services. The table below provides an estimate of the number of volunteers and equivalent hours they have committed to helping R.A.B.I during 2019.

Fundraising & Marketing		Welfare & Services		Publicity		Total	
Volunteers	Hours	Volunteers	Hours	Volunteers	Hours	Volunteers	Hours
615	9,285	18	56	228	1,314	861	10,655

14 Tangible fixed assets

	Freehold Land & Buildings £000	Motor Vehicles £000	Equipment £000	TOTAL £000
Cost as at 1 January 2019	8,195	47	51	8,293
Additions	32	-	21	53
Revaluations	-	-	-	-
Cost as at 31 December 2019	8,227	47	72	8,346
Depreciation as at 1 January 2019	-	6	19	25
Provision for year	-	10	18	28
Depreciation as at 31 December 2019	-	16	37	53
Net Book Value				
Bought forward 1 January 2019	8,195	41	32	8,268
Carried forward 31 December 2019	8,227	31	35	8,293

Freehold land and buildings consist of three properties the charity utilise to support its operational activities. These properties are professionally valued on a rolling basis every five years with a desktop review every year. Additions to freehold land and buildings are recognised at cost.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. Tangible Fixed Assets (continued)

The freehold properties are recognised at the reporting date at fair value. Fair value for the charity's two residential homes is deemed to be the current market value of the freehold investment in the residential home and the net income for the retirement flats. Fair value of the freehold office is deemed to be revalued market value.

R.A.B.I.'s principle office is Shaw House in Oxford, which was subject to a full RICS "Red Book" valuation in August 2018. The charity additionally owns two residential care homes based in Somerset and Suffolk. The two residential homes were valued by Christie & Co, Birmingham in March 2019. Trustees are content that the recognised carrying value of the three properties are not materially different at the reporting date to those noted in the revaluation reports.

R.A.B.I additionally owns a number of farms and estates which are held to generate a rental income for the charity. In accordance with FRS102 these assets have been classified as investments (see note 16 below).

With the exception of two wheelchair accessible vehicles for use at each of the residential homes, the charity does not retain the rights or responsibilities of ownership for the remaining vehicles utilised by R.A.B.I, with the associated lease costs being recognised as they fall due during the year.

15 Capital commitments

	2019	2018
	£000	£000
Authorised but not contracted for	177	98
	<u>177</u>	<u>98</u>

Items noted as authorised but not contracted for as at 31 December 2019 include trustee approved commitments to upgrade residential and office areas at the residential home in Somerset, additions to equipment at both homes and new fundraising event marquees.

16 Investments

Fixed Asset Investments	2019	2018
	£000	£000
Market value at 1 January 2019	38,391	41,966
Net disposals at carrying value	(141)	(143)
Losses on disposal	548	(150)
Unrealised revaluation movement	4,232	(3,282)
Market value at 31 December 2019	<u>43,030</u>	<u>38,391</u>
Historical cost at 31 December 2019	<u>30,491</u>	<u>29,673</u>
Property Investments	2019	2018
	£000	(restated) £000
Market value at 1 January 2019	11,535	11,645
Additions	428	155
Disposals	(496)	(265)
Gains on disposals	496	-
Unrealised revaluation movement	16,281	-
Market value at 31 December 2019	<u>28,244</u>	<u>11,535</u>
Historical cost at 31 December 2019	<u>2,418</u>	<u>2,295</u>

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16 Investments (continued)

Investment properties are recognised at market value and are subject to a full professional valuation on a rolling basis at least every five years. Valuations are completed in accordance with RICS “Red Book”. Additions to investment properties in the interim of full professional valuation updates are recognised at cost. Fair value of the investment properties is deemed to be the revalued market value. Trustees are content that, as at 31 December 2019, the recognised carrying value of the investment properties is not materially different to those noted in the revaluation reports.

Prior to 2019, investment properties were subject to a rolling ten-year professional valuation in accordance with RICS “Red Book”, with only one property having been subject to a full professional valuation within the last five years. To ensure clarity is provided in the Financial Statements, all investment properties have been subject to a full valuation during 2019 and the valuation frequency increased to a maximum period of five years between full professional valuations.

Full RICS “Red Book” valuations were completed on behalf of R.A.B.I by members and fellows of the Royal Institution of Chartered Surveyors:

Whirledge & Nott, Great Dunmow, Essex:
 Boarscroft Farm – December 2019
 Caustons Hall Estate – December 2019
 Landwick Farm – December 2019
 Moles Farm – December 2019

Halls Holdings Ltd, Kidderminster, Worcestershire:
 Brook Farm – March 2020

Armistead Barnett LLP, Garstang, Preston:
 Kit Brow – December 2019

Peter Skinner & Associates, Kennford, Exeter:
 Mountstephen Estate – November 2019
 Furzehill Farm – November 2019

Analysis of Investments

	Market Value 31 December 2019	Market Value 31 December 2018	Income from Investments 2019	Income from Investments 2018
	£000	£000	£000	£000
Quoted investments - UK	29,260	28,944	1,197	1,179
Quoted investments - Overseas	13,387	8,547	358	381
Cash held within investment portfolios	383	900	-	-
Investment Properties	28,244	11,535	415	759
	71,274	49,926	1,970	2,319

Material Investment Holdings

The following investments represent material holdings as at the year-end within the total investment portfolio (excluding direct property investments):

	Market Value 31 December 2019	% of Portfolio
Capital Financial Managers Trojan Income S Inc	£4,798,898	11%

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

17 Debtors	2019	2018 (restated)
	£000	£000
Taxation recoverable	5	33
Other debtors	215	182
Prepayments	31	37
	<u>251</u>	<u>252</u>
18 Cash at bank and in hand	2019	2018 (restated)
	£000	£000
Cash and current account balances	703	256
Short-term deposits	2,800	4,509
	<u>3,503</u>	<u>4,765</u>
19 Creditors	2019	2018
	£000	£000
Fees and commissions	67	108
Taxation and social security	78	162
Other creditors	189	220
	<u>334</u>	<u>490</u>

20 Funds

Statement of funds 2019

	Fund balance bought forward (restated) £000	Incoming resources £000	Outgoing resources £000	Investment losses £000	Tangible fixed asset gains £000	Transfer between funds £000	Fund balance carried forward £000
Unrestricted funds	57,020	6,342	(7,722)	4,363	16,281	(854)	75,430
Restricted funds							
Manson House Special Fund	169	5	(42)	23	-	-	155
Beaufort House Special Fund	36	1	(11)	2	-	-	28
R.A.B.I Emergency Fund	4,754	442	(323)	786	-	854	6,513
Gloucestershire NFU Farmers Fund	3	1	(4)	-	-	-	-
The Barnes Trust	-	22	(22)	-	-	-	-
Ken and Ann Woodward Fund	-	5	(5)	-	-	-	-
David Beale Charitable Trust	-	1	(1)	-	-	-	-
Restricted Voluntary Income (Various)	-	289	(276)	-	-	-	13
	<u>4,962</u>	<u>766</u>	<u>(684)</u>	<u>811</u>	<u>-</u>	<u>854</u>	6,709
Endowment funds							
The Barnes Trust	582	-	-	79	-	-	661
Ken & Ann Woodward Fund	144	6	-	20	-	-	170
David Beale Charitable Trust	18	-	-	3	-	-	21
	<u>744</u>	<u>6</u>	<u>-</u>	<u>102</u>	<u>-</u>	<u>-</u>	852
	<u>62,726</u>	<u>7,114</u>	<u>(8,406)</u>	<u>5,276</u>	<u>16,281</u>	<u>-</u>	82,991

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20 Funds (continued)

Statement of funds 2018 (restated)	Fund balance bought forward	Incoming resources (restated)	Outgoing resources (restated)	Investment losses	Tangible fixed asset losses	Fund balance carried forward (restated)
	£000	£000	£000	£000	£000	£000
Unrestricted funds	63,581	7,215	(6,454)	(2,727)	(4,595)	57,020
Restricted funds						
Manson House Special Fund	174	46	(34)	(17)	-	169
Beaufort House Special Fund	34	4	-	(2)	-	36
R.A.B.I Emergency Fund	5,603	250	(501)	(598)	-	4,754
Gloucestershire NFU Farmers Fund	5	4	(6)	-	-	3
The Barnes Trust	-	26	(26)	-	-	-
Ken and Ann Woodward Fund	-	6	(6)	-	-	-
Restricted Voluntary Income (Various)	-	148	(148)	-	-	-
	5,816	484	(721)	(617)	-	4,962
Endowment funds						
The Barnes Trust	652	-	-	(70)	-	582
Ken & Ann Woodward Fund	160	-	-	(16)	-	144
David Beale Charitable Trust	20	-	-	(2)	-	18
	832	-	-	(88)	-	744
	70,229	7,699	(7,175)	(3,432)	(4,595)	62,726

Analysis of net funds 2019

	Tangible fixed assets	Fixed asset investments	Current assets	Current liabilities	Total funds
	£000	£000	£000	£000	£000
<i>Restricted funds</i>					
Manson House Special Fund	13	142	-	-	155
Beaufort House Special Fund	18	10	-	-	28
R.A.B.I Emergency Fund	-	6,513	-	-	6,513
Gloucestershire NFU Farmers Fund	-	-	13	-	13
	31	6,665	13	-	6,709
<i>Endowment funds</i>					
The Barnes Trust	-	661	-	-	661
Ken & Ann Woodward Fund	-	170	-	-	170
David Beale Charitable Trust	-	21	-	-	21
		852	-	-	852
<i>Unrestricted funds</i>	8,262	63,757	3,745	(334)	75,430
Total Funds	8,293	71,274	3,758	(334)	82,991

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20 Funds (continued)

Analysis of net funds 2018 (restated)	Tangible fixed assets £000	Fixed asset investments £000	Current assets £000	Current liabilities £000	Total funds £000
<i>Restricted funds</i>					
Manson House Special Fund	18	144	7	-	169
Beaufort House Special Fund	23	13	-	-	36
R.A.B.I Emergency Fund	-	4,754	-	-	4,754
Gloucestershire NFU Farmers Fund	-	-	3	-	3
	41	4,911	10	-	4,962
<i>Endowment funds</i>					
The Barnes Trust	-	582	-	-	582
Ken & Ann Woodward Fund	-	144	-	-	144
David Beale Charitable Trust	-	18	-	-	18
	-	744	-	-	744
<i>Unrestricted funds</i>	8,227	44,271	5,012	(490)	57,020
Total Funds	8,268	49,926	5,022	(490)	62,726

Funds Held

Fund Name	Fund Classification	Purpose and Restrictions
The Barnes Trust	Permanent Endowment	Monies transferred via Charity Commission scheme dated 28 March 1994 into the R.A.B.I upon the closure of the John Iles Barnes Charity for Farmers and their Widows. Income is restricted for the relief need, hardship or distress of persons who are, or have been, engaged in agriculture being resident in the counties of Dorset, Hampshire or Somerset.
Ken & Ann Woodward Fund	Permanent Endowment	Income generated by the endowment is restricted for the benefit of R.A.B.I beneficiaries situated in Suffolk.
David Beale Charitable Trust	Permanent Endowment	Monies transferred by the Trust following the winding-up of the Trust in 2009. Income generated by the endowment is restricted to beneficiary support.
Manson House Special Fund	Restricted	The Fund was originally founded via donations from three Trusts: the Eleanor Stevens Trust; the J W Watmough Trust; and the Nowton Almshouse Trust and has been supplemented via fundraising and donations. The Fund is restricted to providing benefits for the residents of Manson House, the R.A.B.I. residential home in Suffolk.
Beaufort House Special Fund	Restricted	The Fund was created via fundraising and donations and is restricted to providing benefits for the residents of Beaufort House, the R.A.B.I residential home in Somerset.

THE ROYAL AGRICULTURAL BENEVOLENT INSTITUTION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20 Funds (continued)

Funds Held (continued)

Fund Name	Fund Classification	Purpose and Restrictions
R.A.B.I Emergency Fund	Restricted	The R.A.B.I Emergency Fund represents the balance of donations received during the 2001 Foot & Mouth epidemic. The Fund is restricted to providing support to working farmers, farm workers and their families affected by death, disaster or disease.
Gloucestershire NFU Farmers Fund	Restricted	Restricted donations to fund hampers and special payments for R.A.B.I beneficiaries located in Gloucestershire.
Restricted Voluntary Income Fund	Restricted	R.A.B.I received the following restricted donations during 2019 (income in excess of £5k shown separately):
		£000
		• Christmas Hampers 62
		• R.A.B.I Calendar 5
		• Devon 8
		• Dorset & Hampshire 10
		• Hampshire 5
		• Kent 12
		• Lincolnshire 10
		• Norfolk & Suffolk 61
		• North Yorkshire & Northumberland 14
		• Other Counties 102
		289

21 Transactions with Related Parties

There have been no related party transactions in the reporting period that require disclosure and no outstanding related party transactions as at 31 December 2019.

22 Non-Adjusting Post Balance Sheet Events

Following the impact of the Coronavirus pandemic during 2020, global investment markets have noted significant trading turbulence with an associated impact on the value of the investment portfolio in comparison to those noted as at 31 December 2019. As mentioned previously, as at 10 June 2020, the value of the investment portfolio held with Rathbones had fallen by around 5.2% to £40,808k from the year-end valuation of £43,030k. With investment markets expected to remain highly volatile in the short-term and the portfolio held as a long-term resource, Trustees do not consider it appropriate to adjust the closing market value as at 31 December 2019.

Trustees consider it likely that the market value of the investment properties may be materially different at the reporting date to those noted at 31 December 2019 of £28,244k. Whilst there is limited preliminary evidence that rural land values have not currently been subject to significant adverse effects following the introduction of COVID-19 into the UK in March 2020, Trustees have not sought to obtain updated valuations due to the current valuation restrictions and the increased inclusion of material uncertainty declaration.