



**The Royal Agricultural  
Benevolent Institution**

Registered Charity No 208858

**REPORT AND  
FINANCIAL STATEMENT  
2008**

Patron

**HER MAJESTY THE QUEEN**

**President**

The Lord Plumb of Coleshill DL

**Vice Presidents**

Mrs A Barton OBE  
The Earl Bathurst DL  
S Chakravarty  
Sir D Curry KB, CBE, FRAgS  
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W T Gauntlett OBE  
Mrs R Nash ARAgS  
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J D Wallis FRICS

**Honorary Chaplain**

The Rt Rev John Oliver

**Chief Executive**

P J G Burrows ACIB

**BOARD OF TRUSTEES**

H A C Densham CBE – (Chairman)  
R Forster – (Joint Deputy Chairman)  
J A Sayers FRICS FAAV - (Joint Deputy Chairman)  
R A Henley FCA – (Honorary Treasurer)  
W Cumber  
The Rt Rev John Oliver

M R A Paske FRAgS  
M D Raymond MBE  
C P Riddle  
Mrs E C Rymer MBE JP DL  
Mrs P Stanley  
Mrs L M Tyson ARAgS MBE

**Auditors**

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

**Bankers**

NatWest Bank PLC, Elms Court, Botley, Oxford OX2 9NA

**Investment Managers**

Newton Investment Management Ltd., 160 Queen Victoria Street, London, EC4V 4LA

**Solicitors**

Henmans LLP, 5000 Oxford Business Park South, Oxford, OX4 2BH  
Blake Laphorn, Seacourt Tower, West Way, Oxford, OX2 0FB (Charity Law)

Royal Agricultural Benevolent Institution  
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Registered Charity No. 208858

## **REPORT BY THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2008**

The Board presents its report and the Statement of Financial Activities of the charity for the year ended 31 December 2008. The Financial Statements have been prepared in strict accordance with the provisions of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) issued in March 2005.

### **Reference and administrative details of the charity, its trustees and advisors**

Details of the trustees and advisors are reported on page 2 of these financial statements.

### **Structure, Governance and Management**

The Royal Agricultural Benevolent Institution (RABI) was founded in 1860 and was incorporated by Royal Charter in 1935. It is registered under the Charities Act 1993.

The Board of Trustees is ultimately responsible for the running of the Institution, the formulation of policy and for ensuring the efficient, cost-effective management of the charity.

The Board comprises twelve trustees who are appointed for a term of four years. Trustees may serve for two consecutive terms. New trustees are appointed for their relevant skills, agricultural knowledge/background and geographical location. Nominations for new trustees are put forward by the Board for election by the members of the Institution at the Annual General Meeting. New trustees follow an induction program where they are given an introduction pack followed by a meeting with the chairman, chief executive and senior members of staff where they are briefed on the operation of the charity.

RABI benefits from an active, responsive, highly skilled and experienced board bringing together a wide range of expertise and awareness of its fiduciary and financial responsibilities. The success of the charity stems from a close working relationship and positive attitude between its trustees and staff.

The full Board of Trustees met formally five times during 2008. Visits are also made to the charity's legacy estates in England.

The Trustees form two sub-committees, for Investments and Welfare Grants respectively. The Grants Committee is authorised by the full Board to make grants and to take on new beneficiaries. Advice on legal, accountancy and estate matters is provided by expert members of the Board, together with appointed lawyers (commercial and charity), land agents and chartered accountants.

The Board wishes to place on record its great appreciation to the RABI President, The Lord Plumb of Coleshill, DL.

The Chief Executive, Paul Burrows, was appointed in December 2005. The role of the Chief Executive is to provide day-to-day leadership and operational management of all the charity's work. Under his direction and in accordance with policy laid down by the Board, staff are divided into the following departments:

**Finance** - with three full time staff members in head office who prepare accounts and budgets, make payments of welfare grants and running costs, receive, record and deposit donations and make regular reports to the Board through the Chief Executive.

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

**Fundraising, Marketing and Communications** – with three full time staff members, one part time trust officer and one part time press officer in head office who publicise the work of RABI, plan, coordinate, organise and implement national and regional events and fundraising schemes in accordance with the strategy and direction of the Board and Chief Executive. The department also includes eight regionally based, peripatetic Regional Officers (RO's) who work from home and are tasked with raising funds, promoting the work of RABI in the regions and providing hands on advice to the voluntary County Committees in their fundraising locally. The County Committees are invaluable to RABI in raising the local profile and their voluntary support.

**Human Resources, Health & Safety and Administration** – with one full time and one part time staff member who provide essential administrative, health & safety and personnel support to Head Office, regional staff and the two residential care homes.

Recognising that staff costs form a large proportion of RABI's non-charitable expenditure the Board expresses its gratitude to DEFRA, The Community Fund and Regional Development Agencies for their generous assistance in the funding of projects and activities during 2008, which helped offset these costs.

**Residential Homes** – RABI owns two residential homes. Manson House in Bury St Edmunds, Suffolk is a listed Grade II\* building registered for 22 people requiring residential care. There are also 19 flats set in this attractive market town site for those who wish to remain more independent.

Beaufort House in Burnham on Sea, Somerset is registered for 32 residents requiring residential care and has 10 two bedroom self contained flats.

The two homes employ 8 full time and some 70 part time staff in total.

### **Risk Management**

A generic risk assessment was updated in 2006 and is reviewed annually.

### **Objectives, Activities, Achievements and Performance.**

RABI is farming's oldest and largest charity. It is dedicated to reaching out to all those from the farming community suffering 'need, hardship or distress' – these words are taken directly from the Royal Charter which was granted in 1935. RABI works closely with other rural charities throughout the country, including the Farming Help Partnership. Whilst RABI does not offer professional consultancy it is able to signpost as necessary.

RABI's Royal Charter (amended in 1999) allows that financial assistance can be given to retired farm staff as well as to retired farmers, farm managers and their families. The charity also provides financial support to working farmers as one of its core activities in relieving a variety of crisis problems suffered by individual working farmers and/or their dependents.

### **Welfare/Grant Making Policy**

The primary qualification for long-term assistance is that a person should have worked in farming as their main means of support, normally for a minimum of ten years. The minimum age for someone to be taken on as a full beneficiary is currently 60 unless disabled.

There is no age limit for working farmers but they too must derive their main source of income from farming. All those applying for help have to be able to show that they are in need of financial assistance for the household by completing the appropriate application form. The criteria for working families were tightened to those facing severe crises, such as those caused by death, disease or disaster.

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

All new applicants for regular assistance are initially visited by our RWOs and thereafter receive home visits on a regular basis, approximately once a year, but more frequently if needed.

Maximizing income through state benefits and other government aided grants for new applicants and existing beneficiaries is an important part of the welfare team's work. This task is mainly undertaken by the RWOs during their home visits. It is essential for any occupational benevolent fund to do this so that precious charitable grants are not used in place of state aid but as a supplement. All our RWOs are fully trained in welfare benefits advice.

**Holidays.** In 2008 RABI organised one group holiday for beneficiaries.

**Statistics.** 13,235 grants were paid out to 1,687 beneficiaries totalling £1,903,000. The cost of the beneficiary group holiday was £18,300. This included all accommodation, meals, travel, outings, and extra care costs and equipment for the disabled.

**Residential Homes.** The homes are run for the benefit of RABI beneficiaries but where vacancies arise these may be filled from a waiting list of people, usually with a farming background, who are able to pay the cost of their own care. In this way it enables RABI to try and maintain a high occupancy level which is vital to ensure the running costs of the homes are met. The Charity Commission has endorsed the trustees approach.

### **Financial Review**

The results for the year show a surplus, before losses on investments, of £248,000 (this compares with a deficit in 2007 of £432,000 which had been increased by writing off nominations rights of £207,000) as disclosed on page 8. In summary, our income was marginally up whilst demands upon the charity fell by 23% to £2,454,000. It was happily a year free of unexpected crises. The financial position of the charity is shown on the balance sheet on page 9.

The charity is reliant on the income generated from voluntary donations, legacies and investment income to fill the majority of its commitments.

The National Farmers Union continues to offer RABI considerable support. The Head Office Fundraising, Marketing and Communications team in conjunction with the Regional Officers have been actively involved in expanding, developing and cultivating the many individual and charitable trusts which have made significant contributions. The Gift Aid rules continue to yield further amounts in tax relief. The county committees deserve special recognition for their excellent efforts in helping to generate the voluntary income figure of £937,000 (£797,000 in 2007) and continue to work closely with the Regional Officers to sustain and build upon their voluntary work.

Legacy income was £799,000. This income is impossible to predict each year but it remains a vital element of the charity's incoming resources and allows reserves to be built up to prevent future deficits.

Grants and funding of £236,000 was also received from trusts and other bodies specifically to help offset the costs of providing regional staff, who provide a pivotal front line service for our supporters and beneficiaries, IT and display equipment and refurbishment of the RABI website.

Events are used to generate income in addition to increasing RABI's profile, thereby increasing awareness, donations, volunteers and legacies.

Where funds are given for a specific purpose or restricted in their use then these are accounted for separately to ensure that they are expended for the purpose intended.

### **Reserves Policy**

The charity has a traditional long-term commitment to its non-working beneficiaries. Each costs in the region of £1,250 per annum and today's improved health care means that this requirement can continue for 30 years. Overall, this could demand an annual expenditure in the region of £2.5m.

In recent years only in 2005 and 2008 has a revenue surplus been achieved. The trustees have an investment policy which is to maximise income but not to the exclusion of capital growth. This capital growth has been significantly depleted due to the fall in world markets.

The trustees have considered the level of reserves in line with the annual expenditure and with the charity's obligation to its long-term beneficiaries. They believe that the position is appropriate. This figure will be reviewed in the light of the prevailing investment climate and likely number of long-term beneficiaries.

## **Investment Policy**

The Investment Sub Committee in conjunction with its professional advisors formally reviews the portfolio twice a year. The aim is for an appropriate balance between income and growth.

The General Powers Fund showed a fall of 19.7% (i.e. capital and income). The Special Situations Fund declined by 31.5% during the year. The Trust Fund fell by 21.1% and the Crisis in Farming Account was 4.3% lower over the twelve months.

## **Estates**

The Estates are managed on a day to day basis by the Chief Executive in conjunction with local chartered surveyors and qualified trustees. The farms are currently all tenanted.

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

## **Plans for the future**

As part of the strategic review a considerable amount of time has been spent in redrafting the Royal Charter and By-Laws. In May 2008 the changes were agreed by trustees and outlined at the Annual General Meeting. The final revised version has been approved by both the Privy Council and the Charity Commission. It is intended to seek the approval of the full membership by resolution at the Annual General Meeting in May 2009.

Whilst we certainly have challenges, it is important to remain positive as we all want a strong farming industry, attracting the young and assisting the family farm, which is vital to ensure a vibrant and sustainable rural economy.

Last year RABI piloted a new initiative called The Gateway Project, a scheme which funds the development and accreditation of skills that can enable farmers to generate income from beyond the farm gate. Following a successful pilot the scheme was launched nationally in November 2008 by Lord Plumb at the House of Lords. Applications are gathering momentum and some of the most successful have been for:

- HGV/LGV licences
- Training in mobile animal pregnancy testing
- Training to repair lawn mowers
- Accreditation in the assessment of disabled facilities

Our thanks go to Barclays Bank Community Fund for their development funding.

The Trustees are currently looking at other areas of support for the working farmer and are in the process of finalising a comprehensive review of grant giving as part of RABI's strategic review. The findings will be available and recommendations in place during mid-2009.

Our thanks go to RABI's loyal and committed supporters who make up the 52 voluntary county committees, as the income from voluntary donations is a vital element of the charity's funds. However, it is important to remember that the influence of the committees also has the desired effect of further raising the profile and general awareness of RABI within the wider community. This was certainly helped last year by RABI's first national Welly Week campaign, which proved a resounding success.

In addition to the many events organised by the county committees, it was extremely pleasing to have had an excellent response to Welly Week from Young Farmers Clubs, agricultural colleges, universities and schools throughout the country. The events were varied - to say the least - and everyone had fun, which should be part of any fundraising activity. We have already received many calls about Welly Week events proposed for the future and we intend to see if this can become an annual campaign. The date for Welly Week 2009 will be 10<sup>th</sup> to 17<sup>th</sup> October.

## **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 the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the Royal Charter. The trustees are responsible for safeguarding the assets of the charity 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 charity and financial information included on the charity'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 11 March 2009 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'H A C Densham', written in a cursive style.

H A C Densham CBE  
Chairman of the Board of Trustees

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2008

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	TOTAL 2008 £000	TOTAL 2007 £000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	1,829	304	-	<b>2,133</b>	2,338
<i>Activities for generating funds</i>						
Investment Income	3	1,363	283	-	<b>1,646</b>	1,540
Trading sales	4	49	-	-	<b>49</b>	39
<i>Incoming resources from charitable activities:</i>						
Fees for residential care		1,325	-	-	<b>1,325</b>	1,114
<i>Other Incoming resources</i>		8	-	-	<b>8</b>	8
<b>Total incoming resources</b>		<b>4,574</b>	<b>587</b>	<b>-</b>	<b>5,161</b>	<b>5,039</b>
<b>Resources Expended</b>						
<i>Costs of generating Funds:</i>						
Costs of generating voluntary income	5	711	110	-	<b>821</b>	696
Investment management costs	6	169	-	-	<b>169</b>	194
Cost of goods sold and other costs - trading		36	-	-	<b>36</b>	37
<i>Charitable activities:</i>						
Direct welfare payments, grants, support and casework costs	7/8/9	2,044	410	-	<b>2,454</b>	3,187
Residential homes	10	1,307	40	-	<b>1,347</b>	1,277
<i>Governance costs</i>	12	86	-	-	<b>86</b>	80
<b>Total resources expended</b>		<b>4,353</b>	<b>560</b>	<b>-</b>	<b>4,913</b>	<b>5,471</b>
<b>Net incoming/(outgoing) resources before other recognised gains &amp; losses</b>		<b>221</b>	<b>27</b>	<b>-</b>	<b>248</b>	<b>(432)</b>
<b>Other recognised gains/losses</b>						
<i>Gains on fixed assets:</i>						
Gains on revaluation		-	-	-	-	358
Gains on disposal		68	-	-	<b>68</b>	-
<i>(Losses)/gains on investment assets:</i>						
Realised		(1,197)	(27)	-	<b>(1,224)</b>	(259)
Unrealised		(6,245)	(456)	(125)	<b>(6,826)</b>	1,111
<b>Total other recognised gains/losses</b>		<b>(7,374)</b>	<b>(483)</b>	<b>(125)</b>	<b>(7,982)</b>	<b>1,210</b>
<b>Net movement in funds</b>		<b>(7,153)</b>	<b>(456)</b>	<b>(125)</b>	<b>(7,734)</b>	<b>778</b>
<i>Reconciliation of funds:</i>						
Total funds brought forward at 1 January 2008		39,742	4,930	510	<b>45,182</b>	44,404
<b>Total funds carried forward at 31 December 2008</b>		<b>32,589</b>	<b>4,474</b>	<b>385</b>	<b>37,448</b>	<b>45,182</b>

**BALANCE SHEET AS AT 31 DECEMBER 2008**

	Notes	2008 £000	2008 £000	2007 £000	2007 £000
<b>Fixed assets:</b>					
Tangible assets	16/17		9,084		8,861
Investments	18		<u>27,377</u>		<u>35,196</u>
<b>Total fixed assets</b>			<b>36,461</b>		<b>44,057</b>
<b>Current assets:</b>					
Trading Stock		3		3	
Debtors	19	290		232	
Cash at bank and in hand	20	<u>872</u>		<u>1,116</u>	
<b>Total current assets</b>		<b>1,165</b>		<b>1,351</b>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	21	<u>(178)</u>		<u>(226)</u>	
<b>Net current Assets</b>			<b>987</b>		<b>1,125</b>
<b>Net assets</b>			<b><u>37,448</u></b>		<b><u>45,182</u></b>
<b>The funds of the charity:</b>					
Unrestricted	22/23		32,589		39,742
Restricted	22/23		4,474		4,930
Endowment	22/23		<u>385</u>		<u>510</u>
<b>Total charity funds</b>			<b><u>37,448</u></b>		<b><u>45,182</u></b>

Approved and authorised by the Trustees on 11 March 2009 and signed on their behalf by:



R A Henley FCA, Hon Treasurer

The notes on pages 10 to 17 form part of these accounts

**CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 £000	2007 £000
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>146</u></b>	<b><u>(133)</u></b>
Investing activities		
Purchase of tangible fixed assets	(232)	(33)
Proceeds from sale of tangible fixed assets	73	1
Transfer (to)/from investment managers	<u>(231)</u>	<u>877</u>
	<b><u>(390)</u></b>	<b><u>845</u></b>
(Decrease)/increase in cash & cash equivalents	(244)	712
Cash and cash equivalents at 1 January 2008	<u>1,116</u>	<u>404</u>
<b>Cash and cash equivalents at 31 December 2008</b>	<b><u>872</u></b>	<b><u>1,116</u></b>

**Notes to the Cashflow Statement**

1. Reconciliation of changes in resources to net cash  
Inflow/(outflow) from operating activities

Changes in resources before revaluation	248	(432)
Depreciation charges (net)	4	5
Impairment of fixed assets	-	207
Decrease in stocks	-	11
(Increase)/decrease in debtors	(58)	36
(Decrease)/increase in creditors	<u>(48)</u>	<u>40</u>
	<b><u>146</u></b>	<b><u>(133)</u></b>

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

			Change in Year £000
Short term deposits	776	986	(210)
Cash at bank and in hand	<u>96</u>	<u>130</u>	<u>(34)</u>
	<b><u>872</u></b>	<b><u>1,116</u></b>	<b><u>(244)</u></b>

# Notes to the Accounts for the year ended 31 December 2008

## 1. Accounting Policies

- a) **Basis of preparation.** These financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) issued in March 2005, the Charities Act 1993, in accordance with historical cost basis of accounting, as modified by the revaluation of certain assets.
- b) **Fund accounting.** Unrestricted funds comprise accumulated surpluses and deficits on general funds; these are available for use at the discretion of the trustees in furtherance of the charity's general objectives. Restricted funds are funds subject to specific restricted conditions imposed by the donors and further explanations for these can be found at note 23. Endowment funds are funds where the capital is held to generate income for charitable purposes and where there is no discretion to expend the capital permanent endowment. Details and explanations of the two permanent endowment funds can be found at note 23.
- c) **Incoming resources.**  
**Voluntary income** is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable and credited to unrestricted funds. Voluntary income, restricted in use by the wishes of the donor, is taken to restricted funds. Income is only deferred when the donor specifies that the donation must only be used in future accounting periods. Legacies are accounted for when received, or when it becomes reasonably certain that the legacy will be received and the value can be measured with sufficient reliability.  
**Investment income.** Investment income is accounted for in the period in which the charity is entitled to receipt.  
**Fees for residential care.** Fees receivable for the use of the premises are accounted for in the period in which the service is provided.
- d) **Resources expended.** All expenditure is accounted for on an accruals basis and has been allocated under headings that include all costs to the category. All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure.  
**Costs of generating funds** comprise the costs incurred in attracting voluntary income, grants and legacies together with publicity and marketing intended to raise awareness and raise funds.  
**Charitable activities** comprise the costs of making direct welfare payments, grants and direct welfare support to beneficiaries. They also include the casework costs of running the welfare department. Grants expended are recognised in the Statement of Financial Activities in the period to which they relate. Grants where the beneficiary has not been advised or has to meet certain conditions before the grant is made are not accrued but noted as financial commitments. Residential homes costs are those charges incurred in running the residential homes including the provision of care services.  
**Governance costs.** This comprises the costs incurred of governing the charity. These costs include strategic planning for its future, audit costs, legal advice for the trustees, complying with constitutional and statutory requirements, preparing statutory accounts and satisfying public accountability and reimbursement to trustees for reasonable travel and accommodation expenditure whilst carrying out charity business.
- e) **Realised and unrealised gains and losses.** Realised and unrealised gains and losses on fixed assets and investments are recognised in the Statement of Financial Activities in the period to which they relate.
- f) **Investments.** Investments are stated at mid market price and are listed on recognised stock exchanges.
- g) **Fixed assets.** Freehold land and buildings are valued at estimated market value for their current use and are not depreciated. The treatment is a departure from the requirement of FRS 15. The trustees are of the opinion that a systematic annual charge would be inappropriate to the Fund's circumstances. Leasehold property is written off over 20 years. Grants are deducted from any provisions. Depreciation is provided on office/homes equipment (3-10 years) calculated to write off the cost, less residual value if any, on a straight line basis over their expected useful lives. Individual fixed assets costing £1,000 or more are capitalised at cost. Impairment reviews of fixed assets are carried out on an individual basis and in such cases then the requirements of FRS11 are applied.
- h) **Pensions.** The charity contributes to a defined contribution pension scheme for administration staff. The assets of this scheme are held separately from those of the charity.
- i) **Stocks.** Stocks are stated at the lower of cost and net realisable value.
- j) **Allocation of overhead and support costs.** Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs, unless based on usage, are apportioned on the basis of a percentage of activity levels as a result of an annual survey and are allocated on a basis consistent with use. That allocation for 2008 is as follows; costs of generating voluntary income 39%, investment costs 2 %, direct welfare payments 47 %, residential homes 6 % and governance costs 6%.
- k) **Volunteers.** These are recognised in these financial statements on the basis of returns submitted detailing the number of volunteers and hours contributed in helping the charity and not on a value of service provided.

	2008	2007
	£'000	£'000
<b>2 Voluntary income</b>		
Annual subscriptions	34	32
Donations	894	1,237
Voluntary Income from Trusts	143	96
Income tax recovered under Gift Aid	27	30
Grants	236	48
Legacies	799	895
	<u>2,133</u>	<u>2,338</u>
<b>3 Investment income</b>		
Income from Estates	169	164
Listed securities general fund	1,115	1,087
Interest on loans and deposits	79	85
Trust funds		
- Manson House Special Fund	3	4
- RABI Emergency Fund	261	183
- Barnes Trust	19	17
	<u>1,646</u>	<u>1,540</u>
<b>4 Trading</b>		
Sales	49	39
- less cost of sales	(27)	(31)
- less operating costs	(9)	(6)
Net profit	<u>13</u>	<u>2</u>
<b>5 Costs of generating voluntary income</b>		
Fundraising costs - Centralised	175	153
Fundraising costs - Regional/Branches	93	49
Publicity, Marketing & Communications	402	349
Legacies	3	7
Allocation of support costs (see note 13)	148	138
	<u>821</u>	<u>696</u>
<b>6 Investment management costs</b>		
Investment managers fees	97	114
Estates expenditure	64	66
Allocation of support costs (see note 13)	8	14
	<u>169</u>	<u>194</u>

Costs allocated against Fundraising and Publicity & Marketing are reported separately. Some costs that relate to both, including Regional Staff costs and Campaigns and Events, are apportioned on the basis of Publicity/Marketing 66.7% and Fundraising 33.3%.

	<b>2008</b>	2007
<b>7 Direct welfare payments, grants, support and casework costs</b>	<b>£'000</b>	£'000
Grants	1,344	1,333
Homes fees paid	226	212
Home helps	45	50
Stapnalls (Emergency Relief)	45	17
Helpline (Aid for working farmers, farming staff and families)	243	864
Welfare support	227	200
Casework costs	145	142
Nomination Rights write down/depreciation	-	207
Allocation of support costs (see note 13)	<u>179</u>	<u>162</u>
	<b><u>2,454</u></b>	<b><u>3,187</u></b>
<b>8 Beneficiaries assisted</b>	<b>No. Assisted</b>	No. Assisted
Non-working farmers/farmworkers (retired and disabled) regular grants	1,503	1,523
Working farmers/farmworkers	<u>184</u>	<u>487</u>
	<b><u>1,687</u></b>	<b><u>2,010</u></b>
<b>9 Welfare expenditure commitments</b>	<b>£000</b>	£000
Grants authorised	<u>5</u>	<u>-</u>
<b>10 Residential homes</b>		
Costs in running residential homes	1,284	1,245
Expenditure from Homes Special Funds (Restricted Funds)	40	19
Allocation of support costs (see note 13)	<u>23</u>	<u>13</u>
	<b><u>1,347</u></b>	<b><u>1,277</u></b>
<b>11 Support costs</b>		
Printing, stationery, books, postage, telephone	32	25
Staff costs	235	223
Establishment expenses	32	31
Legal, audit and bank charges	31	33
Trustee expenses/costs	25	30
Office machinery, equipment and maintenance	41	25
Staff training	18	11
Sundry expenses	<u>14</u>	<u>15</u>
	<b><u>428</u></b>	<b><u>393</u></b>
<b>12 Governance costs</b>		
Annual Report & Financial Statement	2	3
Annual General Meeting	14	11
Allocation of support costs (see note 13)	<u>70</u>	<u>66</u>
	<b><u>86</u></b>	<b><u>80</u></b>

Governance costs include the Auditors' remuneration for audit services which in 2008 was £7,935, compared with £7,872 in 2007.

### 13 Allocation of Support Costs

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

	Cost of generating Vol Income £'000	Investment costs £'000	Direct welfare payments £'000	Residential homes £'000	Governance £'000	Total £'000	Method of allocation
Staff costs	92	5	110	14	14	<b>235</b>	Percentage
Printing, stationery, postage, telephone	13	1	15	2	2	<b>33</b>	Percentage
Office IT, equipment and maintenance	16	1	19	3	2	<b>41</b>	Percentage
Establishment expenses	12	1	15	2	2	<b>32</b>	Percentage
Trustee expenses/costs	-	-	-	-	25	<b>25</b>	Actual
Legal, Audit and bank charges	3	-	4	-	23	<b>30</b>	Percentage/Actual
Staff training	7	-	9	1	1	<b>18</b>	Percentage
Sundry	5	-	7	1	1	<b>14</b>	Percentage
<b>Total</b>	<b>148</b>	<b>8</b>	<b>179</b>	<b>23</b>	<b>70</b>	<b>428</b>	

Trustees receive no remuneration but all are reimbursed for reasonable travel and accommodation expenditure whilst on charity business. Included in the trustee expenses/costs is trustee liability insurance costing £3,385 compared with £3,667 in 2007.

14 Staff numbers	Number of Employees	
	2008	2007
Residential Homes	<b>58</b>	52
Casework	<b>11</b>	11
Fundraising Marketing & Communications	<b>12</b>	10
Management & Admin	<b>6</b>	6
	<b>87</b>	79

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

Analysis of staff costs	£000	£000
Wages	<b>1,624</b>	1,502
Social Security costs	<b>131</b>	123
Pension Costs	<b>44</b>	39
	<b>1,799</b>	1,664

One employee had emoluments for the year between £70,000 - £80,000 (1 in 2007)

### 15 Recognition of volunteers

RABI, like many charities, relies on the contribution of time and effort by its volunteers. These volunteers are involved in generating income for the charity as well as assisting in delivering many of its other services. The table below, based on returns submitted, details the number of volunteers and the amount of hours they have contributed in helping RABI carry out its work in 2008.

Fundraising		Welfare		Support		Publicity		Totals	
No Vols	Hrs	No Vols	Hrs	No Vols	Hrs	No Vols	Hrs	No Vols	Hrs
385	4,096	26	80	190	1,854	70	466	671	6,496

## 16 Tangible fixed assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Office/ homes equipment £000	TOTAL £000
<b>Cost</b>				
At 1 January 2008	8,851	37	12	8,900
Additions	232	-	-	232
Revaluations	-	-	-	-
Disposals	(5)	-	(4)	(9)
At 31 December 2008	<u>9,078</u>	<u>37</u>	<u>8</u>	<u>9,123</u>
<b>Depreciation</b>				
At 1 January 2008	-	31	8	39
Charge for 2008	-	2	2	4
Disposals	-	-	(4)	(4)
At 31 December 2008	<u>-</u>	<u>33</u>	<u>6</u>	<u>39</u>
<b>Net Book Value</b>				
At 31 December 2008	<u>9,078</u>	<u>4</u>	<u>2</u>	<u>9,084</u>
At 31 December 2007	<u>8,851</u>	<u>6</u>	<u>4</u>	<u>8,861</u>

Fixed assets are reviewed periodically, with additions added since that date at cost, and have been valued on the basis of: -

- Farms and estates - 15 times the rentals (as at 31 Dec 2005) except Moles Farm which has been brought to account at Red Book Value with additions at cost.
- Residential homes - 3 times the fees (as at 31 Dec 2007)
- Shaw House - estimated at £885,000 (as at 31 Dec 2005)
- Royal Welsh showstand - at cost less depreciation
- Homes/Office Equipment - at cost less depreciation

## 17 Capital Commitments

	2008 £000	2007 £000
Authorised but not contracted for	<u>104</u>	<u>324</u>

## 18 Investments

Market Value at 1 January	35,196	35,221
(Losses) upon disposal	(1,224)	(259)
Transfers to/(from) investments	231	(877)
Net (losses)/gains on revaluation at 31 December	(6,826)	1,111
Market Value at 31 December	<u>27,377</u>	<u>35,196</u>
Historical Cost at 31 December	<u>26,455</u>	<u>26,847</u>
<b>Investments comprise: -</b>		
Quoted Investments - UK	18,400	22,248
Quoted Investments - Other	5,239	8,356
	<u>23,639</u>	<u>30,604</u>
Cash held within Investments portfolios	3,738	4,592
	<u>27,377</u>	<u>35,196</u>

### Material Investments greater than 5% of Portfolio:

1,634,400 Global Growth & Income Fund for Charities – Market value at 31 Dec 2008 £1,730,503.

3,706,000 NFM (CI) Ltd Offshore Special Situations Fund – Market value at 31 Dec 2008 £3,019,278.

Nationwide Building Society Fixed Deposit 2.63% to 20/03/09 – Market value at 31 Dec 2008 £1,553,201.

	2008	2007
	£000	£000
<b>19 Debtors</b>		
Taxation recoverable	7	20
Other debtors	259	190
Prepayments	24	22
	<u>290</u>	<u>232</u>
<b>20 Cash at bank and in hand</b>		
Cash and current account balances	96	130
Short Term deposits	776	986
	<u>872</u>	<u>1,116</u>
<b>21 Creditors</b>		
Fees and commissions	50	69
Other creditors	89	120
Taxation and Social Security	39	37
	<u>178</u>	<u>226</u>

**22 Analysis of Net Assets Between Funds**

	Tangible fixed assets £000	Investments £000	Current assets £000	Current liabilities £000	TOTAL £000
<i>Restricted Funds</i>					
Manson House Special Fund	-	61	4	-	65
Beaufort House Special Fund	-	-	4	-	4
DEFRA 2008 Grant	-	-	40	-	40
RABI Emergency Fund	-	4,407	(70)	-	4,337
Eveson Charitable Trust	-	-	2	-	2
NFU Mutual Charitable Trust	-	-	5	-	5
Barclays (Gateway)	-	-	20	-	20
Christopher Rowbotham Charitable Trust	-	-	1	-	1
	<u>-</u>	<u>4,468</u>	<u>6</u>	<u>-</u>	<u>4,474</u>
<i>Endowment Funds</i>					
The Barnes Trust	-	374	-	-	374
David Beale Charitable Trust	-	11	-	-	11
	<u>-</u>	<u>385</u>	<u>-</u>	<u>-</u>	<u>385</u>
<i>Unrestricted Funds</i>					
At 31 December 2008	9,084	22,524	1,159	(178)	32,589
	<u>9,084</u>	<u>27,377</u>	<u>1,165</u>	<u>(178)</u>	<u>37,448</u>

23 Statement of Funds

	Balance	Incoming	Expenditure	Investment	Balance
	01-Jan-08	resources		gains/	31-Dec-08
	£000	£000	£000	(losses)	£000
<b>Unrestricted Funds</b>	39,742	4,574	(4,353)	(7,374)	32,589
<b>Restricted Funds</b>					
Manson House Special Fund	81	14	(11)	(20)	64
Beaufort House Special Fund	27	6	(29)	-	4
DEFRA Grant (RSAP5)	6	-	(6)	-	-
DEFRA 2008 Grant	-	155	(115)	-	40
RABI Emergency Fund	4,825	261	(286)	(463)	4,337
Clan Trust	-	3	(3)	-	-
Income from Barnes Trust	-	18	(18)	-	-
CHK Charities Ltd	-	5	(5)	-	-
E F Bulmer Benevolent Fund	-	3	(3)	-	-
Leslie Mary Carter Charitable Trust	4	-	(4)	-	-
Eveson Charitable Trust	2	5	(5)	-	2
NFU Mutual Charitable Trust	3	8	(5)	-	6
Christopher Rowbotham Charitable Trust	-	1	-	-	1
Barclays Gateway Project	-	24	(4)	-	20
North West Regional Development Agency	(9)	20	(11)	-	-
South West Regional Development Agency	6	-	(6)	-	-
South East Regional Development Agency	(17)	20	(3)	-	-
Surrey County Agricultural Society	2	-	(2)	-	-
Restricted Voluntary Income (Various)	-	44	(44)	-	-
	4,930	587	(560)	(483)	4,474
<b>Endowment Funds</b>					
<i>Permanent Endowment</i>					
The Barnes Trust	496	-	-	(122)	374
David Beale Charitable Trust	14	-	-	(3)	11
	510	-	-	(125)	385
<b>TOTAL FUNDS</b>	45,182	5,161	(4,913)	(7,982)	37,448

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

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

**The DEFRA Grant (RSAP 5)** is a restricted grant made by the Department for Environment, Food and Rural Affairs as part of the Government's commitment to the Rural Stress Action Plan 5 (RSAP5). Under this plan RABI is to receive three year part funding to support the work of Regional Welfare Officers over Northern England.

**The DEFRA 2008 Grant (Phase 1 & 2)** is a restricted grant made by the Department for Environment, Food and Rural Affairs. RABI received first year funding to support a Regional Officer in East Midlands and a Trust Project Officer together with a grant towards new Information Technology equipment and projects for Head Office & Regional staff, volunteer training, display equipment and Web site redevelopment.

**RABI Emergency Fund** represents the balance of money from public donations received during the 2001 Foot & Mouth epidemic. This money has been earmarked to this restricted fund, by the trustees, to provide help, both emergency and via the Gateway training project, for working farmers, farm workers and their families affected by death, disaster or disease in farming.

**The Clan Trust Limited** is the second grant given as a contribution towards the cost of a Regional Welfare Officer in Norfolk

**E F Bulmer Benevolent Fund** is the third grant given as a contribution towards the costs of a Regional Welfare Officer in the West Midlands region.

**CHK Charities Limited** is the third grant given as a contribution towards the costs of a Regional Welfare Officer in Gloucestershire and Oxfordshire.

**The Leslie Mary Carter Charitable Trust** is a restricted grant given as a contribution towards the cost of a Regional Welfare Officer in Suffolk over a three year period.

**The Eveson Charitable Trust** is the third grant given as a contribution towards the cost of a Regional Welfare Officer in Herefordshire and Worcestershire.

**NFU Mutual Charitable Trust** is a restricted grant for the funding of publicity material for use by the charity.

**Christopher Rowbotham Charitable Trust** is a donation towards the cost of the Gateway Project in Northumberland.

**Barclays (Gateway)** was a restricted donation to help with the national launch, running costs and publicity of RABI's Gateway Project. This project is to assist low-income farming families in obtaining recognised training to improve their skills and financial position.

**North West Regional Development Agency** is a contribution to a package of support covering work carried out in North West England as a result of the 2007 Foot and Mouth outbreak.

**South West Regional Development Agency** is a contribution to a package of support covering work carried out in South West England as a result of the 2007 Foot and Mouth outbreak.

**South East Regional Development Agency** is a contribution to a package of support covering the cost of assistance given to those affected as a result of the 2007 Foot and Mouth outbreak in South East England.

**Surrey County Agricultural Society** is a donation towards the cost of assistance given to those affected by the 2007 Foot and Mouth outbreak in Surrey.

**Restricted Voluntary Income (Various)** represents other general restricted funds. The funds received/expended involved those for campaigns such as the 2007 Foot & Mouth (£6k) and the 2008 Christmas Hampers (£25k). There was also specific regional expenditure for Northern Ireland (£1k) and various county specified expenditure (£12k). In all cases the conditions specified by the donor or the fundraising was met in full.

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

**David Beale Charitable Trust** represents the permanent endowment capital funds transferred to RABI when the trustees brought the fund to an end in 2004. The income from the fund is to be applied for the general purposes of the charity.

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

We have audited the financial statements of The Royal Agricultural Benevolent Institution for the year ended 31 December 2008, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of Trustees and Auditors**

The Trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the charity's financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the relevant financial reporting framework and are prepared in accordance with the Charities Act 1993.

In addition we report to you if, in our opinion, the charity has not kept sufficient accounting records or if the statement of accounts does not accord with those records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

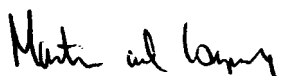
**Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion; the financial statements give a true and fair view of the charity's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and the financial statements have been prepared in accordance with the Charities Act 1993.



**Martin and Company  
Chartered Accountants  
Registered Auditors  
WINCHESTER  
12 March 2009**