



**The Royal Agricultural
Benevolent Institution**

Registered Charity No 208858

**REPORT AND
FINANCIAL STATEMENT
2009**

Patron

HER MAJESTY THE QUEEN

President

The Lord Plumb of Coleshill DL

Vice Presidents

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The Earl Bathurst DL
S Chakravarty
Sir D Curry KB, CBE, FRAgS
A Evans CBE, FRAgS, DL
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Mrs R Nash ARAgS
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Honorary Chaplain

The Rt Rev John Oliver

Chief Executive

P J G Burrows ACIB

Council of Trustees

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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 9HJ

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)

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Registered Charity No. 208858

REPORT BY THE COUNCIL OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2009

The Council presents its report and the Statement of Financial Activities of the charity for the year ended 31 December 2009. 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. A revised and updated Royal Charter was approved by the Membership of the Corporation in 2009 and is awaiting Royal Assent. It is registered under the Charities Act 1993.

The Council 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 Council 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 or background and geographical location. Nominations for new trustees are put forward by the Council 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 Council 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 Council of Trustees met formally five times during 2009. Visits were also made to the charity's legacy estates in England.

The Trustees form three sub-committees. The Chairman has an advisory committee and there are committees for Investments and Welfare Grants. The Grants Committee is authorised by the full Council to make grants and to take on new beneficiaries. Advice on legal, accountancy and estate matters is provided by expert members of the Council, together with appointed lawyers (commercial and charity), land agents and chartered accountants.

The Council 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 Council, 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, complete the full payroll function including statutory returns. Store, process and make claims under the Gift Aid Scheme. Oversee the management and running of Information Technology at RABI including E-storage and retrieval of documents and the implementation of new technology. They also make regular reports to the Council 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 Council 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 Council expresses its gratitude to DEFRA, The South West Regional Development Agency, NFU Mutual Charitable Trust and Barclays Bank Community Fund for their generous assistance in the funding of projects and activities during 2009, 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. The home also has 19 flats within the grounds of Manson House 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 on a site next to the residential homes only separated by landscaped gardens.

The two homes employ 8 full time and some 67 part time staff in total.

Risk Management

The trustees have considered the major risks to which the charity is exposed and have reviewed those risks and where necessary, established systems and procedures to mitigate the risk the charity may face. A generic risk assessment was updated in 2006 and is reviewed annually, with any new risks identified during the year being incorporated.

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. RABI works closely with other rural charities throughout the country. Whilst RABI does not offer professional consultancy it is able to signpost as necessary.

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

Welfare/Grant Making Policy

There was a comprehensive review of grant giving, related financial support and criteria in 2009. In addition to the wide consultation, the committee took into account the provisions in the Charities Act 2006 relating to Public Benefit, which became law in April 2008.

RABI provides an excellent range of long-term support and continuous care for the elderly and those of any age, who are disabled, by providing regular grants or one-off payments for special items. The primary qualification for long-term assistance was reviewed and it was agreed that a person should have worked in farming as their main means of support, normally for at least ten years in the last thirty years of their working life before the State Retirement Age. The minimum age for someone to be taken on as a full beneficiary has been increased from 60 to 65 years, unless disabled.

In respect of the working farmer, the trustees are committed to support those in need for domestic expenses or to enable people to retrain. RABI does not and cannot pay for business expenses and/or prop up a failing business, neither can it give any business advice.

The Gateway Project which provides funds for the development and accreditation of skills that can enable farmers to generate income beyond the farm gate continues to grow. The trustees are keen to build upon new ideas and initiatives to support the working farming family. Each applicant's situation and need is different and it is important to remain as flexible as possible.

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 or if their personal situation should change substantially.

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 2009 RABI organised one group holiday for beneficiaries.

Statistics. 12,823 grants were paid out to 1,566 beneficiaries totalling £1,905,000. The cost of the beneficiary group holiday was £21,542. 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. Beaufort House was awarded a quality rating of 'three stars' in 2009, which is the highest possible rating.

Public Benefit

The Trustees have given due regard to the Charity Commission's general guidance on public benefit and, in particular, supplementary guidance on the relief of poverty (or financial hardship) as well as distress to members of the farming community. During the year to 31 December 2009, the benefits given by the charity have been to the benefit of long-term support and care for the elderly and those of any age, who are disabled, by providing regular grants or one-off payments for special items. The working farmer and their family is supported by grant funding under the categories of 'death, disease or disaster' with payments for domestic purposes. The Trustees are of the view that the benefits are clear: are related to the aims of the charity and no detriment or harm results. It is considered that the discharge of the charity's aims and objectives during the year to 31 December 2009, taking into account the guidance and relatively limited resources available, satisfy the public benefit test.

Financial Review

The results for the year show an operating surplus of £1,451,000 before adding in the net gains on the investment portfolio of £3,342,000, making a total of £4,793,000. Those bare statistics mix capital movements and revenue items. The operating surplus includes two exceptional items under the heading of 'Legacies' (see notes 2 and 16). On a cash basis the charity had a deficit of £463,000, which demonstrates its reliance on the income generated from voluntary income.

2009 was relatively free of any major disasters. RABI's emergency procedures did however come into force following the collapse of Dairy Farmers of Britain Cooperative. The charity worked closely with the receivers, PricewaterhouseCoopers, to ensure that all those affected were aware of the financial support available. RABI paid out £70,255 representing 39 grants.

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 £665,000 (£937,000 in 2008) and continue to work closely with the Regional Officers to sustain and build upon their voluntary work.

Grant income was significantly down at £28,000 (£236,000 in 2008).

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. Details of these funds are at note 23 of the accounts.

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 an operating surplus been achieved. The trustees have an investment policy which is to maximise income but not to the exclusion of capital growth.

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.

After a difficult year in 2008 for the portfolios, The General Powers Fund appreciated by 19.6% in 2009, The Special Situations Fund advanced by 26.5%, the Trust Fund by 19.0% and The Crisis in Farming Fund by 7.6%. The income produced by these portfolios and our Estates fell from £1,646,000 to £1,405,000 reflecting both the exceptionally low return on cash deposits and dividend cuts.

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, repairs and maintenance.

Plans for the future

2010 is proving to be a busy yet exciting year as RABI celebrates 150 years of unbroken support for members of the farming community who are facing hardship. Back in 1860, when Joseph Mechi founded The Royal Agricultural Benevolent Institution, it was a time when small boys were sent up chimneys to clean out the soot, Gladstone was Prime Minister, Abraham Lincoln had been elected 16th President of the United States and poverty abounded in Victorian England. As a new chapter opens in RABI's history, we will continue to offer aid to those facing difficult times in the farming community.

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. In addition we extend our gratitude to the many corporate sponsors who have committed their financial support and time for the celebrations during 2010.

The major event, of a year of celebration around the country, was the Service of Thanksgiving in February at Westminster Abbey which brought together supporters, volunteers, staff, beneficiaries and leading members of the farming community countryside, including our President Lord Plumb of Coleshill and His Royal Highness The Duke of Gloucester.

There will be many other services and events varying in degree throughout the year and more details will be found on our website www.rabi.org.uk.

From an operational perspective, RABI will continue to pilot and link up with the Institute of Agricultural Secretaries and Administrators (IAgSA) to develop a support service. The charity finds that frequently when approached by a potential beneficiary their financial records are inadequate. Therefore, in order to establish the full financial position, IAgSA will become involved to bring their records up to date so enabling state benefits to be applied for and possible support from the charity.

Statement of trustees' responsibilities

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 of 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 also 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 10 March 2010 and signed on their behalf by:



H A C Densham CBE
Chairman of the Council of Trustees

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2009

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	TOTAL 2009 £000	TOTAL 2008 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	3,348	80	1	3,429	2,133
<i>Activities for generating funds:</i>						
Investment income	3	1,247	158	-	1,405	1,646
Trading sales	4	45	-	-	45	49
<i>Incoming resources from charitable activities:</i>						
Fees for residential care		1,442	-	-	1,442	1,325
<i>Other incoming resources</i>		9	-	-	9	8
Total incoming resources		6,091	238	1	6,330	5,161
Resources expended						
<i>Costs of generating funds:</i>						
Costs of generating voluntary income	5	692	63	-	755	821
Investment management costs	6	189	-	-	189	169
Cost of goods sold and other costs - trading	4	28	-	-	28	36
<i>Charitable activities:</i>						
Direct welfare payments, grants, support and casework costs	7/8/9	2,081	380	-	2,461	2,454
Residential homes	10	1,372	1	-	1,373	1,347
<i>Governance costs</i>	12	73	-	-	73	86
Total resources expended		4,435	444	-	4,879	4,913
Net incoming/(outgoing) resources before other recognised gains & losses		1,656	(206)	1	1,451	248
Other recognised gains/losses						
<i>Gains/(losses) on fixed assets:</i>						
(Losses)/gains on disposal		(284)	-	-	(284)	68
<i>(Losses)/gains on investment assets:</i>						
Realised		(214)	(8)	-	(222)	(1,224)
Unrealised		3,582	215	51	3,848	(6,826)
Total other recognised gains/(losses)		3,084	207	51	3,342	(7,982)
Net movement in funds		4,740	1	52	4,793	(7,734)
<i>Reconciliation of funds:</i>						
Total funds brought forward at 1 January 2009		32,589	4,474	385	37,448	45,182
Total funds carried forward at 31 December 2009		37,329	4,475	437	42,241	37,448

BALANCE SHEET AT 31 DECEMBER 2009

	Notes	2009 £000	2009 £000	2008 £000	2008 £000
Fixed assets:					
Tangible assets	16/17		9,674		9,084
Investments	18		<u>30,817</u>		<u>27,377</u>
Total fixed assets			40,491		36,461
Current assets:					
Trading stock		5		3	
Debtors	19	251		290	
Cash at bank and in hand	20	<u>1,671</u>		<u>872</u>	
Total current assets		1,927		1,165	
Current liabilities:					
Creditors: Amounts falling due within one year	21	<u>(177)</u>		<u>(178)</u>	
Net current assets			1,750		987
Net assets			42,241		37,448
The funds of the charity:					
Unrestricted	22/23		37,329		32,589
Restricted	22/23		4,475		4,474
Endowment	22/23		<u>437</u>		<u>385</u>
Total charity funds			42,241		37,448

Approved and authorised by the Trustees on 10 March 2010 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 2009

	2009 £000	2008 £000
Net cash (outflow)/inflow from operating activities	<u>(422)</u>	<u>146</u>
Investing activities		
Purchase of tangible fixed assets	(210)	(232)
Proceeds from sale of tangible fixed assets	1,245	73
Transfer from/(to) investment managers	<u>186</u>	<u>(231)</u>
	1,221	(390)
Increase/(decrease) in cash & cash equivalents	799	(244)
Cash and cash equivalents at 1 January 2009	<u>872</u>	<u>1,116</u>
Cash and cash equivalents at 31 December 2009	1,671	872

Notes to the Cashflow Statement

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

Net incoming resources for the year before revaluation	1,451	248
Legacies not in cash	(1,914)	-
Depreciation charges (net)	5	4
(Increase) in stocks	(2)	-
Decrease/(increase) in debtors	39	(58)
(Decrease)/increase in creditors	<u>(1)</u>	<u>(48)</u>
Net cash (outflow)/inflow from operating activities	(422)	146

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

			Change in Year £000
Short term deposits	1,534	776	758
Cash at bank and in hand	<u>137</u>	<u>96</u>	<u>41</u>
	1,671	872	799

Notes to the Accounts for the year ended 31 December 2009

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, applicable accounting standards, the Charities Act 1993, and under the historical cost convention, 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 2009 is as follows; costs of generating voluntary income 39%, investment costs 2 %, direct welfare payments 46 %, residential homes 7 % 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.

	2009	2008
	£'000	£'000
2 Voluntary income		
Annual subscriptions	56	34
Donations	633	894
Voluntary income from trusts	160	143
Income tax recovered under Gift Aid	22	27
Grants	28	236
Legacies	2,530	799
	<u>3,429</u>	<u>2,133</u>
3 Investment income		
Income from estates	179	169
Listed securities general fund	1,063	1,115
Interest on loans and deposits	6	79
Trust funds		
- Manson House Special Fund	3	3
- RABI Emergency Fund	134	261
- Barnes Trust	19	19
- David Beale Charitable Trust	1	-
	<u>1,405</u>	<u>1,646</u>
4 Trading		
Sales	45	49
- less cost of sales	(18)	(27)
- less operating costs	(10)	(9)
Net profit	<u>17</u>	<u>13</u>
5 Costs of generating voluntary income		
Fundraising costs - Centralised	189	175
Fundraising costs - Regional/Branches	44	93
Publicity, marketing & communications	377	402
Legacies	4	3
Allocation of support costs (see note 13)	141	148
	<u>755</u>	<u>821</u>
6 Investment management costs		
Investment manager's fees	86	97
Estates expenditure	96	64
Allocation of support costs (see note 13)	7	8
	<u>189</u>	<u>169</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%.

	2009	2008
7 Direct welfare payments, grants, support and casework costs	£'000	£'000
Grants	1,290	1,344
Homes fees paid	259	226
Home helps	45	45
Stapnalls (Emergency Relief)	80	45
Helpline (Aid for working farmers, farming staff and families)	231	243
Welfare support	235	227
Casework costs	154	145
Allocation of support costs (see note 13)	167	179
	<u>2,461</u>	<u>2,454</u>
8 Beneficiaries assisted	No. Assisted	No. Assisted
Non-working farmers/farmworkers (retired and disabled) regular grants	1,404	1,503
Working farmers/farmworkers	162	184
	<u>1,566</u>	<u>1,687</u>
9 Expenditure commitments	£'000	£'000
Grants authorised	<u>2</u>	<u>5</u>
10 Residential homes		
Costs of running residential homes	1,347	1,284
Expenditure from Homes Special Funds (Restricted Funds)	1	40
Allocation of support costs (see note 13)	25	23
	<u>1,373</u>	<u>1,347</u>
11 Support costs	£'000	£'000
Printing, stationery, books, postage, telephone	27	32
Staff costs	249	235
Establishment expenses	31	32
Legal, audit and bank charges	24	31
Trustee expenses/costs	22	25
Office machinery, IT equipment and maintenance	25	41
Staff training	7	18
Sundry expenses	13	14
	<u>398</u>	<u>428</u>
12 Governance costs		
Annual Report & Financial Statement	1	2
Annual General Meeting	14	14
Allocation of support costs (see note 13)	58	70
	<u>73</u>	<u>86</u>

Governance costs include the Auditors' remuneration for audit services which in 2009 was £8,225, compared with £7,935 in 2008.

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	97	5	115	17	15	249	Percentage
Printing, stationery, postage, telephone	10	1	12	2	2	27	Percentage
Office IT, equipment and maintenance	10	-	12	2	1	25	Percentage
Establishment expenses	12	1	14	2	2	31	Percentage
Trustee expenses/costs	-	-	-	-	22	22	Actual
Legal, audit and bank charges	4	-	5	1	14	24	Percentage/Actual
Staff training	3	-	3	-	1	7	Percentage
Sundry	5	-	6	1	1	13	Percentage
Total	141	7	167	25	58	398	

Trustees receive no remuneration but expenses of £18,010 were paid on behalf of 12 trustees for reasonable travel and accommodation expenditure whilst on charity business. Included in the trustee expenses/costs is trustee liability insurance costing £3,389 compared with £3,385 in 2008.

14 Staff numbers	Number of Employees	
	2009	2008
Residential homes	58	58
Casework	11	11
Fundraising marketing & communications	12	12
Management & admin	6	6
	87	87

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

Analysis of staff costs	£'000	£'000
Wages	1,750	1,624
Social security costs	143	131
Pension costs	49	44
	1,942	1,799

One employee had emoluments for the year between £80,000 - £90,000 (Nil in 2008)

No employee had emoluments for the year between £70,000 - £80,000 (1 in 2008)

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 2009.

Fundraising		Welfare		Support		Publicity		Totals	
No Vols	Hrs	No Vols	Hrs	No Vols	Hrs	No Vols	Hrs	No Vols	Hrs
343	4,828	23	92	185	1,757	77	548	628	7,225

16 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Office/ homes equipment £'000	TOTAL £'000
Cost				
At 1 January 2009	9,078	37	8	9,123
Additions	2,121	-	3	2,124
Disposals	(1,529)	-	(4)	(1,533)
At 31 December 2009	<u>9,670</u>	<u>37</u>	<u>7</u>	<u>9,714</u>
Depreciation				
At 1 January 2009	-	33	6	39
Charge for 2009	-	2	3	5
Disposals	-	-	(4)	(4)
At 31 December 2009	<u>-</u>	<u>35</u>	<u>5</u>	<u>40</u>
Net Book Value				
At 31 December 2009	<u>9,670</u>	<u>2</u>	<u>2</u>	<u>9,674</u>
At 31 December 2008	<u>9,078</u>	<u>4</u>	<u>2</u>	<u>9,084</u>

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

Farms and estates, General - at 15 times the rentals (as at 31 Dec 2005) except as detailed below:

Moles Farm, which has been brought to account following the death during the year of the life interest tenant of the NV Wodson Trust in which RABI is the ultimate beneficiary. Valuation by local land agents at December 2009 at Red Book Value.

Furzehill Farm, which was left to the charity from the legacy of Mrs E F Warden with a life interest occupant who can remain as long as they wish. Brought to account in 2009 with valuation by local land agents at December 2009 at Red Book Value.

Residential homes - 3 times the fees (reviewed as at 31 Dec 2007)

Shaw House - estimated at £885,000 (reviewed as at 31 Dec 2009)

17 Capital Commitments

	2009 £'000	2008 £'000
Authorised but not contracted for	<u>100</u>	<u>104</u>

These capital commitments are for the ongoing refurbishment of Beaufort House residential home.

18 Investments

Market value at 1 January	27,377	35,196
(Losses) upon disposal	(222)	(1,224)
Transfers (from)/to investments	(186)	231
Net gains/(losses) on revaluation at 31 December	<u>3,848</u>	<u>(6,826)</u>
Market value at 31 December	<u>30,817</u>	<u>27,377</u>
Historical cost at 31 December	<u>25,367</u>	<u>26,455</u>
Investments comprise: -		
Quoted investments - UK	22,810	18,400
Quoted investments - Other	<u>5,156</u>	<u>5,239</u>
	<u>27,966</u>	<u>23,639</u>
Cash held within investment portfolios	<u>2,851</u>	<u>3,738</u>
	<u>30,817</u>	<u>27,377</u>

Material Investments greater than 5% of Portfolio:

1,656,881.262 Newton Global Growth & Income Fund for Charities – Market value at 31 Dec 2009 £1,985,772.

3,706,000 NFM (CI) Ltd Offshore Special Situations Fund – Market value at 31 Dec 2009 £3,654,116.

	2009	2008
	£'000	£'000
19 Debtors		
Taxation recoverable	8	7
Other debtors	214	259
Prepayments	29	24
	<u>251</u>	<u>290</u>
20 Cash at bank and in hand		
Cash and current account balances	137	96
Short term deposits	1,534	776
	<u>1,671</u>	<u>872</u>
21 Creditors		
Fees and commissions	39	50
Other creditors	96	89
Taxation and social security	42	39
	<u>177</u>	<u>178</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	-	73	3	-	76
Beaufort House Special Fund	-	5	11	-	16
RABI Emergency Fund	-	4,718	(360)	-	4,358
Steel Charitable Trust	-	-	3	-	3
Sylvia Waddilove	-	-	2	-	2
Leslie Mary Carter Charitable Trust	-	-	1	-	1
NFU Mutual Charitable Trust	-	-	5	-	5
Barclays (Gateway) Project	-	-	14	-	14
	<u>-</u>	<u>4,796</u>	<u>(321)</u>	<u>-</u>	<u>4,475</u>
<i>Endowment Fund</i>					
The Barnes Trust	-	423	-	-	423
David Beale Charitable Trust	-	14	-	-	14
	<u>-</u>	<u>437</u>	<u>-</u>	<u>-</u>	<u>437</u>
<i>Unrestricted Funds</i>					
At 31 December 2009	9,674	25,584	2,248	(177)	37,329
	<u>9,674</u>	<u>30,817</u>	<u>1,927</u>	<u>(177)</u>	<u>42,241</u>

23 Statement of Funds

	Balance 01-Jan-09 £'000	Incoming resources £'000	Expenditure £'000	Investment gains/ losses £'000	Balance 31-Dec-09 £'000
Unrestricted Funds	32,589	6,091	(4,435)	3,084	37,329
Restricted Funds					
Manson House Special Fund	64	4	-	8	76
Beaufort House Special Fund	4	12	(1)	1	16
DEFRA 2008 Grant	40	-	(40)	-	-
RABI Emergency Fund	4,337	134	(311)	198	4,358
Steel Charitable Trust	-	5	(2)	-	3
Income from Barnes Trust	-	19	(19)	-	-
Sylvia Waddilove	-	5	(3)	-	2
South West Regional Development Agency	-	13	(13)	-	-
Leslie Mary Carter Charitable Trust	-	5	(4)	-	1
Eveson Charitable Trust	2	-	(2)	-	-
NFU Mutual Charitable Trust	6	17	(18)	-	5
Christopher Rowbotham Charitable Trust	1	-	(1)	-	-
Barclays (Gateway) Project	20	-	(6)	-	14
Restricted Voluntary Income (Various)	-	24	(24)	-	-
	4,474	238	(444)	207	4,475
Endowment Funds					
<i>Permanent Endowment</i>					
The Barnes Trust	374	-	-	49	423
David Beale Charitable Trust	11	1	-	2	14
	385	1	-	51	437
TOTAL FUNDS	37,448	6,330	(4,879)	3,342	42,241

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

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 website 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.

Steel Charitable Trust is a grant towards the salary costs of a Regional Welfare Officer in Leicestershire, Nottinghamshire, Northamptonshire and Hertfordshire.

Sylvia Waddilove is the grant given as a contribution towards the costs of the Regional Welfare Officers over a 12-month period.

South West Regional Development Agency is a contribution to be paid in arrears to a Rural Development Programme with the Farming Help Partnership over a 3-year period. This package supports the costs of Regional Welfare Officer, Regional Officers, Head Office Welfare staff and overheads covering the South West Region of England.

The Leslie Mary Carter Charitable Trust is a grant given as a contribution towards the cost of the Regional Welfare Officers over a 12-month 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) Project 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.

Restricted Voluntary Income (Various) represents other general restricted funds. The funds received/expended involved those for campaigns such as the 2009 Christmas Hampers (£12k) and Disabled Holiday (£5k). There was also specific regional expenditure for East Anglia (£2K), Kent (£3.6k) & Northumberland (£0.5k) and other smaller donations to other county specified expenditure (£0.54k). In all cases the conditions specified by the donor or the fundraising were met in full.

The John Iles Barnes Charity for Farmers and their Widows (Registered Charity No 282661), was founded by will in 1914 to relieve the aforesaid persons who are, or have been engaged in agriculture, being resident in the counties of Dorset, Hampshire or Somerset and who are in conditions of need, hardship or distress. By a Scheme, including appointment of 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. An additional amount was given to RABI in 2009 when the Trustees of the fund wound up the Trust completely. The income from the fund is to be applied for the general purposes of the charity.

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

We have audited the financial statements of The Royal Agricultural Benevolent Institution for the year ended 31 December 2009, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under 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 and the regulations made under section 44 of that Act. 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) 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 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 prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is not consistent with those financial statements, the charity has not kept sufficient accounting records, if the charity's financial statements are not in agreement with these accounting 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2009 and of its incoming resources and application of resources, for the year then ended, and
- have been prepared in accordance with the Charities Act 1993.



**Martin and Company
Chartered Accountants
Statutory Auditor
25 St Thomas Street
WINCHESTER
SO23 9HJ
11 March 2010**