



**The Royal Agricultural  
Benevolent Institution**

Registered Charity No 208858

**REPORT AND  
FINANCIAL STATEMENT  
2010**

**Patron**

**HER MAJESTY THE QUEEN**

**President**

HRH The Duke of Gloucester - (Appointed 25 Nov 2010)

The Lord Plumb of Coleshill DL – (Retired 25 Nov 2010)

**Vice Presidents**

Mrs A Barton OBE

The Earl Bathurst DL

S Chakravarty

Sir D Curry KB, CBE, FRAgS

H A C Densham CBE, ARAgS

A Evans CBE, FRAgS, DL

W T Gauntlett OBE

Mrs R Nash FRAgS

The Lord Plumb of Coleshill DL

J D Wallis FRICS

**Honorary Chaplain**

The Rt Rev John Oliver ARAgS

**Chief Executive**

P J G Burrows ACIB, ARAgS

**Council of Trustees**

J A Sayers FRICS, FAAV, FRAgS – (Chairman)

R Forster FRSA – (Deputy Chairman)

J W Lewis FCA (Retired), BSc (Econ) - (Honorary Treasurer) - (Appointed 12 May 2010)

J G Orme – (Appointed 12 May 2010)

W Cumber BSc

The Rt Rev John Oliver ARAgS

R A Henley FCA - (Retired 12 May 2010)

M R A Paske FRAgS

M D Raymond MBE, FRAgS

C P Riddle

Mrs E C Rymer MBE JP DL

Mrs P Stanley ARAgS

Mrs L M Tyson MBE, ARAgS

H A C Densham CBE, ARAgS - (Retired 12 May 2010)

**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 2010**

The Council presents its report and the Statement of Financial Activities of the charity for the year ended 31 December 2010. 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 listed 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 have a detailed induction programme.

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 2010. Visits were also made to the charity's legacy estates in England.

The Trustees form four sub-committees. The Chairman has an advisory committee and there are committees for Investments, Welfare Grants and Health & Safety. 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 Lord Plumb of Coleshill, DL, who stood down as President in November 2010 after 22 years of dedicated support and active involvement with RABI. His enthusiasm has been infectious and his pro-active leadership appreciated by everyone in the charity. The Trustees are delighted that Lord Plumb has accepted their invitation to become a Vice President.

The Council is honoured that His Royal Highness The Duke of Gloucester graciously accepted to become President of RABI on 25<sup>th</sup> November. Our new President's close association with farming and the countryside together with his interest in the wellbeing of the rural community make him an ideal successor to Lord Plumb.

The day-to-day leadership and operational management of the charity is the responsibility of the Chief Executive. Under his direction and in accordance with policy laid down by the Council, staff are divided into 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. They store, process and make claims under the Gift Aid Scheme and oversee the management and running of Information Technology at RABI. 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 (RWOs) 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 full-time and one part-time locally based, peripatetic Regional Officers (ROs) who work from home and are tasked with raising funds, promoting the work of RABI around the country and providing hands on advice to the voluntary County Committees in their fundraising. 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.

To maintain high standards of health & safety, in May 2010 a Health & Safety Committee was established consisting of two trustees and a representative from each department as well as the two residential homes. The role of the committee is to review, consult and communicate with all employees on all aspects of health & safety, including the wellbeing of staff. They will meet twice a year and submit a written report to the full Council.

Recognising that staff costs form a large proportion of RABI's non-charitable expenditure the Council expresses its gratitude to the South West Regional Development Agency, NFU Mutual Charitable Trust and various other charitable trusts for their generous assistance in the funding of projects and activities during 2010, 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. Plans are at an advanced stage to increase the capacity of the home and to modernise the central facilities. 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 72 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 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**

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.

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 trustees are keen to build upon new ideas and initiatives to support the working farming family. In 2010 the pilot scheme was extended with the Institute of Agricultural Secretaries and Administrators (IAgSA) to develop a support service for farmers with severe financial problems. Under the scheme, RABI calls on the support of a regional member of IAgSA to bring the farm records up-to-date to establish a clearer picture of the farm's true potential and establish how we can best assist. 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.

**Statistics** In 2010, 12,348 grants were paid out to 1,503 beneficiaries totalling £1,779,000 (please see notes 7 and 8). It was a challenging economic environment, with mixed performances in the agricultural industry albeit a year free from any major disaster.

**150<sup>th</sup> Anniversary** Farming has seen many landmark days in its history, but none more so than 7 February 1860, the day the Royal Agricultural Benevolent Institution (RABI) was founded. In 2010 RABI celebrated 150 years of continuous support for the farming community.

It was an extremely busy yet exciting and rewarding time. RABI's loyal County Committee volunteers, corporate institutions and other friends put in a considerable amount of work in organising many celebration and fundraising events all over the country. From sporting challenges to the fun of Welly Week, from dances and dinners to cream teas and church services, there was something for everyone and these events not only raised funds for the charity but also raised awareness of RABI amongst members of the public including the rural community.

The principal national event of the year was a Service of Thanksgiving at Westminster Abbey on 24<sup>th</sup> February when some 1,300 travelled to London from all corners of England and Wales to give thanks for RABI. The service was planned with the help of RABI's Honorary Chaplain, the Right Reverend John Oliver, who also gave the address. It brought together a complete cross-section of supporters, staff and beneficiaries and throughout there was an integration between young and old, old and new: HRH The Duke of Gloucester represented our Patron, HM The Queen, and read a lesson; moving testimonies were given by two RABI beneficiaries, one a Gateway Project beneficiary and the other a former member of the Women's Land Army and prayers were led by the National Federation of Young Farmers (NFYFC) Chairman. There was also a procession of RABI County Committee Chairmen representing our voluntary committees throughout the country.

In July, 120 runners from all over the country gathered to take part on behalf of RABI in the annual British 10k London run, enjoying a picnic in St James' Park afterwards with family and friends thanks to the The Farmers Club. RABI runners ranged in age from 15 to 65, and represented YARA, AGCO, the NFYFC, National Farmers Union and Farmers Union of Wales as well as RABI itself (volunteers, trustees and staff - including the Chief Executive and Chairman).

Over the years, celebrating harvest has become an ideal time to remember the support that RABI provides and during 2010 there were many, many churches and cathedrals that supported the charity's anniversary. RABI is most grateful to

the clergy, county NFU and NFYFC branches, RABI county committee volunteers and others who helped to organise these services.

The support from corporate sponsors was tremendous during the anniversary year and it is hoped that RABI will be able to develop these relationships in the future.

Throughout the 150<sup>th</sup> anniversary, the members of RABI's loyal and dedicated county committees have made significant contributions of their personal time and effort and the Council of Trustees wishes to formally acknowledge this.

**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 2010, 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 2010, taking into account the guidance and relatively limited resources available, satisfy the public benefit test.

### **Financial Review**

The results for the year show a surplus of £72,000 before adding in the net gains on the investment portfolio of £2,790,000. Various properties (see note 16) were revalued which produced a surplus of £1,551,000. These amounts are added together to produce a total for the year of £4,413,000. Excellent as these figures are in our 150<sup>th</sup> Anniversary year, they are mostly capital adjustments rather than revenue. The many events held throughout the year increased our voluntary income from £633,000 to £995,000 and will also have increased the awareness of the charity throughout England and Wales.

The revaluation of some of the properties brings them onto the same basis of calculation. The farms will all eventually be subject to a Red Book Valuation as prescribed by the Royal Institution of Chartered Surveyors (RICS) on an on-going basis.

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.

Grant income was £125,000 (£28,000 in 2009). The Council expresses its thanks for receiving a major grant of £50,000 from The Freemasons' Grand Charity.

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.

The trustees have an investment policy which sets an annual income target which is so defined as not to exclude the potential of long term 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. The trustees also need the ability to respond to major crises as they occur in the farming industry. They believe that the position is appropriate.

### **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.

In line with the recovery in the equity markets in 2010, the General Powers Fund appreciated by a further 13.7% in 2010, The Special Situations Fund advanced by 17.9%, the Trust Fund by 12.8% and The Crisis in Farming Fund by 6.8%.

### **Estates**

The Estates are managed on a day-to-day basis by the Chief Executive in conjunction with local chartered surveyors. 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**

RABI continues to ensure that it provides not only the traditional help we have offered to our wide range of beneficiaries for many years, but also new ways of supporting those who find themselves in difficulties in the farming world. This includes building upon the successful start of our Gateway Project and the pilot scheme with the Institute of Agricultural Secretaries and Administrators (IAgSA).

The trustees also believe there is more scope to work with other charities for the benefit of all concerned. This was highlighted during the Royal Welsh Show where cheques were received from joint fund-raising initiatives for RABI and the Welsh Air Ambulance which, of course, is there to provide vital help to those not only in the agricultural industry but in the wider rural community in an emergency.

RABI continues to work closely with the other Farming Help charities, ARC-Addington Fund and Farm Crisis Network, to recognise the different but complementary roles of each charity to support the wider farming community. RABI also continues to work closely with Perennial (the Gardeners' Royal Benevolent Society) to ensure that no-one falls between the occupational criteria for both organisations.

Following our 150<sup>th</sup> anniversary celebrations in 2010 a new chapter opens in RABI's history. We will continue to offer aid to those facing difficult times in the farming community.

### **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 have 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 9 March 2011 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'J A Sayers', written in a cursive style.

J A Sayers FRICS, FAAV, FRAGS  
Chairman of the Council of Trustees

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2010

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	TOTAL 2010 £000	TOTAL 2009 £000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	1,861	217	-	<b>2,078</b>	3,429
Activities for generating funds						
- Trading sales	3	47	-	-	<b>47</b>	45
Investment income	4	1,242	148	-	<b>1,390</b>	1,405
<i>Incoming resources from charitable activities:</i>						
Fees for residential care		1,581	-	-	<b>1,581</b>	1,442
<i>Other incoming resources</i>		8	-	-	<b>8</b>	9
<b>Total incoming resources</b>		<b>4,739</b>	<b>365</b>	<b>-</b>	<b>5,104</b>	<b>6,330</b>
<b>Resources expended</b>						
<i>Costs of generating funds:</i>						
Costs of generating voluntary income	5	884	54	-	<b>938</b>	755
Cost of goods sold and other costs - trading		37	-	-	<b>37</b>	28
Investment management costs	6	203	-	-	<b>203</b>	189
<i>Charitable activities:</i>						
Direct welfare payments, grants, support and casework costs	7/8/9	2,003	344	-	<b>2,347</b>	2,461
Residential homes	10	1,395	19	-	<b>1,414</b>	1,373
<i>Governance costs</i>	12	93	-	-	<b>93</b>	73
<b>Total resources expended</b>		<b>4,615</b>	<b>417</b>	<b>-</b>	<b>5,032</b>	<b>4,879</b>
<b>Net incoming/(outgoing) resources before other recognised gains &amp; losses</b>		<b>124</b>	<b>(52)</b>	<b>-</b>	<b>72</b>	<b>1,451</b>
<b>Other recognised gains/losses</b>						
<i>Gains/(losses) on fixed assets:</i>						
Gains on revaluation	16	1,551	-	-	<b>1,551</b>	-
(Losses)/gains on disposal		-	-	-	-	(284)
<i>(Losses)/gains on investment assets:</i>						
Realised	18	(227)	(10)	-	<b>(237)</b>	(222)
Unrealised		2,814	179	34	<b>3,027</b>	3,848
<b>Total other recognised gains</b>		<b>4,138</b>	<b>169</b>	<b>34</b>	<b>4,341</b>	<b>3,342</b>
<b>Net movement in funds</b>		<b>4,262</b>	<b>117</b>	<b>34</b>	<b>4,413</b>	<b>4,793</b>
<i>Reconciliation of funds:</i>						
Total funds brought forward at 1 January 2010		37,329	4,475	437	<b>42,241</b>	37,448
<b>Total funds carried forward at 31 December 2010</b>		<b>41,591</b>	<b>4,592</b>	<b>471</b>	<b>46,654</b>	<b>42,241</b>

**BALANCE SHEET AT 31 DECEMBER 2010**

	Notes	2010 £000	2010 £000	2009 £000	2009 £000
<b>Fixed assets:</b>					
Tangible assets	16/17		11,449		9,674
Investments	18		<u>33,735</u>		<u>30,817</u>
<b>Total fixed assets</b>			<b>45,184</b>		<b>40,491</b>
<b>Current assets:</b>					
Trading stock		7		5	
Debtors	19	225		251	
Cash at bank and in hand	20	<u>1,470</u>		<u>1,671</u>	
<b>Total current assets</b>		<b>1,702</b>		<b>1,927</b>	
<b>Current liabilities:</b>					
Creditors: Amounts falling due within one year	21	<u>(232)</u>		<u>(177)</u>	
<b>Net current assets</b>			<b>1,470</b>		<b>1,750</b>
<b>Net assets</b>			<b>46,654</b>		<b>42,241</b>
<b>The funds of the charity:</b>					
Unrestricted	22/23		41,591		37,329
Restricted	22/23		4,592		4,475
Endowment	22/23		<u>471</u>		<u>437</u>
<b>Total charity funds</b>			<b>46,654</b>		<b>42,241</b>

Approved and authorised by the Trustees on 9 March 2011 and signed on their behalf by:



J W Lewis BSc (Econ), Hon Treasurer

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

**CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 £000	2009 £000
<b>Net cash inflow/(outflow) from operating activities</b>	<u>154</u>	<u>(422)</u>
<b>Investing activities</b>		
Purchase of tangible fixed assets	(227)	(210)
Proceeds from sale of tangible fixed assets	-	1,245
Transfer (to)/from investment managers	<u>(128)</u>	<u>186</u>
	<b>(355)</b>	<b>1,221</b>
(Decrease)/increase in cash & cash equivalents	(201)	799
Cash and cash equivalents at 1 January 2010	<u>1,671</u>	<u>872</u>
<b>Cash and cash equivalents at 31 December 2010</b>	<b>1,470</b>	<b>1,671</b>

**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	72	1,451
Legacies not in cash	-	(1,914)
Depreciation charges (net)	3	5
(Increase) in stocks	(2)	(2)
Decrease in debtors	26	39
Increase/(decrease) in creditors	<u>55</u>	<u>(1)</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>154</b>	<b>(422)</b>

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

			Change in Year £000
Short term deposits	1,338	1,534	196
Cash at bank and in hand	<u>132</u>	<u>137</u>	5
	<b>1,470</b>	<b>1,671</b>	<b>201</b>

# Notes to the Accounts for the year ended 31 December 2010

## 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 either the estimated market value for their current use or the RICS Valuation Standards (The "Red Book") 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 2010 is as follows; costs of generating voluntary income 38%, investment costs 2 %, direct welfare payments 46 %, residential homes 7 % and governance costs 7%.
- 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.

	<b>2010</b>	2009
	<b>£'000</b>	£'000
<b>2 Voluntary income</b>		
Annual subscriptions	45	56
Donations	995	633
Voluntary income from trusts	157	160
Income tax recovered under Gift Aid	26	22
Grants	125	28
Legacies	730	2,530
	<u>2,078</u>	<u>3,429</u>
<b>3 Trading</b>		
Sales	47	45
- less cost of sales	(24)	(18)
- less operating costs	(13)	(10)
Net profit	<u>10</u>	<u>17</u>
<b>4 Investment income</b>		
Income from estates	212	179
Listed securities general fund	1,023	1,063
Interest on loans and deposits	7	6
Trust funds		
- Manson House Special Fund	3	3
- Beaufort House Special Fund	1	-
- RABI Emergency Fund	125	134
- Barnes Trust	19	19
- David Beale Charitable Trust	-	1
	<u>1,390</u>	<u>1,405</u>
<b>5 Costs of generating voluntary income</b>		
Fundraising costs - Centralised	201	189
Fundraising costs - Regional/Branches	159	44
Publicity, marketing & communications	426	377
Legacies	10	4
Allocation of support costs (see note 13)	142	141
	<u>938</u>	<u>755</u>
<b>6 Investment management costs</b>		
Investment manager's fees	99	86
Estates expenditure	97	96
Allocation of support costs (see note 13)	7	7
	<u>203</u>	<u>189</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>2010</b>	2009
<b>7 Direct welfare payments, grants, support and casework costs</b>	<b>£'000</b>	£'000
Grants	<b>1,290</b>	1,290
Homes fees paid	<b>269</b>	259
Home helps	<b>42</b>	45
Stapnalls (Emergency Relief)	<b>35</b>	80
Helpline (Aid for working farmers, farming staff and families)	<b>143</b>	231
Welfare support	<b>238</b>	235
Casework costs	<b>159</b>	154
Allocation of support costs (see note 13)	<b>171</b>	167
	<b><u>2,347</u></b>	<b><u>2,461</u></b>
<b>8 Beneficiaries assisted</b>	<b>No. Assisted</b>	No. Assisted
Non-working farmers/farmworkers (retired and disabled) regular grants	<b>1,376</b>	1,404
Working farmers/farmworkers	<b>127</b>	162
	<b><u>1,503</u></b>	<b><u>1,566</u></b>
<b>9 Expenditure commitments</b>	<b>£'000</b>	£'000
<b>Grants authorised</b>	<b><u>6</u></b>	<b><u>2</u></b>
<b>10 Residential homes</b>		
Costs of running residential homes	<b>1,368</b>	1,347
Expenditure from Homes Special Funds (Restricted Funds)	<b>16</b>	1
Expenditure from Restricted funds for Homes literature	<b>3</b>	-
Allocation of support costs (see note 13)	<b>27</b>	25
	<b><u>1,414</u></b>	<b><u>1,373</u></b>
<b>11 Support costs</b>		
Printing, stationery, books, postage, telephone	<b>30</b>	27
Staff costs	<b>255</b>	249
Establishment expenses	<b>26</b>	31
Legal, audit and bank charges	<b>23</b>	24
Trustee expenses/costs	<b>35</b>	22
Office machinery, IT equipment and maintenance	<b>29</b>	25
Staff training	<b>6</b>	7
Sundry expenses	<b>15</b>	13
	<b><u>419</u></b>	<b><u>398</u></b>
<b>12 Governance costs</b>		
Annual Report & Financial Statement	<b>1</b>	1
Annual General Meeting	<b>20</b>	14
Allocation of support costs (see note 13)	<b>72</b>	58
	<b><u>93</u></b>	<b><u>73</u></b>

Governance costs include the Auditors' remuneration for audit services which in 2010 was £8,343, compared with £8,225 in 2009.

### 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	117	18	18	255	Percentage
Printing, stationery, postage, telephone	11	1	14	2	2	30	Percentage
Office IT, equipment and maintenance	11	1	13	2	2	29	Percentage
Establishment expenses	10	-	12	2	2	26	Percentage
Trustee expenses/costs	-	-	-	-	35	35	Actual
Legal, audit and bank charges	5	-	6	1	11	23	Percentage/Actual
Staff training	2	-	2	1	1	6	Percentage
Sundry	6	-	7	1	1	15	Percentage
<b>Total</b>	<b>142</b>	<b>7</b>	<b>171</b>	<b>27</b>	<b>72</b>	<b>419</b>	

Trustees receive no remuneration but expenses of £31,755 were paid on behalf of the President and 14 trustees for reasonable travel, accommodation and meals expenditure whilst carrying out charity business and activities. Included in the trustee expenses/costs is trustee liability insurance costing £3,397 compared with £3,389 in 2009.

14 Staff numbers	Average Number of Employees	
	2010	2009
Residential homes	58	58
Casework	12	11
Fundraising marketing & communications	12	12
Management & admin	6	6
	<b>88</b>	<b>87</b>
	The average numbers are based on full-time equivalent employees (including casual and part time staff)	
	2010	2009
<b>Analysis of staff costs</b>	£'000	£'000
Wages	1,805	1,750
Social security costs	149	143
Pension costs	50	49
	<b>2,004</b>	<b>1,942</b>

One employee had emoluments for the year between £80,000 - £90,000 (1 in 2009)

### 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 2010.

Fundraising		Welfare		Support		Publicity		Totals	
No Vols	Hrs	No Vols	Hrs	No Vols	Hrs	No Vols	Hrs	No Vols	Hrs
362	4,490	24	92	130	1,292	77	769	593	6,643

## 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 2010	9,670	37	7	9,714
Additions	217	-	10	227
Revaluations *	1,551	-	-	1,551
Disposals	-	(37)	(3)	(40)
At 31 December 2010	<u>11,438</u>	<u>-</u>	<u>14</u>	<u>11,452</u>
<b>Depreciation</b>				
At 1 January 2010	-	35	5	40
Charge for 2010	-	2	1	3
Disposals	-	(37)	(3)	(40)
At 31 December 2010	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
<b>Net Book Value</b>				
At 31 December 2010	<u>11,438</u>	<u>-</u>	<u>11</u>	<u>11,449</u>
At 31 December 2009	<u>9,670</u>	<u>2</u>	<u>2</u>	<u>9,674</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:

Brook Farm, Red Book value as at December 2010

Moles Farm, Red Book value as at December 2009.

Furzehill Farm, Red Book value as at December 2009

All other farms & estates are currently valued at 15 times the rentals (as at 31 Dec 2010)

**Residential homes** - 3 times the fees as at December 2010

**Shaw House** - estimated at £885,000 as at December 2009

\* **Revaluations** – These consist of changes to the valuation of Brook Farm from estimated market value to the Red Book value of £502k, the revaluation of other farms and estates to a revised market value (15 times rental) of £361k and the revaluation of the residential homes to a revised market value (3 times fees) of £688k.

## 17 Capital Commitments

	2010 £'000	2009 £'000
Authorised but not contracted for	<u>200</u>	<u>100</u>

These capital commitments are for the refurbishment of the public rooms at Beaufort House residential home.

## 18 Investments

Market value at 1 January	30,817	27,377
(Losses) upon disposal	(237)	(222)
Transfers to/(from) investments	128	(186)
Net gains on revaluation at 31 December	3,027	3,848
Market value at 31 December	<u>33,735</u>	<u>30,817</u>
Historical cost at 31 December	<u>26,041</u>	<u>25,367</u>

	2010	2009
	£'000	£'000
<b>Investments comprise:-</b>		
Quoted investments - UK	25,396	22,810
Quoted investments - Overseas	<u>5,891</u>	<u>5,156</u>
	<b>31,287</b>	27,966
Cash held within investments portfolios	<u>2,448</u>	<u>2,851</u>
	<b><u>33,735</u></b>	<b><u>30,817</u></b>

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

1,658,500 Newton Global Growth & Income Fund for Charities – Market value at 31 Dec 2010 £2,142,616.

3,783,500 NFM (CI) Ltd Offshore Special Situations Fund – Market value at 31 Dec 2010 £4,242,060.

**19 Debtors**

Taxation recoverable	15	8
Other debtors	191	214
Prepayments	<u>19</u>	<u>29</u>
	<b><u>225</u></b>	<b><u>251</u></b>

**20 Cash at bank and in hand**

Cash and current account balances	132	137
Short term deposits	<u>1,338</u>	<u>1,534</u>
	<b><u>1,470</u></b>	<b><u>1,671</u></b>

**21 Creditors**

Fees and commissions	56	39
Other creditors	127	96
Taxation and social security	<u>49</u>	<u>42</u>
	<b><u>232</u></b>	<b><u>177</u></b>

**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	-	78	5	-	83
Beaufort House Special Fund	-	17	1	-	18
RABI Emergency Fund	-	4,503	(45)	-	4,458
The Turney Trust	-	-	4	-	4
NFU Mutual Charitable Trust	-	-	19	-	19
Barclays (Gateway) Project	-	-	10	-	10
	-	<u>4,598</u>	<u>(6)</u>	-	<u>4,592</u>
<i>Endowment Fund</i>					
The Barnes Trust	-	456	-	-	456
David Beale Charitable Trust	-	15	-	-	15
	-	<u>471</u>	-	-	<u>471</u>
<i>Unrestricted Funds</i>					
	11,449	28,666	1,708	(232)	41,591
At 31 December 2010	<u>11,449</u>	<u>33,735</u>	<u>1,702</u>	<u>(232)</u>	<u>46,654</u>

## 23 Statement of Funds

	Balance 01-Jan-10 £'000	Incoming resources £'000	Expenditure £'000	Investment gains/ losses £'000	Gains on revaluation £'000	Balance 31-Dec-10 £'000
<b>Unrestricted Funds</b>	37,329	4,739	(4,615)	2,587	1,551	41,591
<b>Restricted Funds</b>						
Manson House Special Fund	76	5	-	2	-	83
Beaufort House Special Fund	16	17	(16)	1	-	18
RABI Emergency Fund	4,358	125	(191)	166	-	4,458
Steel Charitable Trust	3	-	(3)	-	-	-
Income from Barnes Trust	-	19	(19)	-	-	-
Sylvia Waddilove	2	-	(2)	-	-	-
SW RDA	-	53	(53)	-	-	-
SEE Development Agency	-	10	(10)	-	-	-
Leslie Mary Carter Charitable Trust	1	-	(1)	-	-	-
Eveson Charitable Trust	-	5	(5)	-	-	-
CHK Charities Ltd	-	5	(5)	-	-	-
E F Bulmer Benevolent Fund	-	3	(3)	-	-	-
The Turney Trust	-	5	(1)	-	-	4
The Grand Charity	-	50	(50)	-	-	-
NFU Mutual Charitable Trust	5	25	(11)	-	-	19
Newton Investment Management	-	10	(10)	-	-	-
Barclays (Gateway) Project	14	-	(4)	-	-	10
Restricted Voluntary Income (Various)	-	33	(33)	-	-	-
	4,475	365	(417)	169	-	4,592
<b>Endowment Funds</b>						
<i>Permanent Endowment</i>						
The Barnes Trust	423	-	-	33	-	456
David Beale Charitable Trust	14	-	-	1	-	15
	437	-	-	34	-	471
<b>TOTAL FUNDS</b>	42,241	5,104	(5,032)	2,790	1,551	46,654

**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.

**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.

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

**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.

**South East England Development Agency** was a grant to procure a trailer and associated publicity material for use in Hampshire by the Regional Officer South East.

**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 a grant given as a contribution towards the cost of a Regional Welfare Officer in Herefordshire and Worcestershire.

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

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

**The Turney Trust** is a donation where the trustees wished the monies to be utilised for beneficiaries who reside in the areas of Royston, Therfield and Reed in Hertfordshire.

**The Grand Charity** is a grant given towards the costs of Regional Welfare Officers nationally.

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

**Newton Investment Management** was a restricted donation to the charity to help offset the costs of publicity events associated with the 150<sup>th</sup> Celebrations of the charity during 2010.

**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 the 2010 campaign for Christmas Hampers (£13k). There was also specific regional expenditure for Leicestershire (£10k), Kent (£5k), Essex (£2K) & Sussex (£1k) and other smaller donations to other county specified expenditure (£2k). 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 and again in 2009 when the Trustees of the fund wound up the Trust completely. The income from the fund is to be applied for the general purposes of the charity.

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

We have audited the financial statements of The Royal Agricultural Benevolent Institution for the year ended 31 December 2010, 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.

**Basis of Audit Opinion**

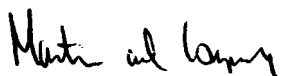
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2010 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**  
**10 March 2011**