



**The Royal Agricultural  
Benevolent Institution**

Registered Charity No 208858

**REPORT AND  
FINANCIAL STATEMENT  
2007**

Patron

**HER MAJESTY THE QUEEN**

**President**

The Lord Plumb of Coleshill DL

**Vice Presidents**

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

**Honorary Chaplain**

The Rt Rev John Oliver

**Chief Executive**

P J G Burrows ACIB

**BOARD OF TRUSTEES**

H A C Densham CBE – (Chairman)  
R Forster – (Joint Deputy Chairman)  
J A Sayers FRICS FAAV - (Joint Deputy Chairman)  
R A Henley FCA – (Honorary Treasurer)  
W Cumber  
Mrs N E Lyon FCA - (Retired 2007)  
Mrs R Nash ARAgS - (Retired 2007)

The Rt Rev John Oliver  
M R A Paske FRAgS  
M D Raymond MBE  
C P Riddle  
Mrs E C Rymer MBE JP DL - (Appointed 2007)  
Mrs P Stanley - (Appointed 2007)  
Mrs L M Tyson ARAgS MBE

**Auditors**

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

**Bankers**

National Westminster 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 Tarlo Lyons, Seacourt Tower, West Way, Oxford, OX2 0FB (Charity Law)

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Registered Charity No. 208858

## **REPORT BY THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2007**

The Board presents its report and the Statement of Financial Activities of the charity for the year ended 31 December 2007. The Financial Statements have been prepared in strict accordance with the provisions of the Statement of Recommended Practice (SORP) revised 2005 'Accounting and Reporting by Charities'.

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

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

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

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

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

The Board comprises twelve trustees who are appointed for a term of four years. Trustees may serve for two consecutive terms. In 2007 the Chairman and the Honorary Treasurer completed their second term and were replaced by two new trustees. New trustees are appointed for their relevant skills, agricultural knowledge/background and geographical location. Nominations for new trustees are put forward by the Board for election by the members of the Institution at the Annual General Meeting.

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

The full Board of Trustees met formally five times during 2007. Visits are also made to the charity's legacy estates in England.

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

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

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

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

**Welfare** - with four full time and one part time staff members in head office who process applications for assistance and manage twelve 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 and one part time press officer in head office who publicise the work of RABI, plan, coordinate, organise and implement national and regional events and

fundraising schemes in accordance with the strategy and direction of the Board and Chief Executive. The department also includes seven 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 members who provide essential administrative, health & safety and personnel support to Head Office, regional staff and the two residential care homes.

Recognising that staff costs form a large proportion of RABI's non-charitable expenditure the Board expresses its gratitude to DEFRA, The Community Fund and Regional Development Agencies for their generous assistance in the funding of projects and activities during 2007, which helped offset these costs.

**Residential Homes** – RABI own two residential homes. Manson House in Bury St Edmunds, Suffolk is a listed Grade II\* building registered for 24 people requiring residential care. There are also 19 flats set in this attractive market town site for those who wish to remain more independent.

Beaufort House in Burnham on Sea, Somerset is registered for 32 residents requiring residential care and has 17 sheltered flats.

The two homes employ 14 full time and some 66 part time staff.

### **Risk Management**

A generic risk assessment was updated in 2006 and will continue to be reviewed on a regular basis.

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

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

RABI's Royal Charter (amended in 1999) allows that financial assistance can be given to retired farm staff as well as to retired farmers, farm managers and their families. RABI is also able to provide financial help to working farmers in times of crisis for domestic costs only.

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

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

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

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

All new applicants for regular assistance are initially visited by our RWOs and thereafter receive home visits on a regular basis, approximately once a year, but more frequently if needed. 2007 saw the return of Foot & Mouth, flooding, Bluetongue and Avian Flu. This made it an extremely busy year for the Welfare Department.

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 2007 RABI organised one group holiday for beneficiaries.

**Statistics.** 13,903 grants were paid out to 2,010 beneficiaries totalling £2,457,000. The cost of the beneficiary group holiday was £19,000. This included all accommodation, meals, travel, outings, and extra care costs and equipment for the disabled.

Not surprisingly both the amount paid out and the total number of grants increased significantly primarily due to Foot & Mouth payments.

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

### **Financial Review**

The results for the year show a deficit, before gains on investments, of £432,000 (2006 deficit £48,000) as disclosed on page 8. The financial position of the charity is shown on the balance sheet on page 9.

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

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

Legacy income was £895,000. This income remains difficult to predict each year but it remains a vital element of the charity's incoming resources and allows reserves to be built up to prevent future deficits.

Grants and funding is also received from trusts and other bodies specifically to help offset the costs of providing RWOs who provide a pivotal front line service for our beneficiaries.

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.

Two restricted funds were overdrawn at the end of the financial year, which was in respect of agreed expenditure in anticipation of Regional Development Agency funds, which were received in January 2008.

### **Reserves Policy**

The charity has a traditional long-term commitment to its non-working beneficiaries. Each costs an average of £1,500 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.

For the past few years RABI has been running a revenue deficit, with the exception of 2005 when an exceptional legacy produced a peak in income. The trustees have an investment policy which is to maximise income but not to the exclusion of capital growth. This capital growth has more than made up for the revenue loss.

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 portfolio was professionally directed and managed with continuing success in 2007. The Investment Sub Committee in conjunction with its advisors formally reviews the portfolio twice a year. The aim is for an appropriate balance between income and growth.

The General Powers Fund showed a return of 5.4% (i.e. capital and income). The Special Situations Fund rose by 13.2% during the year. The Trust Fund appreciated by 7.2% and the Crisis in Farming Account rose by 5.9% over the twelve months.

## **Estates**

The Full Board and the Estates Committee meet on a regular basis to monitor the value and wellbeing of the several estates and properties bequeathed to RABI over the years. The farms are tenanted and managed by local chartered surveyors.

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

## **Plans for the future**

Nobody could have predicted the events of 2007 and we continue to see cash flow issues which have been compounded by shortage of winter feed and rising grain prices and there remains concern over the future of sustainability of a number of livestock holdings. It is therefore evident that more farmers will need our support in the future.

To ensure that we are managing our resources efficiently, responding to the changing requirements and taking advantage of opportunities, in the latter part of 2006 the trustees instigated a strategic review of RABI's long term framework. This has been ongoing during 2007 with specific remit to review and modernise the Royal Charter and By-laws. It is hoped that the findings and recommendations of the review will be in place during the latter part of 2008.

There are still many people who are reluctant to seek charitable help and RABI will continue to further enhance its profile and reputation across the agricultural sector. RABI will continue to devote its resources in furthering the current activities of the charity. As such the trustees have been constantly looking at other areas to support the farming industry in a positive manner and have given their approval to a new initiative to help the working farmer and his/her family. The initiative is called 'The Gateway Project'. This will look at the vast range of skills farmers have and will match them to an external qualification which will bring in 'off farm' income to improve the financial stability of low income farms. A pilot scheme was launched in November 2007 and if successful, it is hoped for a national launch during 2008.

The charity is well structured at head office and has loyal and committed support within its 52 County Committees to meet the challenges of the future

## **Trustees' responsibilities in relation to the financial statements**

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 charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements, ensuring a true and fair view, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice 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 operation.

The trustees are responsible for keeping accounting records, which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the Royal Charter. The trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Approved by the trustees on 6 March 2008 and signed on their behalf by:

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

H A C Densham CBE  
Chairman of the Board of Trustees

**STATEMENT OF FINANCIAL ACTIVITIES**

**For the year ended 31 December 2007**

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	<b>TOTAL 2007 £000</b>	TOTAL 2006 £000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	1,805	533	-	<b>2,338</b>	1,554
<i>Activities for generating funds</i>						
Investment Income	3	1,336	204	-	<b>1,540</b>	1,309
Trading sales	4	39	-	-	<b>39</b>	40
<i>Incoming resources from charitable activities:</i>						
Fees for residential care		1,114	-	-	<b>1,114</b>	1,094
<i>Other Incoming resources</i>		8	-	-	<b>8</b>	8
<b>Total incoming resources</b>		<b>4,302</b>	<b>737</b>	<b>-</b>	<b>5,039</b>	<b>4,005</b>
<b>Resources expended</b>						
<i>Costs of generating Funds:</i>						
Costs of generating voluntary income	5	678	18	-	<b>696</b>	588
Investment management costs	6	194	-	-	<b>194</b>	185
Cost of goods sold and other costs - trading		37	-	-	<b>37</b>	42
<i>Charitable activities:</i>						
Direct welfare payments, grants, welfare support and casework costs	7/8/9	2,224	963	-	<b>3,187</b>	1,914
Residential homes	10	1,257	20	-	<b>1,277</b>	1,264
<i>Governance costs</i>	12	80	-	-	<b>80</b>	60
<b>Total resources expended</b>		<b>4,470</b>	<b>1,001</b>	<b>-</b>	<b>5,471</b>	<b>4,053</b>
<b>Net outgoing resources before other recognised gains &amp; losses</b>		<b>(168)</b>	<b>(264)</b>	<b>-</b>	<b>(432)</b>	<b>(48)</b>
<b>Other recognised gains/losses</b>						
<i>Gains on revaluation of fixed assets</i>		358	-	-	<b>358</b>	-
<i>Gains/losses on investment assets:</i>						
Realised		(292)	33	-	<b>(259)</b>	481
Unrealised		1,002	94	15	<b>1,111</b>	2,356
<b>Total other recognised gains/losses</b>		<b>1,068</b>	<b>127</b>	<b>15</b>	<b>1,210</b>	<b>2,837</b>
<b>Net movement in funds</b>		<b>900</b>	<b>(137)</b>	<b>15</b>	<b>778</b>	<b>2,789</b>
<i>Reconciliation of funds:</i>						
Total funds brought forward at 1 January 2007		38,842	5,067	495	<b>44,404</b>	41,615
<b>Total funds carried forward at 31 December 2007</b>		<b>39,742</b>	<b>4,930</b>	<b>510</b>	<b>45,182</b>	<b>44,404</b>

## BALANCE SHEET AT 31 DECEMBER 2007

	Notes	2007 £000	2007 £000	2006 £000	2006 £000
<b>Fixed assets:</b>					
Tangible assets	16/17		8,861		8,683
Investments	18		35,196		35,221
			<u>44,057</u>		<u>43,904</u>
<b>Current assets:</b>					
Trading Stock		3		14	
Debtors	19	232		268	
Cash at bank and in hand	20	1,116		404	
		<u>1,351</u>		<u>686</u>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	21	(226)		(186)	
			<u>1,125</u>		<u>500</u>
			<u>45,182</u>		<u>44,404</u>
<b>The funds of the charity:</b>					
Unrestricted	22/23		39,742		38,842
Restricted	22/23		4,930		5,067
Endowment	22/23		510		495
			<u>45,182</u>		<u>44,404</u>

Approved and authorised by the Trustees on 6 March 2008 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 2007

	2007 £000	2006 £000
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(133)</u>	<u>1,368</u>
Investing activities		
Purchase of tangible fixed assets	(33)	(2,205)
Proceeds from sale of tangible fixed assets	1	43
Transfer from investment managers	877	648
	<u>845</u>	<u>(1,514)</u>
Increase/(decrease) in cash & cash equivalents	712	(146)
Cash and cash equivalents at 1 January 2007	404	550
<b>Cash and cash equivalents at 31 December 2007</b>	<u>1,116</u>	<u>404</u>

### Notes to the Cashflow Statement

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

Changes in resources before revaluation	(432)	(48)
Depreciation charges (net)	5	15
Impairment of fixed assets	207	-
Decrease in stocks	11	4
Decrease in debtors	36	1,402
Increase/(decrease) in creditors	40	(5)
	<u>(133)</u>	<u>1,368</u>

**Change**

**in Year**

	2007 £000	2006 £000
2. Analysis of changes in cash and cash equivalents during the year		
Short term deposits	986	277
Cash at bank and in hand	130	127
	<u>1,116</u>	<u>404</u>
	<u>712</u>	<u>712</u>

# Notes to the Accounts for the year ended 31 December 2007

## 1. Trustees' Responsibilities

The trustees confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in preparation of these accounts. The trustees also confirm that the applicable accounting bases set out below have been followed. The trustees are responsible for maintaining adequate accounting records, for safeguarding the assets of the Charity and for taking reasonable steps to prevent and detect fraud and other irregularities.

### Accounting Policies

- a) **Basis of preparation.** These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2005) issued in March 2005, 'Accounting and Reporting by Charities', the Charities Act 1993, in accordance with historical cost basis of accounting, as modified by the revaluation of certain assets.
- b) **Fund accounting.** Unrestricted funds comprise accumulated surpluses and deficits on general funds; these are available for use at the discretion of the trustees in furtherance of the charity's general objectives. Restricted funds are funds subject to specific restricted conditions imposed by the donors and further explanations for these can be found at note 23. Endowment funds are funds where the capital is held to generate income for charitable purposes and where there is no discretion to expend the capital permanent endowment. Details and explanations of the two permanent endowment funds can be found at note 23.
- c) **Incoming resources.**

**Voluntary income** is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable and credited to unrestricted funds. Voluntary income, restricted in use by the wishes of the donor, is taken to restricted funds. Income is only deferred when the donor specifies that the donation must only be used in future accounting periods. Legacies are accounted for when received, or when it becomes reasonably certain that the legacy will be received and the value can be measured with sufficient reliability.

**Investment income.** Investment income is accounted for in the period in which the charity is entitled to receipt.

**Fees for residential care.** Fees receivable for the use of the premises are accounted for in the period in which the service is provided.
- d) **Resources expended.** All expenditure is accounted for on an accruals basis and has been allocated under headings that include all costs to the category. All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure.

**Costs of generating funds** comprise the costs incurred in attracting voluntary income, grants and legacies together with publicity and marketing intended to raise awareness and raise funds.

**Charitable activities** comprise the costs of making direct welfare payments, grants and direct welfare support to beneficiaries. They also include the casework costs of running the welfare department. Grants expended are recognised in the Statement of Financial Activities in the period to which they relate. Grants where the beneficiary has not been advised or has to meet certain conditions before the grant is made are not accrued but noted as financial commitments. Residential homes costs are those charges incurred in running the residential homes including the provision of care services.

**Governance costs.** This comprises the costs incurred of governing the charity. These costs include strategic planning for its future, audit costs, legal advice for the trustees, complying with constitutional and statutory requirements, preparing statutory accounts and satisfying public accountability and reimbursement to trustees for reasonable travel and accommodation expenditure whilst carrying out charity business.
- e) **Realised and unrealised gains and losses.** Realised and unrealised gains and losses on fixed assets and investments are recognised in the Statement of Financial Activities in the period to which they relate.
- f) **Investments.** Investments are stated at mid market price and are listed on recognised stock exchanges.
- g) **Fixed assets.** Freehold land and buildings are valued at estimated market value for their current use and are not depreciated. The treatment is a departure from the requirement of FRS 15. The trustees are of the opinion that a systematic annual charge would be inappropriate to the Fund's circumstances. Leasehold property is written off over 20 years. Grants are deducted from any provisions. Depreciation is provided on motor vehicles (4 years) and 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 2007 is as follows; costs of generating voluntary income 41%, investment costs 4 %, direct welfare payments 48 %, residential homes 4 % and governance costs 3%.
- 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.

	2007	2006
	£000	£000
<b>2 Voluntary income</b>		
Annual subscriptions	32	37
Donations	1,237	689
Voluntary Income from Trusts	96	135
Income tax recovered under Gift Aid	30	25
Grants	48	78
Legacies	895	590
	<u>2,338</u>	<u>1,554</u>
<b>3 Investment income</b>		
Income from Estates	164	156
Listed securities general fund	1,087	926
Interest on loans and deposits	85	78
Trust funds - general	-	14
- Manson House Special Fund	4	3
- RABI Emergency Fund	183	118
- Barnes Trust	17	14
	<u>1,540</u>	<u>1,309</u>
<b>4 Trading</b>		
Sales	39	40
- less cost of sales	(31)	(26)
- less operating costs	(6)	(16)
Net profit/(loss)	<u>2</u>	<u>(2)</u>
<b>5 Costs of generating voluntary income</b>		
Fundraising costs - Centralised	153	111
Fundraising costs - Regional/Branches	49	76
Publicity, Marketing & Communications	349	277
Legacies	7	2
Allocation of support costs (see note 13)	138	122
	<u>696</u>	<u>588</u>
<p>Costs allocated against Fundraising and Publicity &amp; 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%.</p>		
<b>6 Investment management costs</b>		
Investment manager's fees	114	118
Estates expenditure	66	57
Allocation of support costs (see note 13)	14	10
	<u>194</u>	<u>185</u>

	<b>2007</b>	2006
<b>7 Direct welfare payments, grants, support and casework costs</b>	<b>£000</b>	£000
Grants	1,333	1,146
Homes fees paid	212	130
Home helps	50	46
Stapnalls (Emergency Relief)	17	15
Helpline (Aid for working farmers, farming staff and families)	864	89
Welfare support	200	188
Casework costs	142	136
Nomination Rights write down/depreciation (see note 16)	207	4
Allocation of support costs (see note 13)	162	160
	<u>3,187</u>	<u>1,914</u>
<b>8 Beneficiaries assisted</b>	<b>No. Assisted</b>	No. Assisted
Non-working farmers/farmworkers (retired and disabled) regular grants	1,523	1,502
Working farmers/farmworkers	487	58
	<u>2,010</u>	<u>1,560</u>
<b>9 Welfare expenditure commitments</b>	<b>£000</b>	£000
Grants authorised	-	12
<b>10 Residential homes</b>		
Costs of running residential homes	1,245	1,244
Expenditure from Homes Special Funds (Restricted Funds)	19	10
Allocation of support costs (see note 13)	13	10
	<u>1,277</u>	<u>1,264</u>
<b>11 Support costs (Administration)</b>		
Printing, stationery, books, postage, telephone	25	25
Staff Costs	223	198
Establishment expenses	31	25
Legal, audit and bank charges	33	20
Trustee expenses/costs	30	33
Office machinery, equipment and maintenance	25	30
Staff Training	11	4
Sundry expenses	15	16
	<u>393</u>	<u>351</u>
<b>12 Governance costs</b>		
Annual Report & Financial Statement	3	5
Annual General Meeting	11	6
Allocation of support costs (see note 13)	66	49
	<u>80</u>	<u>60</u>

Governance costs include the Auditors' remuneration for audit services which in 2007 was £7,872 compared with £7,637 in 2006.

### 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	91	9	107	9	7	223	Percentage
Printing, stationery, postage, telephone	10	1	12	1	1	25	Percentage
Office IT, equipment and maintenance	10	1	12	1	1	25	Percentage
Establishment expenses	13	1	15	1	1	31	Percentage
Trustee expenses/costs	-	-	-	-	31	31	Actual
Legal, Audit and bank charges	4	-	4	-	25	33	Percentage/Actual
Staff Training	4	1	5	-	-	10	Percentage
Sundry	6	1	7	1	-	15	Percentage
<b>Total</b>	<b>138</b>	<b>14</b>	<b>162</b>	<b>13</b>	<b>66</b>	<b>393</b>	

Trustees receive no remuneration but all are reimbursed for reasonable travel and accommodation expenditure whilst on charity business. Included in the trustee expenses/costs is trustee liability insurance costing £3,667 compared with £2,848 in 2006.

14 Staff numbers	Number of Employees	
	2007	2006
Residential Homes	52	55
Casework	11	11
Publicity/Fundraising	10	8
Management & Admin	6	6
	<b>79</b>	<b>80</b>

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

Analysis of staff costs	£000	£000
Wages	1,502	1,425
Social Security costs	123	114
Pension costs	39	38
	<b>1,664</b>	<b>1,577</b>

One employee had emoluments for the year between £70,000 - £80,000 (Nil in 2006)

No employee had emoluments for the year between £60,000 - £70,000 (1 in 2006)

### 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 2007.

Fundraising Vols	Hrs	Welfare Vols	Hrs	Support No Vols	Hrs	Publicity No Vols	Hrs	Total Vols	Total Hrs
410	4,549	28	156	159	1,609	101	794	698	7,108

## 16 Tangible fixed assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Nomination rights £000	Motor vehicle £000	Office/ homes equipment £000	TOTAL £000
<b>Cost</b>						
At 1 January 2007	8,460	37	273	10	23	8,803
Additions	33	-	-	-	-	33
Revaluations	358	-	-	-	-	358
Impairment	-	-	(273)	-	-	(273)
Disposals	-	-	-	(10)	(11)	(21)
At 31 December 2007	8,851	37	-	-	12	8,900
<b>Depreciation</b>						
At 1 January 2007	-	30	66	9	15	120
Charge for 2007	-	1	-	-	4	5
Impairment	-	-	(66)	-	-	(66)
Disposals	-	-	-	(9)	(11)	(20)
At 31 December 2007	-	31	-	-	8	39
<b>Net Book Value</b>						
At 31 December 2007	8,851	6	-	-	4	8,861
At 31 December 2006	8,460	7	207	1	8	8,683

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

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

**Nomination Rights** – When these were originally purchased the cost was to be written off over their life, namely 60 years. Following a review of the assets it has been established that they have no realisable value and although still of use to the charity over the balance of their life, they have no financial value. Therefore the trustees, after consultation with the auditors, have decided to write down the value of the asset to nil.

## 17 Capital Commitments

	2007 £000	2006 £000
Authorised but not contracted for	324	124

## 18 Investments

Market Value at 1 January	35,221	33,073
Gains/(losses) upon disposal	(259)	440
Transfers from investments	(877)	(648)
Net gains on revaluation at 31 December	1,111	2,356
Market Value at 31 December	35,196	35,221
Historical Cost at 31 December	26,875	25,893
<b>Investments comprise:-</b>		
Quoted Investments - UK	25,766	27,310
Quoted Investments - Other	8,356	7,073
	34,122	34,383
Cash held within Investment portfolios	1,074	838
	35,196	35,221

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

1,634,400 Global Growth & Income Fund for Charities – Market value at 31 Dec 2007 £2,294,126  
3,706,000 NFM (CI) Ltd Offshore Special Situations Fund – Market value at 31 Dec 2007 £4,603,964

	<b>2007</b>	2006
<b>19 Debtors</b>	<b>£000</b>	£000
Taxation recoverable	20	5
Other debtors	190	219
Prepayments	22	44
	<u>232</u>	<u>268</u>
<b>20 Cash at bank and in hand</b>		
Cash and current account balances	130	127
Short term deposits	986	277
	<u>1,116</u>	<u>404</u>
<b>21 Creditors</b>		
Fees and Commissions	69	61
Others	120	92
Taxation and Social Security	37	33
	<u>226</u>	<u>186</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	-	81	-	-	81
Beaufort House Special Fund	-	-	27	-	27
DEFRA (RSAP5) Grant	-	-	6	-	6
RABI Emergency Fund	-	4,662	163	-	4,825
Leslie Mary Carter Charitable Trust	-	-	4	-	4
Eveson Charitable Trust	-	-	2	-	2
NFU Mutual Charitable Trust	-	-	3	-	3
North West Regional Development Agency	-	-	(9)	-	(9)
South West Regional Development Agency	-	-	6	-	6
South East Regional Development Agency	-	-	(17)	-	(17)
Surrey County Agricultural Society	-	-	2	-	2
	-	4,743	187	-	4,930
<i>Endowment Fund</i>					
The Barnes Trust	-	496	-	-	496
David Beale Charitable Trust	-	14	-	-	14
	-	510	-	-	510
<i>Unrestricted Funds</i>					
At 31 December 2007	8,861	29,943	1,164	(226)	39,742
	<u>8,861</u>	<u>35,196</u>	<u>1,351</u>	<u>(226)</u>	<u>45,182</u>

Two restricted funds, North West Regional Development Agency and South East Regional Development Agency, were overdrawn at the end of the financial year, which was in respect of agreed expenditure in anticipation of Regional Development Agency funds, which were received in January 2008.

## 23 Statement of Funds

	Balance 01-Jan-07 £000	Incoming resources £000	Expenditure £000	Investment gains/ losses £000	Gains on Revaluation £000	Balance 31-Dec-07 £000
<b>Unrestricted Funds</b>	38,842	4,302	(4,470)	710	358	39,742
<b>Restricted Funds</b>						
Manson House Special Fund	94	4	(19)	2	-	81
Beaufort House Special Fund	8	20	(1)	-	-	27
DEFRA Grant (RSAP5)	4	25	(23)	-	-	6
DEFRA Grant (Extra Support)	5	-	(5)	-	-	-
Community Fund (Lottery Grant)	1	-	(1)	-	-	-
RABI Emergency Fund	4,940	183	(423)	125	-	4,825
Yorkshire Agricultural Society	1	-	(1)	-	-	-
Income from Barnes Trust	-	17	(17)	-	-	-
CHK Charities Ltd	-	5	(5)	-	-	-
E F Bulmer Benevolent Fund	-	3	(3)	-	-	-
Leslie Mary Carter Charitable Trust	7	-	(3)	-	-	4
Eveson Charitable Trust	1	5	(4)	-	-	2
NFU Mutual Charitable Trust	5	-	(2)	-	-	3
Norman Family Trust	1	-	(1)	-	-	-
Barclays Bank plc	-	26	(26)	-	-	-
North West Regional Development Agency	-	-	(9)	-	-	(9)
South West Regional Development Agency	-	10	(4)	-	-	6
South East Regional Development Agency	-	-	(17)	-	-	(17)
Surrey County Agricultural Society	-	4	(2)	-	-	2
Restricted Voluntary Income (Various)	-	435	(435)	-	-	-
	5,067	737	(1,001)	127	-	4,930
<b>Endowment Funds</b>						
<i>Permanent Endowment</i>						
The Barnes Trust	481	-	-	15	-	496
David Beale Charitable Trust	14	-	-	-	-	14
	495	-	-	15	-	510
<b>TOTAL FUNDS</b>	44,404	5,039	(5,471)	852	358	45,182

**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. These funds have come from various fundraising efforts and gifts specifically for the benefit of the residents. The funds are accumulated and used to provide as and when the need arises, or a contribution towards, or full funding of, certain projects deriving mutual benefit to the residents.

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

**The DEFRA Grant (RSAP Extra Support)** is a restricted grant made by the Department for Environment, Food and Rural Affairs as part of the Government's commitment to the Rural Stress Action Plan. Under this plan RABI received funding to support a Regional Welfare Officer together with IT equipment for 12 months, welfare administrative staff for 6 months and a contribution to core costs to support the additional work in the east of the country.

**The Community Fund (Lottery Grant)** is a restricted grant made by the Community Fund to cover a three year period. The Grant covers Field Officers (3 years) and Regional Welfare Officers (1 Year) posts around the country as well as Head Office equipment and running costs. Included in the balance is future depreciation of capital equipment, which was originally purchased using these funds.

**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 a homes project, for working farmers, farm workers and their families affected by death, disaster or disease in farming.

**Yorkshire Agricultural Society** represents the value of the gift of a motor vehicle, given to RABI for use by the Field Officer North, to assist in carrying out her duties.

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

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

**The Leslie Mary Carter Charitable Trust** is a restricted grant given as a contribution towards the cost of a Regional Welfare Officer in Suffolk over a 3 year period.

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

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

**Norman Family Charitable Trust** is a restricted grant given towards RABI's work in Devon and Cornwall.

**Barclays Bank plc** was a restricted donation to help with the set up, including first years running costs, publicising and launching RABI's Gateway Project. This project is to assist low-income farming families in obtaining recognised training to improve their skills and financial position.

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

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

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

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

**Restricted Voluntary Income (Various)** represents other general restricted funds. The funds received/expended involved those for campaigns such as the 2007 Foot & Mouth and Flooding (£390k) and Christmas Hampers (£19k). There was also specific regional expenditure for Northern Ireland (£6k) and various county specified expenditure (£20k). In all cases the conditions specified by the donor or the fundraising was met in full.

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

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

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

We have audited the financial statements of The Royal Agricultural Benevolent Institution for the year ended 31 December 2007, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 and 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of Trustees and Auditors**

As described in the Statement of Trustees Responsibilities the trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

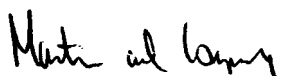
**Basis of Audit Opinion**

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 2007 and of its incoming resources and application of resources in the year then ended, and have been properly prepared in accordance with the Charities Act 1993.



**Martin and Company  
Chartered Accountants  
Registered Auditors  
WINCHESTER  
17 March 2008**