



**RBF**  
**supporting  
railway people**

***REPORT AND FINANCIAL STATEMENTS***

*For the Year Ended 31<sup>st</sup> December 2018*

**RBF**

(RBF is the operating name of the Railway Benevolent Institution)  
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Registered Charity No. 206312 and SC039550

## **CONTENTS**

	<b>Page</b>
Reference and Administrative Details	1
Committees	2
Report of the Board of Management	3 – 15
Independent Auditor's Report	16 – 17
Statement of Financial Activities	18
Balance Sheet	19
Notes to the Financial Statements	20 – 33

## REFERENCE AND ADMINISTRATIVE DETAILS

<b>Registered Name</b>	Railway Benevolent Institution	
<b>Registered Charity Number</b>	In England & Wales - 206312 In Scotland - SC039550	
<b>Operating Name</b>	RBF	
<b>Registered Address</b>	1 <sup>st</sup> Floor, Millennium House, 40 Nantwich Road, Crewe CW2 6AD	
<b>President</b>	<b>Vice Presidents</b>	
Sir William McAlpine (until 4 March 2018)	David Allen Dominic Booth David Cobbett, ERD, TD Nigel Harris Tom Harris Keith Heller Simon Osborne Matthew Parris	Paul Watkinson Joe Walsh Ivor Warburton Alan Whitehouse The Rt. Hon. The Lord Snape of Wednesbury
Peter Waterman OBE (from 20 Sept 2018)		
<b>Board of Management</b>	Tim Shoveller – <i>Chair</i> Ciaran Barr Jane English Mark Enright Richard Goldson, OBE Paula Hayes Ian Jeffrey	Janet Goodland – <i>Vice Chair</i> Frank Johnson John Kennedy Mark Newton Maggie Simpson Merrick Willis, OBE
<b>Chief Executive</b>	Jason Tetley	
<b>Secretary</b>	Jason Tetley	
<b>Auditors</b>	Geens Chartered Accountants 68 Liverpool Road, Stoke on Trent ST4 1BG	
<b>Bankers</b>	The Royal Bank of Scotland plc 62/63 Threadneedle St, London EC2R 8LA  Allied Irish Banks plc 40/41 Westmoreland Street, Dublin 2	
<b>Honorary Solicitor</b>	Sara Hollingworth	
<b>Investment Advisers</b>	Rathbone Investment Management Port of Liverpool Building, Pier Head Liverpool, L3 1NW	

**RAILWAY BENEVOLENT INSTITUTION**  
**for the year ended 31st December 2018**

**COMMITTEES**

<b>Benefits &amp; Services Committee</b> Janet Goodland - <i>Chair</i> Jane English - <i>Deputy Chair</i> Andrew Litherland Mark Enright Richard Goldson, OBE Christopher Henley Maggie Simpson	<b>Finance &amp; General Purpose Committee</b> Frank Johnson - <i>Chair</i> Richard Goldson, OBE Ciaran Barr	<b>Nominations and Remuneration Committee</b> Paula Hayes - <i>Chair</i> Richard Goldson, OBE Tim Shoveller Janet Goodland
<b>Scottish Management Committee</b> Ian Jeffrey— <i>Chair</i> Colin Dodgson Phil McGarry Mark Quinn William Welsh David Simpson Nikki Ralston – <i>Secretary</i> Fiona Irving Chris Barry Mark Ilderton Emma Hall	<b>Irish Management Committee</b> John Kennedy - <i>Chair</i> Ray Kelly - <i>Secretary</i> Michael Anderson Bertie Corbet Peter Cuffe Thomas Devoy Dr Mary D'Arcy (until Feb 18) Anne Elliott Geraldine Finucane	 William Rothwell Joe Walsh David Franks (until Feb 18) Jane Cregan Catherine Cahill Maeve Custy Jim Meade (from Oct 18)

# **RAILWAY BENEVOLENT INSTITUTION**

## **for the year ended 31st December 2018**

### **REPORT OF THE BOARD OF MANAGEMENT**

The Board of Management presents its report and the audited financial statements for the year ended 31 December 2018. The reference and administrative information set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP are applicable to charities preparing their accounts in accordance with FRS 102.

#### **Review of Year**

2018 has been a challenging year for both the RBF and the Rail Industry as a whole. Financially, 2018 saw a large decrease in the assets of the Charity as both income and the value of the investment portfolio reduced.

The positive news is that RBF services continue to develop. We are pleased to report that we have been able to provide charitable assistance to more people; whilst the numbers needing financial assistance directly from grants has reduced, those accessing our advice and digital services has risen.

The Charity has seen a large reduction in income. Income has generally been down across all fronts with a total decline of around £139,000. This is in part due to the well-documented operational and financial pressures faced by train operating companies and other industry participants and a resulting lack of capacity for RBF fundraising events. Direct sponsorship from train companies has also reduced reflecting the ending of corporate partnerships with Abellio and Virgin East Coast. Legacy income has also reduced significantly by £50,000.

Overall expenditure has decreased again to £621,328 as we have continued to bring more processes in-house and have sought efficiencies where possible. The Charity posted a deficit on income of £242,918 in 2018 coupled with a loss from our investments, reflecting primarily stock market turbulence, of £331,417. The total value of the fund reduced from £4.15m to £3.58m.

Whilst the RBF's financial performance was disappointing, the Board of Management is committed to increasing its services realising that it is only through providing contemporary and modern services to current staff that it will garner sufficient external support, funding and engagement to allow us to support the wider railway family sustainably.

Whilst continuing losses at this level are not sustainable, the Board has signalled its readiness to continue to invest in the short-term with the aim of securing these longer-term benefits, particularly given the significant surpluses that the Charity has benefited from in recent years. For context the fund value at 31/12/2015 was £3.50m and the average value in 2011-2016 was £3.45m.

The Board will however be reviewing both income and expenditure carefully over the coming year and, whilst willing to support a further operating deficit in 2019, expects to see progress in terms of income and engagement within 2019 and beyond.

#### **Strategic Aims**

The RBF's vision and mission is as follows:

- Our vision: RBF aims to improve the quality of life of current and former railway people in the UK and Ireland through the provision of customised support

- Our mission: to make RBF the preferred destination for support and advice for current and former railway workers by delivering outstanding value, continuous innovation and an exceptional experience by consistently updating our skills and services.

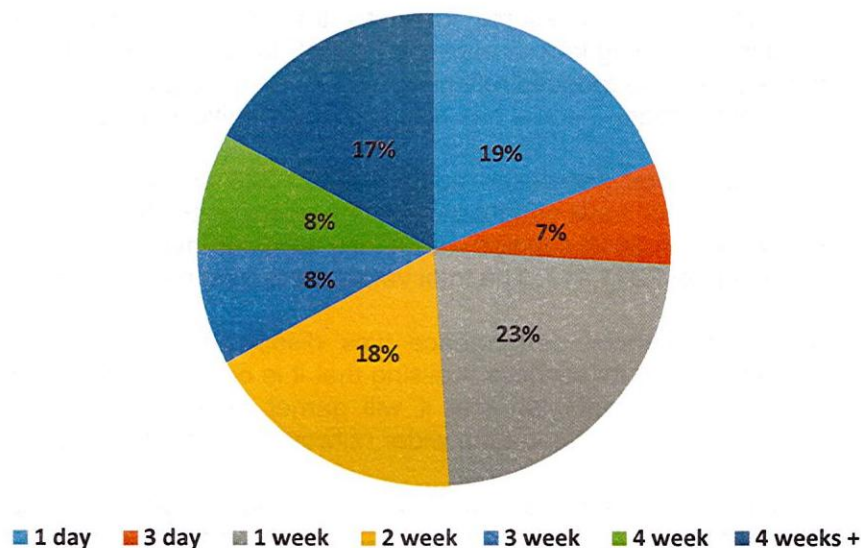
The Board of Management reviewed its Strategic Plan in mid-2018 and refreshed the Strategy. The Board committed to developing services, especially for current staff, and in particular looked to develop a clearer marketing strategy to promote the new services that RBF had developed. The Board recognised that engaging and mobilising the support of the wider Rail Industry is a priority for the coming period.

### **Services & Grants**

We set ourselves a series of development objectives in 2018 with significant progress being made within the year. These included:

- Launching our emergency grant service and streamlining the grants processes to be more responsive to need. Since 2016 the average time to process grants has halved. Over 49% of applications were dealt with within a week of receipt and 19% were dealt with on the same day: delays in processing grants beyond two weeks were primarily due to the need to obtain information from third parties.

**% Breakdown of time taken to make an award**



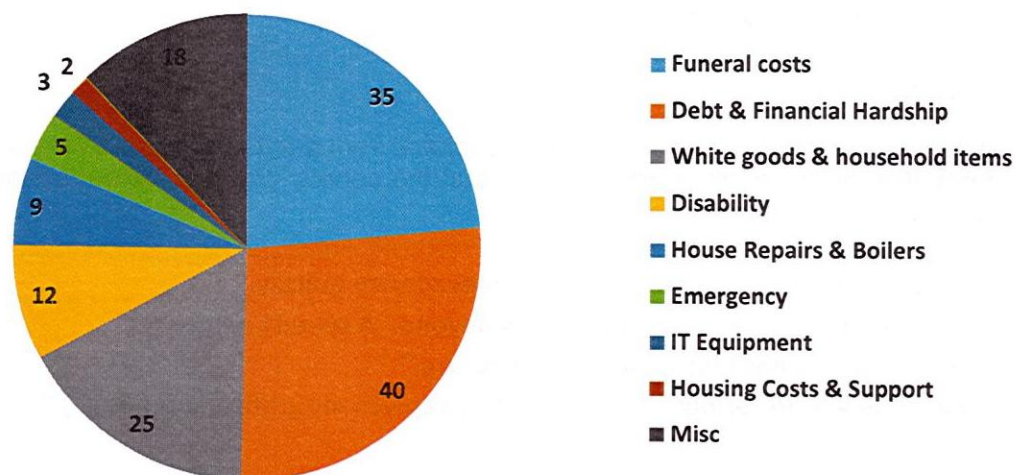
- Publicising and embedding our legal information mobile phone application – there have been over 300 downloads of the application.
- Launching the debt-advice help-line in January 2018 to provides direct access to specialist advice for those in debt.
- Launching a pilot family-specific grant programme for those staff in receipt of means-tested working benefits which will support railway staff, especially parents who struggle with juggling family and work commitments.

Grants - In terms of direct financial support RBF provided grants totalling £261,975. Our grants programme remains an important avenue of support to rail staff and their families that are facing hardship

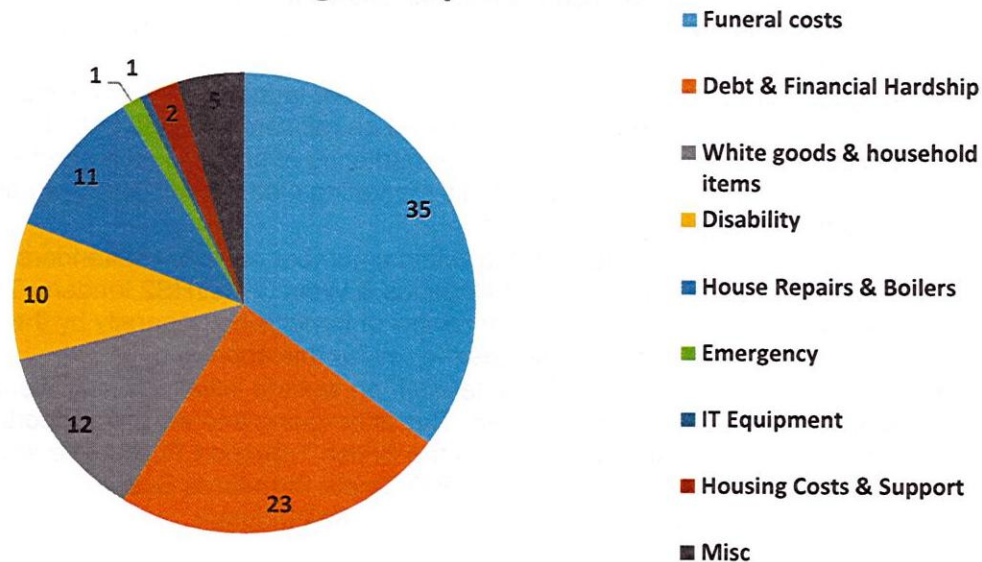


The following charts reflect the types of assistance and issues supported within our one-off grant programmes.

### Applications - % Breakdown by category of one-off grants applications 2018



### Grant Spend - % Breakdown by category of one-off grant spend 2018



Dealing with debt and financial hardship whilst being the single largest category of applications that we receive- 40% in the above chart; it accounts for only 23% of the total grants spend.

Our funeral grants programme remains popular although the average grant award has reduced over the past three years. We also still provide vital household items to those on the lowest incomes; this accounts for 25% of grant applications but only 12% of expenditure reflecting the lower award values.

## **Impact**

In terms of the impact of our work, whilst we have continued to provide direct grant support, our advice and information services also provide additional financial support through enabling beneficiaries to access external services and benefits, and better manage their financial commitments. In addition to the almost £262,000 of direct financial support that we provided we enabled those we support to access an additional £312,000 worth of financial benefit through our welfare support programme. 60 staff have accessed our debt advice services and we have seen over 300 downloads of the RBF mobile phone app.

## **Feedback:**

In 2018 we started to formally request feedback from grant applicants. We received a response from 16% of these, all of whom stated that the service provided exceeded their expectations. Comments included:

**"The speed of response meant stress relieved very quickly."**

**"Great service. Elaine went above and beyond. A speedy response."**

**"The help given has helped secure our future."**

**"My home was in serious jeopardy, I can't express my gratitude (enough)."**

## **On-going priorities:**

Whilst progress was made as detailed above there are still major areas of on-going development. These include:

- The planned carers support programme is being prepared as we finalise the partnership arrangement with Dementia UK and the Charity for Civil Servants. We have also identified that additional internal support for the helpline will be required. This will launch in June 2019
- Engagement with the Industry – whilst we have launched new services, the take up of these has been piecemeal and has relied on rail companies to publicise to their staff with mixed results. We have identified our marketing of services as a priority area for improvement in 2019. As part of this marketing plan we will launch an ambassador programme targeting current staff.
- Support for the RBF was included within a number of franchise tenders in 2018 including bids for the South Eastern, East Midlands & West Coast/HS2 tenders. The delays in announcing these and the current review of franchising generally by the Williams Rail Review may mean that we will need to review this approach.
- Initial work on connecting with wider staff on welfare initiatives, e.g. mental health and stress prevention work has started. This is on-going and we are supporting the Work-Placed Violence group facilitated by the British Transport Police. We are also reviewing how we can better engage with the Rail Safety Standards Board (RSSB) framework to reduce stress and mental illness across the Rail Industry.

## **Fundraising & Marketing**

Our fundraising and engagement work continued in 2018, headed up by Faye Jaques, our fundraising manager, ably supported by Emma Cooper, our marketing officer.

The challenges we faced during the year included the acute operational pressures that arose from both franchise reviews and the Summer timetable problems. The impact of this led to cancellations of fundraising activity, specifically chartered trains that have proved a valuable



source of income over the past few years and a lower than expected uptake of our #Jailbreak 160 event.

We launched a Heart of Gold award to celebrate railway staff who support other staff and this proved successful in engaging a number of employers and staff who nominated colleagues. We hope to make this an annual event focussing attention on railway staff supporting each other, which remains our central ethos.

We have continued to see success in raising RBF's profile via social media, which is a cost-effective way of reaching large numbers of people, particularly current railway staff. We reached almost 1500 Twitter followers in the year and saw the levels of engagement with our social media increase, particularly through the Heart of Gold event that saw website and internet traffic spike at ten times its normal monthly rate.

The implementation of the General Data Privacy Regulations (GDPR) in May 2018 was a challenge as with most other charities and companies. We have amended our privacy and data policies as a result. We continue to publicise our services and activities in rail media and via inserts within specific publications such as the rail pensioner newsletter, Penfriend, and also produce a twice yearly newsletter.

Our key fundraising events in 2018 remained the Golf Day in June and the National Dinner in Glasgow in September. In 2018 we saw numbers reduce as did other corporate rail events given the issues noted above. After 11 years in Scotland, the National Dinner will be going on the road and in 2019 will be in Crewe.

### **RBF President**

Sir William McAlpine, the RBF President sadly passed away in March 2018. Sir William's support of RBF stemmed from his love of the British Rail Industry: from his work to preserve our railway heritage, most notably the Flying Scotsman, to his efforts to preserve rail lines, to his support for current staff welfare through the RBF. We can provide no other fitting eulogy than that widely reported at the time of his death: "he was the finest railwayman of his generation." We wish Lady Judy and all at Fawley Hill the very best in their efforts to maintain Sir William's legacy going forward.

In Autumn 2018, the Board was pleased to announce Sir William's successor: Peter Waterman OBE. Pete brings a high profile from his musical and media career coupled with a long-standing passion for the UK Railway. Pete has certainly hit the ground running and has been keen to use his profile to publicise RBF and its services. In particular Pete is enthusiastic in getting our message to current staff and in 2019 we are commencing a series of roadshows under the tagline "#MeetPete".

### **Acknowledgements**

We acknowledge the generous support we receive from railway companies, specifically our corporate sponsors, First Group. We were pleased to be selected as the corporate Charity of the Year by the Rail Delivery Group (previously known as the Association of Train Operating Companies) in October 2018 and this has recently been extended through to March 2020.

We must also thank the companies, notably RPMI, Abellio, Stagecoach and Irish Rail who provide meeting facilities for the Annual Meeting and for various Board and Committee Meetings, all free of charge.

The Civil Service Insurance Society (CSiS) Charity Fund has renewed its grant within the year. CSiS supports workers from across the spectrum of public services including the Rail Industry.

CSiS continues to take considerable interest in the work of the RBF, sponsoring the Golf Day, and has been a consistent source of support and guidance on the Charity's development, particularly in supporting collaboration with other funded charities regarding developing services.

We would like to acknowledge the funding received from the Thales Foundation, The Gloag Foundation and the Rail Homes Housing Association. We would also like to thank both the Rail Business and National Rail awards which have consistently supported us through their nominated Charity raffle. We thank RPMI for its assistance in promoting regular giving and legacies from pensioners

The Board thanks all those who have given so generously and enabled the RBF to pursue its work. We thank HM The Queen for her donation. Other fund raising income came from the generosity of individuals donating from their salaries and pensions. As always, we received a number of donations from the families, friends and colleagues of former railway staff who passed away during the year, who remember their loved ones by supporting their colleagues across the railway family.

Regular giving has decreased within the year potentially reflecting the demographic of those that provide support via payroll and emphasising the need to increase regular payroll and standing order giving among younger current staff. Payroll giving is concentrated however in a small number of rail employers such as Irish Rail and Merseyrail where a significant proportion of staff provide regular donations to the RBF. This provides opportunities however and the events planned for Pete Waterman specifically have the aim of increasing payroll giving by staff.

The Board's overall objective remains securing the charity's future by achieving a minimal funding gap, in order to enable the RBF to continue helping railway people in need. Our aim will be to adopt a dual approach when developing and offering services to current rail employees with an aim to promote financial support and payroll giving in parallel.

### **Committees**

The Scottish Committee operates on a devolved basis and has its own budget and grant-giving remit. The Scottish Committee was instrumental in arranging and supporting the National Dinner and has commenced its own fundraising events, including an afternoon tea event in November 2018 that raised over £2,500. We welcome Ian Jeffrey from the Abellio group as the new Chair of our Scottish Committee.

The Irish Committee continued to oversee the Charity's work and fundraising in the Republic of Ireland and will review its work in supporting Irish Rail staff in 2019. The ongoing support enjoyed from Irish Rail is perhaps best illustrated by Jim Meade, the new Irish Rail Chief Executive, joining the Committee in November 2018.

### **Governance**

Following the consultation with members and supporters in 2017, the application to amend the Laws and Bye-laws of the Royal Charter was approved by the Privy Council on the 1<sup>st</sup> March 2018.

The Board adopted the Charity Governance Code in 2018 and has reviewed its own policies and working practices to ensure that we align and adhere to the optimum charity governance standards detailed within this.

In early 2018, the RBF applied to become a registered charity in the Republic of Ireland with the Irish Charity Regulator. Whilst the application has been assessed, this is currently pending formal approval whilst the situation regarding Brexit is determined.

The work of RBF is, like most railway organisations, a team effort, and relies on the enthusiasm of its staff and volunteers. Thanks are due to our team in the RBF office at Crewe for their hard work and to the Board of Management, for their on-going support and guidance in ensuring that RBF continues to develop. We must thank the members of our Committees - the Benefits and Services Committee, the Nominations and Governance Committee, the Finance & General Purpose Committee, the Scottish and Irish Management Committees who give so freely of their time in support of the RBF.

We would express our gratitude to those Board members that stood down this year, namely Steve Montgomery after his long-standing tenure as Chair of the Scottish Committee. The Board recently reviewed its membership and work is taking place to ensure a plan is in place for succession and maintaining a broad and diverse range of skills.

We salute the persistence and dedication of our fund-raising volunteers, including Kev Adlem and the Branch Line Society, Fiona Irving and Nikki Ralston from our Scottish Committee, Harold Wainwright for his on-line memorabilia sales and Ronnie Hardman for his work across Merseyrail.

### **The Year Ahead**

Our challenge continues to remain relevant to current staff and their needs whilst ensuring that we provide valuable financial support to those in extreme financial hardship. We are also working hard to promote the transition from a charity primarily providing direct financial assistance to one that also provides services for those in need,

Priorities for the year include:

- Developing a clearer marketing strategy for new services; targeting the wider Rail Industry, particularly across under-represented sectors including Rail Freight and the Supply Chain.
- Increasing the profile and take up of RBF services
- Running a series of #MeetPete roadshows targeting staff at stations and depots
- Rolling out our volunteer programme, linking this to the roadshows and developing a network of station and depot-based ambassadors to drive knowledge of RBF, donations and take up of services by current staff.
- Launching our carers service to provide practical advice and assistance to staff faced with the challenge of maintaining work whilst providing support to family members with care needs; particularly with cognitive illnesses such as dementia.
- Rolling out our family support programme to support more staff with children
- Developing a better and more in-depth advice and information service including free legal advice that builds on our existing on-line and telephone services
- Developing our digital information with an updated website that provides more connectivity to both our own services, including grants, as well as external support such as well-being resources.

### **Conclusion**

Although 2018 was challenging, the service developments that are in place provide a firm basis from which to progress in 2019. The Rail Industry is dynamic and is constantly evolving to meet the challenges and the demands placed on it. 2019 may prove a turning point given the potential wide-ranging changes that the Williams Rail Review is likely to recommend. Our challenge is to develop flexible sustainable services that meet this ever-changing environment. That said, our principal purpose remains as ever: to provide responsive, high quality support to the railway's biggest asset, its staff.

# **RAILWAY BENEVOLENT INSTITUTION**

## **for the year ended 31st December 2018**

### **REPORT OF THE BOARD OF MANAGEMENT (Continued)**

#### **The Financial Results**

For the year ended 31 December 2018 the RBF had net expenditure (i.e. a net deficit) before other recognised gains and losses (i.e. before Investment gains/losses) of £242,918 compared with a net expenditure of £132,380 in 2017 as set out in the Statement of Financial Activities on page 19.

Total income was £378,410 (2017: £517,443), a decrease of £139,033 compared to the previous year. The principal reasons for this are a decrease in legacies to £9,820 (2017: £59,204) and a fall in fundraised income excluding legacies to £105,890 (2017: £168,913).

Total expenditure was £621,328 (2017: £649,823) a decrease of £28,495 compared to the previous year, mainly driven by a fall in grants.

The cost of raising funds totalled £169,087 (2017: £151,950), an increase of £17,137. This includes publicity, fund raising consultancy, event management costs and support costs. The increase is primarily due to an increase in investment management fees as these were discounted in 2017 as we transferred the portfolio to Rathbones plc. A breakdown of the costs of raising funds is set out in Note 5 to the Accounts.

Expenditure on charitable activities totalled £452,241 (2017: £497,873) a decrease of £45,632. In total grants averaging £704 (2017: £671) were approved in 2018. Grant expenditure was £261,974 (2017: £300,661). A brief description of each type of grant is set out in Note 6 to the Accounts.

Governance Costs totalled £30,764, representing 8.1% of Total Income (2017: £40,360) This relates to the general running of the charity and includes internal and external audit, insurance costs, legal advice for trustees and costs associated with constitutional and statutory requirements such as the cost of trustee meetings and preparing the statutory accounts, plus a share of support costs. The Board monitors the level of these costs on a regular basis. The main reason for the decrease is lower accountancy support costs although this has been partly offset by increased staff costs as accountancy services have been brought in-house. See Note 7 to the Accounts.

Support Costs are allocated across the RBF's principal activities in line with the SORP - see Note 4b to the Accounts. For 2018 support costs totalled £289,199 (2017: £289,403), which was almost unchanged in total compared to 2017.

On the investment front, in 2018 the RBF had investment losses of £331,417 (compared with a gain of £184,761 in 2017.) This reflects the volatility in stock markets, particularly in late 2018 due to uncertainty with Brexit and US/Chinese trade relations.

At 31 December 2018 the RBF's Net Assets were £3,581,565 (2017: £4,115,900) including investments of £3,477,199 (2017: £3,993,410) and cash balances of £154,855 (2017: £242,939).

**RAILWAY BENEVOLENT INSTITUTION**  
**for the year ended 31st December 2018**  
**REPORT OF THE BOARD OF MANAGEMENT (Continued)**

**Constitution, Objects and Organisational Structure**

The RBF is the operating name of the Railway Benevolent Institution which is registered charity number 206312 (in England & Wales) and SC039550 (in Scotland). It is governed by Royal Charter granted on the 29<sup>th</sup> December 1949, as subsequently amended. It is the sole trustee of the organisation's assets. Its objects, as set out in the Royal Charter, are "to relieve aged or disabled or necessitous Railwaymen, their spouses or Children or other relatives or persons who were immediately or partly dependent on them". The expressions "Railwaymen", "Spouses" and "Children" are defined in Clause 2 of the Charter.

**a) Board of Management**

The RBF's principal governing body is the Board of Management ("the Board"). It must consist of not less than 10 and not more than 20 persons. Currently the Board has 13 Members whose names are recorded on page 1. The appointment of all Board Members is by election at the Annual Meeting. All Trustees shall serve for a term of three years and shall be eligible for re-election for a maximum of two times. The Board shall elect from its number a Chair and Vice-Chair.

The Board of Management meets four times each year. No Member of the Board is permitted to derive any pecuniary advantage from the RBF.

Both prior to and after their appointment all new Board Members are briefed by the Chairman of the Board of Management and/or the Secretary and provided with copies of the Royal Charter, Rules and Bye-laws, the most recent Board minutes and other key documents. Details of any new legislation or other developments are included on the agenda for Board meetings. The Trustees are provided with training as required, including on charity governance.

The day-to-day running of the charity is delegated to Jason Tetley, the Chief Executive, and the key management personnel.

## **RAILWAY BENEVOLENT INSTITUTION for the year ended 31st December 2018**

### **REPORT OF THE BOARD OF MANAGEMENT (Continued)**

The remuneration of key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the Charity's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other charities to ensure that the Charity remains sensitive to the broader issues of pay and employment conditions elsewhere.

#### **b) Committees**

The Board is empowered to delegate all or any of its powers to Committees. Their composition is set out on page 2.

The Nominations and Governance Committee is responsible for considering the skills and experience required and for providing advice on the appointment of nominated individuals to the Board of Management, all Committees and the Chief Executive of the charity. It must consist of not less than two or more than four members.

The Benefits & Services Committee is responsible for granting financial assistance to beneficiaries and monitoring the development of new services. It must consist of not less than three and not more than nine members of whom at least two must be Members of the Board of Management, who shall be Chairman and Deputy Chairman of the Committee. Members of the Committee are appointed by the Board.

The Finance & General Purpose Committee is responsible for overseeing the management of the RBF's investment portfolio within agreed parameters established by the Board and recommending the appointment of investment managers. It also has oversight of the RBF's finances. It must consist of not less than three or more than six members, of which at least two of whom shall be members of the Board of Management.

The Irish and Scottish Management Committees are responsible for granting financial assistance in Ireland and Scotland respectively and to promote the RBF within their areas. They consist of not less than three members of whom at least one must be a Member of the Board of Management.

#### **c) Administration**

The administration of the RBF is overseen by the Chief Executive who also holds the role of company secretary. The administrative functions are separated out into services, fundraising, and marketing. There is a Finance Manager who also provides financial and administrative support, including preparation of the monthly management and annual accounts.

Grant making is currently overseen by the Benefits & Services Committee, with the services team making decisions on some grants on a delegated basis – this has reduced the time taken for those in hardship to receive assistance by over half on average.

#### **d) Public Benefit**

The Trustees refer to the Charity Commission's public benefit guides and its guidance on the prevention and relief of poverty for the public benefit to inform its decision making and when reviewing how the charity's activities and plans contribute to achieving its aims and objectives.



## **RAILWAY BENEVOLENT INSTITUTION for the year ended 31st December 2018**

### **REPORT OF THE BOARD OF MANAGEMENT (Continued) Policies**

#### **a) Reserves Policy**

The RBF's reserves policy takes into account the Board's forecast for future income and expenditure, including the potential for fund raising. In formulating the policy the Board considered that reserves are required to provide contingency to ensure continuity in the event of a large variation in the Board's income for any one year equivalent to one year's expenditure and to meet the Board's potential future liabilities in respect of quarterly grants. The Board have determined in 2018 that the reserves should be maintained at a minimum amount of £675k (2017: £675k).

At 31 December 2018 the RBF's unrestricted reserves totalled £2,790k (2017: £3,279k).

The Board continues to work on increasing its fundraising activities to bring the income and expenditure account into balance year on year, whilst as far as possible maintaining grant giving at current levels.

#### **b) Investment Policy**

The RBF's investment policy has been formulated after taking full account of Part II of the Trustee Act 2000 and the advice of our Investment Managers. The policy seeks to achieve the efficient and prudent management of the RBF's investments with the aim of maximising the return on them.

Investment performance is reviewed by the Finance and General Purpose Committee who report to the Board every quarter and the Investment Managers are required to attend a Board Meeting at least once a year.

#### **c) Risk Management**

The Board reviews the risks to which the RBF is exposed on an annual basis. The major risk remains volatility in investment markets. Systems have been established to monitor this, including quarterly reports and assessments being provided by our Investment Managers, Rathbones. Our investment strategy allows for some risk and volatility given the long term nature of the investment: it is the underlying trends and performance over time that is important. As a matter of Board policy, no use is made of any financial derivative products.

#### **d) Grant Making Policies**

The criteria for awarding grants, used by the Benefits & Services Committee and the Irish and Scottish Management Committees, are reviewed by the Board annually. All applications received are carefully vetted by RBF staff. In 2018 responsibility for certain grant awards has been delegated to staff. All quarterly grants and those that are sensitive or of high value (above £2,500) are still considered at Committee Meetings. Quarterly Grants and on-going grants are reviewed at least every two years. A brief description of each type of grant awarded is set out in Note 6 to the Accounts.

# **RAILWAY BENEVOLENT INSTITUTION**

## **for the year ended 31st December 2018**

### **REPORT OF THE BOARD OF MANAGEMENT (Continued)**

#### **Statement of the Board of Management's Responsibilities**

The Board of Management is responsible for preparing the Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and in Scotland requires the Board of Management 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 Board of Management is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Board of Management is 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 2011, the applicable Charities (Accounts and Reports) Regulations and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Royal Charter granted on 29<sup>th</sup> December 1949 (as subsequently amended). The Board of Management is 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 Board of Management is 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.

# **RAILWAY BENEVOLENT INSTITUTION**

## **for the year ended 31st December 2018**

### **REPORT OF THE BOARD OF MANAGEMENT (Continued)**

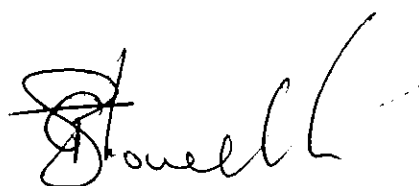
#### **Governance**

Processes are in place to ensure that expenditure and performance is monitored, and that appropriate management information is prepared and reviewed regularly by the Board. The systems of internal control are designed to provide reasonable assurances against material misstatement or loss. They include:

- an annual budget approved by the Board;
- regular consideration by the Board of financial results, variances from budget and non-financial performance indicators;
- delegation of day to day management authority;
- identification and management of risks.

All the RBF's governance arrangements are reviewed annually.

Approved by the Board of Management and signed on its behalf by:



27th June 2019

Tim Shoveller  
Chairman of the Board  
Date

# **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MANAGEMENT OF THE RAILWAY BENEVOLENT INSTITUTION**

## **Opinion**

We have audited the financial statements of The Railway Benevolent Institution for the year ended 31<sup>st</sup> December 2018 which comprise a Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31<sup>st</sup> December 2018, and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

## **Other information**

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

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

We have nothing to report in this regard.

# **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MANAGEMENT OF THE RAILWAY BENEVOLENT INSTITUTION (Continued)**

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

## **Responsibilities of the Board of Management**

As explained more fully in the Board of Management's responsibilities statement in the annual report, the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act. We have also been appointed auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and also report in accordance with regulations made under that Act.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the charity's Board of Management, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Board of Management those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Board of Management as a body, for our audit work, for this report, or for the opinions we have formed.

Geens Limited, Statutory Auditor  
68 Liverpool Road  
Stoke on Trent  
Staffordshire  
ST4 1BG



Date: 27.6.19

Geens Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**RAILWAY BENEVOLENT INSTITUTION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ended 31st December 2018**

		Endowment Funds	Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
	Notes	2018 £	2018 £	2018 £	2018 £	2017 £
<b>Income:</b>						
Donations and legacies	3a	-	819	207,265	208,084	324,569
Other trading activities		-	-	79,153	79,153	91,629
Investment income	3b	21,748	-	69,425	91,173	101,245
<b>Total income</b>		<b>21,748</b>	<b>819</b>	<b>355,843</b>	<b>378,410</b>	<b>517,443</b>
<b>Expenditure:</b>						
Cost of raising funds	5	4,551	-	164,536	169,087	151,950
Costs of charitable activities	6	-	6,891	445,350	452,241	497,873
<b>Total expenditure</b>	4a	<b>4,551</b>	<b>6,891</b>	<b>609,886</b>	<b>621,328</b>	<b>649,823</b>
Net income/(expenditure) before investment gains/ (losses)		17,197	(6,072)	(254,043)	(242,918)	(132,380)
Net gains/ (losses) on investment assets		(74,626)	-	(256,791)	(331,417)	184,761
<b>Net income/(expenditure) before transfers</b>		<b>(57,429)</b>	<b>(6,072)</b>	<b>(510,834)</b>	<b>(574,335)</b>	<b>52,381</b>
Transfer between funds	15	(21,748)	-	21,748	-	-
<b>Net movement in funds for the year</b>		<b>(79,177)</b>	<b>(6,072)</b>	<b>(489,086)</b>	<b>(574,335)</b>	<b>52,381</b>
<b>Reconciliation of funds</b>						
Funds brought forward at 31.12.17		864,078	12,770	3,279,052	4,155,900	4,103,519
<b>Funds carried forward at 31.12.18</b>		<b>784,901</b>	<b>6,698</b>	<b>2,789,966</b>	<b>3,581,565</b>	<b>4,155,900</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.  
The notes on pages 21 to 34 form part of these financial statements.

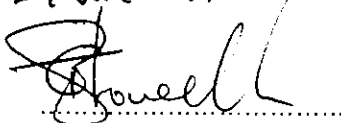


# RAILWAY BENEVOLENT INSTITUTION

## BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
<b>Fixed Assets</b>			
Tangible fixed assets	8	2,329	5,449
Investments	9	3,477,199	3,993,410
		<u>3,479,528</u>	<u>3,998,859</u>
<b>Current Assets</b>			
Debtors	10	53,139	43,254
Cash at bank and in hand		154,855	242,939
		<u>207,994</u>	<u>286,193</u>
<b>Creditors:</b> amounts falling due within one year	11	(105,957)	(129,152)
<b>Net Current Assets</b>		<u>102,037</u>	<u>157,041</u>
<b>Net Assets</b>		<u>3,581,565</u>	<u>4,155,900</u>
<b>The Funds of the Charity</b>			
Endowment funds	15	781,901	864,078
Restricted Funds	15	6,698	12,770
Unrestricted income funds	15	2,789,966	3,279,052
<b>Total charity funds</b>		<u>3,581,565</u>	<u>4,155,900</u>

The financial statements were approved by the Board of Management and authorised for issue on 27 June 2019... and were signed on their behalf by:

  
 TIM SHOVELLER  
 Chairman of the Board

  
 FRANK JOHNSON  
 Board Member

The notes on pages 21 to 34 form part of these financial statements

# **RAILWAY BENEVOLENT INSTITUTION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **for the year ended 31<sup>st</sup> December 2018**

#### **1. Accounting Policies**

Railway Benevolent Institution is an incorporated charity, (Charity No. 206312), registered in England & Wales and is also registered in Scotland (Charity No. SC039550). The charity's registered address and principal place of business is 1<sup>st</sup> Floor, Millennium House, 40 Nantwich Road, Crewe, CW2 6AD.

##### **a) Basis of preparation**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

As a small charity, advantage has been taken of the amendments to SORP(FRS102) contained in update B1 issued in February 2016 to exempt the charity from the preparation of a Cash Flow Statement.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

Railway Benevolent Institution meets the definition of a public entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **b) FRS102**

These financial statements of Railway Benevolent Institution are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS102).

##### **c) Going concern**

There are no material uncertainties related to events or conditions that significantly put doubt on the Charity's ability to continue as a going concern.

##### **d) Fund accounting**

Unrestricted funds are available for use at the discretion of the Board of Management in furtherance of the general objectives of the charity and which have not been designated for other purposes. Endowment and Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors, and are of a permanent nature. The costs of raising and administering such funds are charged against the specific fund. The nature of each of the endowment funds is set out in the notes to the financial statements. Investment income and gains/losses are allocated to the appropriate fund.

##### **e) Income**

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the funds, when any performance conditions have been met or are fully within the control of the charity, when there is sufficient certainty that the receipt of income is considered probable and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the charity being aware that probate has been granted, where the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

##### **Investment income**

Investment income from bank balances and fixed asset investments are accounted for on an accruals basis.

# **RAILWAY BENEVOLENT INSTITUTION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **for the year ended 31<sup>st</sup> December 2018**

#### **Notes to the Financial Statements (Continued)**

**f) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under the appropriate headings. Where costs cannot be directly attributed to particular headings (support costs) they have been allocated to activities on a basis consistent with the use of the resources.

The Costs of Generating Funds include costs of generating voluntary income and investment fees, plus a share of support costs. The costs of generating voluntary income do not include the costs of disseminating information in support of the charitable activities.

Charitable Activities comprise grants made plus a share of support costs. All grants are paid in accordance with the RBF's Royal Charter, Rules and Bye-laws. Grants are accounted for only when paid, with the exception of Quarterly Grants which are accrued to the end of the year and pledges made in respect of Single Benevolent Grants which are dependent on specific conditions which fall outside the control of the charity. No provision is included in respect of Quarterly Grants or Residential Care Grants for future years.

Governance Costs are those costs associated with the governance arrangements of the charity which relate to the general running of the charity. This includes internal and external audit, insurance costs, legal advice for trustees and costs associated with constitutional and statutory requirements such as the cost of trustee meetings and preparing the statutory accounts, plus a share of support costs.

Support costs are those costs incurred in the support of the fund raising, governance and charitable activities which cannot be directly attributed. They have been attributed to activities as described in the notes to the financial statements.

**g) Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £5,000 are capitalised and included in the balance sheet at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over the useful economic life of the asset. The current depreciation rates are as follows:

Plant and equipment      –      3 years straight line

**h) Investments**

Investments are stated at market value. Realised gains and losses are calculated as the difference between sales proceeds and their market value at the start of the year, or subsequent cost on purchase. Unrealised gains and losses represent the movement in market values during the year. Realised and unrealised gains and losses are combined in the appropriate section of the SOFA.

**RAILWAY BENEVOLENT INSTITUTION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31<sup>st</sup> December 2018**

**Notes to the Financial Statements (Continued)**

**i) Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**j) Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

**k) Value added tax**

Value added tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

**l) Critical accounting estimates and assumptions**

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. At the year end there were no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**RAILWAY BENEVOLENT INSTITUTION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31<sup>st</sup> December 2018**

**Notes to the Financial Statements (Continued)**

**2. Comparative year information**

	<b>Endowment Funds</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total Funds</b>	<b>Total Funds</b>
	<b>2017 £</b>	<b>2017 £</b>	<b>2017 £</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Income:</b>					
Donations and legacies	-	12,770	311,799	324,569	701,133
Other trading activities	-	-	91,629	91,629	135,824
Investment income	21,118	-	80,127	101,245	106,665
<b>Total Income</b>	<b>21,118</b>	<b>12,770</b>	<b>483,555</b>	<b>517,443</b>	<b>943,622</b>
<b>Expenditure:</b>					
Cost of raising funds	2,400	-	149,550	151,950	169,831
Costs of charitable activities	-	-	497,873	497,873	507,408
<b>Total expenditure</b>	<b>2,400</b>	<b>-</b>	<b>647,423</b>	<b>649,823</b>	<b>677,239</b>
Net income/(expenditure) before investment gains/ (losses)	18,718	12,770	(163,868)	(132,380)	266,383
Net gains/ (losses) on investment assets	38,432	-	146,329	184,761	330,206
<b>Net income/(expenditure) before transfers</b>	<b>57,150</b>	<b>12,770</b>	<b>(17,539)</b>	<b>52,381</b>	<b>596,589</b>
Transfer between funds	(21,118)	-	21,118	-	-
<b>Net movement in funds for the year</b>	<b>36,032</b>	<b>12,770</b>	<b>3,579</b>	<b>52,381</b>	<b>596,589</b>
<b>Reconciliation of funds</b>					
Funds brought forward at 31.12.16	828,046	-	3,275,473	4,103,519	3,506,930
<b>Funds carried forward at 31.12.17</b>	<b>864,078</b>	<b>12,770</b>	<b>3,279,052</b>	<b>4,155,900</b>	<b>4,103,519</b>

# RAILWAY BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31<sup>st</sup> December 2018

#### Notes to the Financial Statements (Continued)

#### 3. Income

##### a) Donations and legacies

	2018 £	2017 £
Regular Giving	92,374	96,452
<u>Donations</u>		
Individuals	25,122	35,753
Railway Housing Association	1,400	750
Civil Service Insurance Society	40,000	40,000
Railway Companies	29,230	55,163
Other businesses and charitable bodies	10,138	37,247
	<u>105,890</u>	<u>168,913</u>
Legacies	9,820	59,204
	<u>208,084</u>	<u>324,569</u>

Regular Giving comprises regular payments made by current employees of railway companies through their company payroll and by former railway employees through the pensions payroll system or by standing order.

Individual donations includes generous donations from the families, friends and colleagues of former railway staff who have passed away and monies raised by collections made at Railway Staff Clubs, at BTPF branches, and a donation from HM The Queen.

##### b) Investment Income

	Endowment Funds 2018 £	Unrestricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Income from listed investments	21,748	69,259	91,007	101,122
Interest on Portfolio Capital and Income Accounts	-	-	-	84
Interest on bank deposits	-	166	166	39
	<u>21,748</u>	<u>69,425</u>	<u>91,173</u>	<u>101,245</u>



**RAILWAY BENEVOLENT INSTITUTION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31<sup>st</sup> December 2018

**Notes to the Financial Statements (Continued)**

**4. Expenditure**

**a) Summary**

	<b>Direct Costs 2018 £</b>	<b>Support Costs 2018 £</b>	<b>Total Costs 2018 £</b>	<b>Total Costs 2017 £</b>
Costs of raising funds	58,547	110,540	169,087	151,950
Charitable activities	261,975	159,502	421,477	457,513
Governance costs	11,607	19,157	30,764	40,360
<b>Total Resources Expended</b>	<b>332,129</b>	<b>289,199</b>	<b>621,328</b>	<b>649,823</b>

**b) Allocation of Support Costs**

	<b>Costs of raising funds 2018 £</b>	<b>Charitable Activities 2018 £</b>	<b>Governance Costs 2018 £</b>	<b>Total Costs 2018 £</b>	<b>Total Costs 2017 £</b>
Management					
Staff Costs	67,009	111,802	14,892	193,703	174,073
Information technology	2,782	13,909	1,855	18,546	13,780
Marketing	30,157	6,030	-	36,187	58,825
Other costs	10,592	27,761	2,410	40,763	42,725
<b>Total Support Costs</b>	<b>110,540</b>	<b>159,502</b>	<b>19,157</b>	<b>289,199</b>	<b>289,403</b>

# RAILWAY BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31<sup>st</sup> December 2018

#### Notes to the Financial Statements (Continued)

##### c) Staff Costs

The average number of persons directly employed during the year and their salary and wages costs are set out below. There were no employees with emoluments in excess of £60,000.

	2018 £	2017 £
<u>Staff costs</u>		
Salary and Wages Costs	173,591	157,519
Social Security Costs	13,917	11,988
Pension	6,195	4,566
	<u>193,703</u>	<u>174,073</u>
 <u>Staff numbers</u>	 Number	 Number
Management and administration	<u>6</u>	<u>6</u>

Neither Board Members nor any persons connected with them received any remuneration during the year (2017: £nil). The aggregate amount of expenses reimbursed to 1 (2017:2) Board Members during the year amounted to £881 (2017: £2,374).

	2018 £	2017 £
<b>Aggregate employee benefits of:</b>		
Key management personnel	52,531	51,250

The key management personnel are the members of the Senior Management Team. There are no related party transactions to disclose.

##### 5. Costs of Raising Funds

	2018 £	2017 £
Costs of generating voluntary income		
Event Management and other direct costs	31,255	28,743
Support costs	110,540	116,071
	<u>141,795</u>	<u>144,814</u>
Investment management costs	27,292	7,136
	<u>169,087</u>	<u>151,950</u>

**RAILWAY BENEVOLENT INSTITUTION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31<sup>st</sup> December 2018**

**Notes to the Financial Statements (Continued)**

**6. Cost of Charitable Activities**

	Endowed Funds 2018 £	Restricted Funds 2018 £	Unrestricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
<u>Grants</u>					
a) Quarterly Grants	-	-	86,556	86,556	84,112
b) Single Benevolent Grants	-	354	159,985	160,339	196,684
c) Webb Fund Grants	-	-	11,938	11,938	8,348
d) Child Care Grants	-	-	642	642	2,729
e) Other Charitable Grants	-	-	2,500	2,500	8,788
	-	354	261,621	261,975	300,661
Support costs allocated	-	6,537	152,965	159,502	156,852
Governance costs	-	-	30,764	30,764	40,360
	-	6,891	443,350	450,241	497,873

**a) Quarterly Grants**

An annual monetary grant (paid quarterly) where a continuing need is identified.

**b) Single Benevolent Grants**

One-off grants to meet specific needs, for example to provide scooters for the disabled or to contribute to funeral costs.

**c) Child Care Grants**

One-off payments to assist the parents of dependent children.

**d) Webb Fund Grants**

These grants continue the work of the Webb Orphans Fund which was transferred into the RBF during 2002. They are quarterly payments to assist the parents of dependent children where a continuing need has been identified.

**7. Governance Costs**

	2018 £	2017 £
Audit fees	4,757	4,522
Accountancy	1,023	9,677
Insurance	2,092	2,397
Other direct costs	3,735	7,284
Support costs	19,157	16,480
	<u>30,764</u>	<u>40,360</u>

**RAILWAY BENEVOLENT INSTITUTION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31<sup>st</sup> December 2018**

**Notes to the Financial Statements (Continued)**

**8. Tangible Fixed Assets**

	Plant and Equipment £	Total £
<b>Cost</b>		
At 1st January 2018	9,008	9,008
Additions	-	-
Disposals at cost	-	-
At 31st December 2018	<u>9,008</u>	<u>9,008</u>
<b>Depreciation</b>		
At 1st January 2018	3,559	3,559
Charge for the year	<u>3,120</u>	<u>3,120</u>
At 31st December 2018	<u>6,679</u>	<u>6,679</u>
 NBV at 31st December 2018	 <u>2,329</u>	 <u>2,329</u>
 NBV at 31st December 2017	 <u>5,449</u>	 <u>5,449</u>

# RAILWAY BENEVOLENT INSTITUTION

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31<sup>st</sup> December 2018

#### Notes to the Financial Statements (Continued)

#### 9. Fixed Asset Investments

##### a) Schedule of Investments

	2018 £	2017 £
Investments held primarily to provide an investment return to the charity		
<u>Listed investments at market value comprised:</u>		
UK Collective Investment Schemes	3,477,199	3,993,410
	<u>3,477,199</u>	<u>3,993,410</u>

The investment portfolio is invested in UK Collective Investment Schemes, more commonly referred to as pooled funds, to create a balanced portfolio providing exposure to UK equities, international equities, UK bonds, hedge funds and property.

No investment in any individual security exceeded 5% by value of the portfolio.

	Endowment Investments £	Unrestricted Investments £	Total £
<b>b) Valuation</b>			
At 1st January 2018	897,794	3,095,616	3,993,410
Additions	360,622	1,308,922	1,669,544
Disposal proceeds	(417,578)	(1,436,760)	(1,854,338)
Realised loss on investments	(10,778)	(37,081)	(47,859)
Unrealised loss on investments	(63,848)	(219,710)	(283,558)
At 31st December 2018	<u>766,211</u>	<u>2,710,988</u>	<u>3,477,199</u>

	Endowment Investments £	Unrestricted Investments £	Total £
<b>Historical cost information is as follows:-</b>			
<b>c) Cost</b>			
At 1st January 2018	734,392	2,794,729	3,529,121
Additions	360,622	1,308,922	1,669,544
Disposals at cost	(401,403)	(1,181,844)	(1,583,247)
At 31st December 2018	<u>693,611</u>	<u>2,921,807</u>	<u>3,615,418</u>
<b>d) Disposals at valuation</b>	428,356	1,473,841	1,902,197
Disposal proceeds	(417,578)	(1,436,760)	(1,854,338)
Realised loss at cost	<u>(10,778)</u>	<u>(37,081)</u>	<u>(47,859)</u>

**RAILWAY BENEVOLENT INSTITUTION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31<sup>st</sup> December 2018**

**Notes to the Financial Statements (Continued)**

**10. Debtors**

	2018 £	2017 £
Trade debtors	16,751	3,776
Prepayments and accrued income	34,388	29,768
Other debtors	-	9,710
	<u>51,139</u>	<u>43,254</u>

**11. Creditors: amounts falling due within one year**

	2018 £	2017 £
Accruals for grants payable	85,303	92,522
Trade creditors	8,835	26,053
Accruals and deferred income	11,819	10,577
	<u>105,957</u>	<u>129,152</u>

**12. Operating lease commitments**

Lease commitments – operating leases

At 31 December 2018 the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases which expire as follows: -

	2018 £	2017 £
Within 1 years	4,200	8,400
Within 2- 5 years	-	12,600
	<u>4,200</u>	<u>21,000</u>

**13. Financial instruments**

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	24,032	5,922
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>16,212</u>	<u>31,802</u>

Debt instruments under FRS 102 are items where cash is transferred when the item is settled.

**RAILWAY BENEVOLENT INSTITUTION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31<sup>st</sup> December 2018**

**Notes to the Financial Statements (Continued)**

**14. Statement of Funds**

	Balance at 1.1.18 £	Incoming Resources £	Outgoing Resources £	Investment Gain/(Loss) £	Transfers £	Balance at 31.12.18 £
<b>Unrestricted Funds</b>						
General Reserve	3,197,728	354,121	(606,744)	(250,422)	21,748	2,716,431
<b>Designated Funds</b>						
St Christopher's Fund	57,953	1,227	(3,142)	(4,539)	-	51,499
The Sheppard Education Fund	23,371	495	-	(1,830)	-	22,036
<b>Total Unrestricted Funds</b>	<b>3,279,052</b>	<b>355,843</b>	<b>(609,886)</b>	<b>(256,791)</b>	<b>21,748</b>	<b>2,789,966</b>
<b>Endowment Funds</b>						
Webb Fund	738,218	18,581	(3,888)	(63,757)	(18,581)	670,573
Proprietary Annuities Fund	85,039	2,140	(448)	(7,344)	(2,140)	77,247
Langton Home Fund	31,636	796	(167)	(2,732)	(796)	28,737
General Webster Wright Fund	9,185	231	(48)	(793)	(231)	8,344
<b>Total Endowment Funds</b>	<b>864,078</b>	<b>21,748</b>	<b>(4,551)</b>	<b>(74,626)</b>	<b>(21,748)</b>	<b>784,901</b>
<b>Restricted Funds</b>						
Carers Support Fund	12,770	465	(6,537)	-	-	6,698
Glasspool Trust	-	354	(354)	-	-	-
<b>Total Restricted Funds</b>	<b>12,770</b>	<b>819</b>	<b>(6,891)</b>	<b>-</b>	<b>-</b>	<b>6,698</b>
<b>Total Charity Funds</b>	<b>4,155,900</b>	<b>378,410</b>	<b>(621,328)</b>	<b>(331,417)</b>	<b>-</b>	<b>3,581,565</b>

# **RAILWAY BENEVOLENT INSTITUTION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **for the year ended 31<sup>st</sup> December 2018**

#### **Notes to the Financial Statements (Continued)**

##### **14. Statement of funds (continued)**

The general reserve represents the free funds of the charity which are not designated for other purposes.

The St Christopher's Fund has been designated by the Board of Management for the benefit of dependent children. It was formed from the JS Forbes, LM Appeal Committee and G Bass Funds, previously associated with St Christopher's Railway Orphanage to provide for the care and maintenance of children (including educational needs) and from legacies made by E Little and L A Maffey in 1994/95 where the donors expressed a preference for the monies to be used for the benefit of children.

The Sheppard Education Fund was created following the transfer of all the remaining assets of the Sheppard Education and Training Trust to the RBF on 21<sup>st</sup> April 2011 on the understanding that the funds and any associated income will be used for the relief of necessitous Railwaymen, their spouses or children and for the promotion of education and training for the public benefit. Allen Sheppard (subsequently Lord Sheppard of Didgemere) was a Non-executive Director of the BRB for many years and subsequently Chairman of GB Railways.

The permanent endowment known as the Webb Fund is that portion of the net assets of the Webb Orphans' Fund which originated from monies bequeathed to the Fund at its inception in 1906 by Francis William Webb, a former Chief Mechanical Engineer of the London and North Western Railway Company. The Webb Orphans' Fund was transferred to the RBF on 1<sup>st</sup> July 2002 in accordance with Scheme 184397 made by the Charity Commissioners on 19 April 2002. No restrictions were placed on the use of the income from the Webb Fund by the Commissioners, but since its transfer the RBF's Board of Management has continued to use the income in support of children of railway families who are in need.

The Proprietary Annuities Fund is a separately registered Scheme, the Trustee of which is the Institution. There are no restrictions on the use of the income deriving from this Fund within the objects of the RBF, but as in previous years the income has been used to provide quarterly grants.

The Langton Home Fund is a separately registered charity (No. 234581), of which the RBF was appointed the Trustee by the Charity Commissioners on 5 January 1972. Income from this fund must be used in support of children "whose fathers have been killed or permanently disabled whilst working on the railway", or failing that in support of any other children who are in need.

The General Webster Wright Fund originates from a donation made by the London and North Eastern Railway in 1942. The income from this fund must be used for the general care and educational assistance of children of railwaymen.

Income from the Webb Fund and Proprietary Annuities Fund which is not restricted has been transferred to unrestricted.



**RAILWAY BENEVOLENT INSTITUTION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31<sup>st</sup> December 2018**

**Notes to the Financial Statements (Continued)**

**15. Analysis of Net Assets Between Funds**

	<b>Fixed Assets £</b>	<b>Current Assets £</b>	<b>Current Liabilities £</b>	<b>Total Net Assets £</b>
<b>Unrestricted Funds</b>	2,695,623	200,300	(105,957)	2,789,966
<b>Endowment Funds</b>				
Webb Orphans' Fund	669,722	851	-	670,573
Proprietary Annuities Fund	77,149	98	-	77,247
Langton Home Fund	28,701	36	-	28,737
General Webster Wright Fund	8,333	11	-	8,344
	<hr/> 783,905	<hr/> 996	<hr/> -	<hr/> 784,901
<b>Restricted Funds</b>				
Carers Support Fund	-	6,698	-	6,698
Glasspool Trust	-	-	-	-
	<hr/> -	<hr/> 6,698	<hr/> -	<hr/> 6,698
<b>Total Funds</b>	<hr/> 3,479,528	<hr/> 207,994	<hr/> (105,957)	<hr/> 3,581,565

