

Charity number: 1008914



R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

R G HILLS CHARITABLE TRUST

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R G HILLS CHARITABLE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2017

Trustees

Mr D J Pentin, Chairman
Mr H M S Barrett

Charity registered number

1008914

Principal office

39 St. Margaret's Street, Canterbury, Kent, CT1 2TX

Independent auditors

Pure Audit Limited, 20 Canterbury Innovation Centre, University Road, Canterbury, Kent, CT2 7FG

Bankers

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Solicitors

Furley Page LLP, 39 St. Margaret's Street, Canterbury, Kent, CT1 2TX

Investment Advisers

Brooks Macdonald Asset Management Ltd, 2 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The trustees present their annual report together with the audited financial statements of the charity for the ended 31 March 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS102) applicable in the UK and Republic of Ireland published on 16 July 2014.

Objectives and Activities

POLICIES AND OBJECTIVES

The charity was formed to apply its income in whole or in part towards the furtherance of such charitable purposes as the trustees shall from time to time think fit. Various donations have been made, or are currently being considered, by the trustees for both national and local charities, some of which are engaged in overseas charitable work.

PUBLIC BENEFIT

The trustees have only supported charities registered with the Charity Commission or similar status after having carefully considered the merits or otherwise of specific requests. These are mainly, but not exclusively, charities concerned with health, poverty and education issues which are engaged in activities for the public benefit.

Reference is made to the information and financial information about a charity applying for funds available on the Charity Commission website and other publications in addition to information provided by the applicant.

By adopting this structured approach, the trustees consider they have fully complied with their duty to have due regard to the guidance on public benefit published by the Commission in exercising their powers or duties.

Achievements and performance

REVIEW OF ACTIVITIES

The trustees are pleased to be able to report that they were able to distribute £109,940 (2016 £108,750) to various charities. After distributing this sum and paying expenses, there was a deficit in the Unrestricted Funds account of £6,659 for the year (2016 - £5,663). This was a deliberate policy of the trustees to distribute more than the income this year to reduce the reserves to a figure they regard as necessary for retention.

There were realised and unrealised gains of £462,020 (2016 – a loss of £108,774).

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

INVESTMENT POLICY AND PERFORMANCE

The market value of investments, excluding cash, at 31 March 2017 was £3,819,420 (2016 - £3,322,459). During the year, however, following the EU referendum and the election of Donald Trump, markets have surged ahead although it would be unwise to predict this is sustainable in the long term.

The bespoke portfolio service is invested on a medium risk basis with equity exposure fluctuating in the range of 55-75%. The trustees meet with the investment managers at regular intervals to monitor performance and to discuss any amendments to strategy. The diversification of the portfolio has worked well to limit damage when markets are depressed and posted better results than the FTSE 100 over the year.

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

RESERVES POLICY

The total reserves as at 31 March 2017 were £3,882,376 (2016 - £3,444,176). The split of these being unrestricted £44,366 and permanent endowment of £3,838,010. The permanent endowment funds are mainly investments which are held in order to earn income from which donations can be distributed in accordance with the objectives of the charity. These funds are therefore excluded from the reserves policy.

The trustees review annually the policy regarding unrestricted funds which amounted to £44,366 at the end of year. They have decided there is a need for the Trustees to retain sufficient funds to meet any:

- accrued and future management costs which cannot be met from existing funds due to an unexpected fall in investment income.
- temporary cash flow shortages when donations are made in advance of investment income being received.
- exceptional expenditure, for example, to fund an opportunity that is too good to be missed as it will allow the Trustees to deliver their mission in a more effective or comprehensive way.

The trustees have concluded the target level of reserves should be reduced to about £30,000. They plan to achieve this over the next few years by increasing the amount of distributions to charities and management expenses beyond the level of the annual investment income received. The Unrestricted Fund was reduced from £51,025 at the start of the year to £44,366.

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Structure, governance and management

CONSTITUTION

The Trust is an unincorporated trust, constituted under a Trust deed dated 16 December 1982 and is a registered charity, numbered 1008914. The Trust was originally created by Mrs E M Hills on this date for a consideration of £1. It remained dormant until 31 March 1996, at which date there was an appropriation of assets amounting to £2,204,260 from the estate of Mrs E M Hills. This represented the greater part of three quarters of the residue of Mrs E M Hills' estate which she left to the Trust. The balance of this entitlement of £161,485 was received by the Trust in two payments in January 1998 and June 1999. A further £7,062 was added in 2003 when the Mrs E M Hills Charitable Trust ceased its operations.

In addition, Mrs Hills left the net sum of £130,256 after inheritance tax on a separate life interest trust. This Trust asset portfolio was worth £211,605 at 30 June 2017 and upon the death of the life tenant, three quarters of that Trust fund shall be paid to the Trustees of the R G Hills Charitable Trust as part of its Permanent Endowment.

The Trust deed confers wide ranging powers of investment upon the Trustees.

Since the deaths of Mr and Mrs Hills, the Trustees have distributed over £3.4 million to various charities and the continued distributions from the R G Hills Charitable Trust are a lasting tribute to the Hills' benevolence. The Trust does not actively fundraise and seeks to continue the philanthropic work desired by Mr and Mrs Hills through the careful stewardship of its existing resources.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The original Trustees appointed by the settlor were Mr D J Pentin, a Chartered Accountant, and Mr V E Barton, a Solicitor. They were Mr and Mrs Hills' professional advisers for many years and, therefore, in a good position to respect the settlor's wishes. Mr H M S Barrett, a solicitor with the same firm, has now succeeded Mr Barton and is carrying on the same policy.

The appointment of new trustees is governed by section 36, Trustee Act 1925 and can only be exercised by the continuing or surviving trustees, or the personal representative of the last continuing or surviving trustee. When considering a new appointment, the Trustees have regard to a variety of skills including academic, professional and commercial knowledge required with respect to this charity's activities.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

New trustees, unless legally or financially professionally qualified, will now undergo an orientation day to brief

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

them on charity law. They will receive a copy of the governing Trust deed, instruction on the decision making process, copies of the last three years' Trustee reports and financial statements, the current financial performance of the charity and the website reference of the Charity Commission's guidance "The Essential Trustee" and other relevant publications. Trustees are encouraged to attend appropriate external training events, where these will facilitate the understanding of their role.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Trustees meet at suitable intervals to consider the performance of the investments and to decide on appropriate donations. The charity has no employees. The Chairman deals with the day-to-day operations of the charity.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Trustees have a risk management strategy which includes:

- the annual review of the risks the charity may face.
- the establishment of systems and procedures to mitigate those risks.
- The implementation of procedures designed to minimise any potential impact on the charity, should these risks materialise.

The variability of the investment returns constitutes the charity's major risk but this has been reduced by a wide range of investments managed by Brooks Macdonald operating both in the UK and abroad. A key element in the management of financial risk is the setting of a reserve policy and its regular review by the Trustees.

Plans for future periods

The charity will continue to distribute income generated from investments to various registered charities. The Trustees plan to reduce unrestricted fund reserve to £30,000 which, in Trustees' opinion, is sufficient to cover any unforeseen expenses and to provide flexibility in meeting exceptional funding requirements for charities where the Trustees are satisfied there is an urgency and the purpose fits their priorities.

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Trustees' 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 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 12/01/18 and signed on their behalf by:



.....
Mr D J Pentin, Chairman

R G HILLS CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF R G HILLS CHARITABLE TRUST

We have audited the financial statements of R G Hills Charitable Trust for the year ended 31 March 2017 set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 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

R G HILLS CHARITABLE TRUST

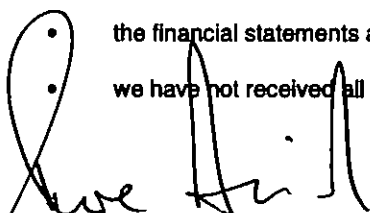
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF R G HILLS CHARITABLE TRUST

- have been prepared in accordance with the requirements of the Charities Act 2011.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.



Pure Audit Limited
Chartered Certified Accountants and Statutory Auditors
20 Canterbury Innovation Centre
University Road
Canterbury
Kent
CT2 7FG

Date: 12 January 2018

Pure Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

R G HILLS CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME AND ENDOWMENTS FROM:					
Investments	2	<u>121,668</u>	<u>-</u>	<u>121,668</u>	<u>121,406</u>
TOTAL INCOME AND ENDOWMENTS		<u>121,668</u>	<u>-</u>	<u>121,668</u>	<u>121,406</u>
EXPENDITURE ON:					
Raising funds:					
Investment management	3	-	17,161	17,161	16,012
Charitable activities	4,5,6	<u>128,327</u>	<u>-</u>	<u>128,327</u>	<u>127,070</u>
TOTAL EXPENDITURE	7	<u>128,327</u>	<u>17,161</u>	<u>145,488</u>	<u>143,082</u>
NET EXPENDITURE BEFORE INVESTMENT GAINS/(LOSSES)		(6,659)	(17,161)	(23,820)	(21,676)
Net gains/(losses) on investments	10	<u>-</u>	<u>462,020</u>	<u>462,020</u>	<u>(108,774)</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(6,659)	444,859	438,200	(130,450)
NET MOVEMENT IN FUNDS		(6,659)	444,859	438,200	(130,450)
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>51,025</u>	<u>3,393,151</u>	<u>3,444,176</u>	<u>3,574,626</u>
TOTAL FUNDS CARRIED FORWARD		<u>44,366</u>	<u>3,838,010</u>	<u>3,882,376</u>	<u>3,444,176</u>

All activities relate to continuing operations.

The notes on pages 12 to 24 form part of these financial statements.

R G HILLS CHARITABLE TRUST

BALANCE SHEET AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Investments	10		3,819,420		3,322,459
CURRENT ASSETS					
Cash at bank and in hand		<u>81,724</u>		<u>141,174</u>	
		81,724		141,174	
CREDITORS: amounts falling due within one year	11	<u>(18,768)</u>		<u>(19,457)</u>	
NET CURRENT ASSETS			<u>62,956</u>		<u>121,717</u>
NET ASSETS			<u>3,882,376</u>		<u>3,444,176</u>
CHARITY FUNDS					
Endowment funds	12		3,838,010		3,393,151
Unrestricted funds	12		<u>44,366</u>		<u>51,025</u>
TOTAL FUNDS			<u>3,882,376</u>		<u>3,444,176</u>

The financial statements were approved by the Trustees on 11/01/18 and signed on their behalf, by:


.....
Mr D J Pentin, Chairman


.....
Mr H M S Barrett, Trustee

The notes on pages 12 to 24 form part of these financial statements.

R G HILLS CHARITABLE TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	14	<u>(24,509)</u>	<u>(22,692)</u>
Proceeds from sale of investments		416,452	751,498
Purchase of investments		<u>(451,393)</u>	<u>(719,720)</u>
Net cash (used in)/provided by investing activities		<u>(34,941)</u>	<u>31,778</u>
Change in cash and cash equivalents in the year		<u>(59,450)</u>	<u>9,086</u>
Cash and cash equivalents brought forward		<u>141,174</u>	<u>132,088</u>
Cash and cash equivalents carried forward		<u><u>81,724</u></u>	<u><u>141,174</u></u>

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

R G Hills Charitable Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are property of the trust, (such as cash or investments) which the trustees may not spend as if they were income. They are held permanently in order to produce an income for the trust. The Trustees cannot normally spend the Endowment without authority from the Charity Commission. The terms of the Endowment permit assets within the fund to be sold and reinvested.

Investment income, gains and losses are allocated to the appropriate fund.

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the charity has entitlement to the income, It is probable that the income will be received and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment managers of the dividend yield of the investment portfolio.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The trustees have assessed that the expectation is that the charity will continue in operational existence for the foreseeable future and, accordingly, these financial statements are prepared on a going concern basis.

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid Investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. INVESTMENT INCOME

	Unrestricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income - listed investments	121,594	-	121,594	121,218
Investment income - local cash	74	-	74	188
	<u>121,668</u>	<u>-</u>	<u>121,668</u>	<u>121,406</u>

In 2016, of the total investment income, £121,406 was to unrestricted funds and £NIL was to restricted funds.

3. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment management fees	<u>-</u>	<u>17,161</u>	<u>17,161</u>	<u>16,012</u>

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. DIRECT COSTS

	Charitable Activities £	Total 2017 £	Total 2016 £
Donations	<u>109,940</u>	<u>109,940</u>	<u>108,750</u>

5. SUPPORT COSTS

	Charitable activities £	Total 2017 £	Total 2016 £
Trustees' professional fees	<u>6,157</u>	<u>6,157</u>	<u>6,127</u>

6. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Auditors' remuneration	3,385	-	3,385	3,253
Accountancy	2,800	-	2,800	3,500
Subscription and other charges	365	-	365	133
Management	5,680	-	5,680	5,306
	<u>12,230</u>	<u>-</u>	<u>12,230</u>	<u>12,192</u>

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Resources expended 2017 £	Total 2016 £
Expenditure on investment management	17,161	16,012
Costs of generating funds	17,161	16,012
Direct costs - (Donations to registered charities)	109,940	108,750
Support costs	6,157	6,127
Charitable activities	116,097	114,877
Expenditure on governance	12,230	12,192
	145,488	143,081

8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Direct costs - (Donations to registered charities)	109,940	-	109,940	108,750
Trustees professional fees	-	6,157	6,157	6,127
Total	109,940	6,157	116,097	114,877

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. AUDITORS' REMUNERATION

	2017 £	2016 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	<u>3,385</u>	<u>3,253</u>

Auditors remuneration includes audit fee of £2,821 (2016: £2,711) and VAT of £564 (2016: £542).

10. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 April 2016	3,322,459
Additions	451,393
Disposals	(416,452)
Revaluations	<u>462,020</u>
At 31 March 2017	<u>3,819,420</u>
Historical cost	
	<u>3,001,811</u>

Investments at market value comprise:

	2017 £	2016 £
Listed investments	<u>3,819,420</u>	<u>3,322,459</u>

All fixed asset investments are managed by Brooks Macdonald Asset Management Ltd.

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Valuation

Investments held at the year end comprised the following:

	31 March 2017 £	31 March 2016 £
European Equities	162,656	225,594
Hedge Funds and Alternatives	309,082	206,464
International and Thematic	530,495	300,396
International Fixed Interest	82,536	87,098
Japan, Far East and Emerging Markets	353,975	333,748
North American Equities	443,700	388,797
Property	251,595	300,185
Structured Return	423,126	407,223
UK Equities and Unit Trusts	900,102	861,022
UK Fixed Interest	362,173	211,932
	<u>3,819,420</u>	<u>3,322,459</u>

At the year end, Brooks Macdonald, the investment managers were also holding a bank balance of £68,437 (2016: £116,463).

Material investments

The holdings which exceeded 5% of the total value of the portfolio as at that date were as follows:

Stock/Units	Market value £	Percentage %
JP Morgan Asset Management US Equity Income	<u>287,752</u>	<u>7.5%</u>

11. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Other creditors	-	6,321
Accruals and deferred income	18,768	13,136
	<u>18,768</u>	<u>19,457</u>

R Q HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

12. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General Fund	<u>51,025</u>	<u>121,668</u>	<u>(128,327)</u>	<u>-</u>	<u>44,366</u>
Endowment funds					
Endowment Funds - all funds	<u>3,393,151</u>	<u>-</u>	<u>(17,161)</u>	<u>462,020</u>	<u>3,838,010</u>
Total of funds	<u>3,444,176</u>	<u>121,668</u>	<u>(145,488)</u>	<u>462,020</u>	<u>3,882,376</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Fixed asset investments	-	3,819,420	3,819,420	3,322,459
Current assets	58,370	23,353	81,723	141,174
Creditors due within one year	(14,004)	(4,763)	(18,767)	(19,457)
	<u>44,366</u>	<u>3,838,010</u>	<u>3,882,376</u>	<u>3,444,176</u>

14. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of financial activities)	438,200	(130,450)
Adjustment for:		
(Gain) / loss on investments	(462,020)	108,774
Decrease in debtors	-	23
Decrease in creditors	<u>(689)</u>	<u>(1,039)</u>
Net cash used in operating activities	<u>(24,509)</u>	<u>(22,692)</u>

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

15. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Cash at bank	81,724	141,174
Total	81,724	141,174

16. TRUSTEES AND RELATED PARTY TRANSACTIONS

The two professional trustees, Mr D J Pentin, Chartered Accountant and Mr H M S Barrett, Solicitor, are expressly authorised to charge fees in the Trust instrument.

Mr H M S Barrett is a partner with Furley Page, the solicitors to the charity for the year.

The total fees payable to Mr D J Pentin for the period amounted to £8,900 (2016: £9,870). The total fees payable to Furley Page in the year amounted to £7,459 (2016: £6,756).

At the year end, the charity owed £8,900 (2016: £9,870) to Mr D J Pentin and £2,433 (2016: £2,729) to Furley Page.

During the year, no Trustees received any benefits in kind or reimbursement of expenses (2016 £NIL).

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

17. Donations to registered charities

	2017 £	2016 £
Action for Street Kids	1,000	-
Action for ME	-	1,000
Alcohol Concern	-	1,000
Ambitious About Autism	1,563	-
Animals Asia Foundation	-	1,650
Battersea Cats and Dogs Home	-	1,562
Bechange	-	1,563
BirdLife International	-	2,000
Blue Cross	1,563	-
Book 2 Africa	1,502	-
British Dyslexia Association (The)	-	1,900
Buildaid	1,875	-
Bumba	-	1,000
Bumblebee Conservation Trust	1,562	-
Calibre Audio Library	1,250	-
Canterbury Citizens Advice Bureau	-	4,000
Canterbury Festival Foundation (The)	-	3,000
Canterbury Theatre and Festival Trust	3,500	-
Canterbury Umbrella	1,875	-
Cantor's Charitable Trust	-	1,000
Carers' Trust	1,250	-
Carousel Project	-	1,900
Child Aid to Russia and the Republics	-	1,000
Child Bereavement UK	2,250	-
Children in Distress	1,875	-
Christian Police Association	1,500	-
Church Housing Trust	2,000	-
Combat Stress	2,500	-
Computers for the Disabled	1,000	-
Concern Worldwide UK	1,400	-
Coran Foundation for Children	-	2,250
Daylight Christian Prison Trust	-	1,000
Demelza House Children's Hospice	1,562	-
Dog you Need (The)	1,875	-
Dolphin Ward – East Kent Hospitals	1,875	-
East Kent Mencap	-	1,750
Ellenors Children's Charity	-	2,500
Emmaus Medway	-	2,300
Farm Africa Limited	-	1,562
Fields in Trust	1,000	-
Fifth Trust (The)	-	2,250
Foundation for Relief and Reconciliation in the Middle East (The)	1,750	-
Fynvola Foundation	2,750	-
Gazen Salts Nature Reserve	1,875	-
Gingerbread	-	2,100
Gorilla Organisation (The)	1,875	-
Haiti Hospital Appeal	-	2,500

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Headway - Brain Injury Association (The)	-	1,900
Hi Kent	2,500	-
Hope and Homes for Children	1,563	-
Housing the Homeless Centre Fund	-	1,562
Hoveraid Trust	-	1,500
Indian Rural Health Trust	-	2,750
International Animal Rescue	-	3,125
International Glaucoma Association	2,000	-
Into Giving Limited	1,562	-
John Fawcett Foundation	1,875	-
KeepOut - The Crime Diversion Scheme	-	3,000
Kent Community Foundation	1,875	-
Kent Mining Heritage Foundation	10,000	-
Kent Surrey and Sussex Air Ambulance	-	1,562
Kent Wildlife Trust	-	2,300
Kent Woodland Employment Scheme	-	1,750
Kids In Need of Education	1,875	-
London Wheelchair Rugby Club	-	1,000
MapAction	-	2,500
Medair	2,000	-
Medic Assist International	1,563	-
Medway Youth Trust	-	2,000
Mobility Trust	3,000	-
Muscular Dystrophy UK	1,000	-
National Association for Colitis and Crohns	-	1,563
Open Doors UK	1,250	-
Pancreatic Cancer Action	1,350	-
Peoples Trust for Endangered Species	1,875	-
Place2Be	1,562	-
Plan International UK	1,563	-
Plantlife	1,250	-
Railway Children (The)	-	1,563
Rainforest Concern	-	1,650
Read International	-	1,000
Relate West and Mid-Kent	1,875	-
Right to Play UK Limited	-	1,125
Save the Children Fund (The)	-	10,200
Scholarships for Street Kids	1,875	-
Sea Sanctuary	-	1,000
Seeds for Africa	-	2,500
Sense International	-	2,000
Sevenoaks Community First Responders	-	1,000
Siemen Mountains Mobile Medical Service	2,000	-
Sight Savers International	1,562	-
Snowdon Trust	1,875	-
Society for the Protection of Animals Abroad (The)	1,563	-
Solar Aid	1,500	-
Songbird Survival	-	1,563
Spadework	-	1,562
St Giles Trust	1,500	-
Stand Against Violence	-	1,250
Support Dogs Ltd	1,875	-
Tackle Prostate Cancer	2,500	-

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

Tall Ships Youth Trust	-	1,200
Target Ovarian Cancer	-	1,900
Village Water Limited	-	2,125
Virtual Doctors	-	1,250
Volunteer Reading Help	1,562	-
Water Aid	1,875	-
Wellbeing of Women	-	1,500
West Faversham Community Association	1,563	-
Whale and Dolphin Conservation	1,562	-
Who Cares? Trust (The)	-	2,000
Wipe Your Tears	-	1,500
Young and Inspired Limited	1,563	-
Young Carers Together	-	2,000
Young Kent	-	1,563
Total	<u>109,940</u>	<u>108,750</u>