

THE DEREK HILL FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 9 MAY 2019

THE DEREK HILL FOUNDATION

CONTENTS

| | Page |
|--------------------------------------|---------|
| Legal and Administrative Information | 1 |
| Trustees' report | 2 - 5 |
| Independent examiner's report | 6 |
| Statement of financial activities | 7 |
| Statement of financial position | 8 |
| Statement of cash flows | 9 |
| Notes to the accounts | 10 - 18 |
| Schedule of investments and income | 19 - 23 |

THE DEREK HILL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--|--|
| Trustees | Rathbone Trust Company Limited Mrs Josephine Batterham Lord Armstrong of Ilminster The Right Honourable Alexander Ruthven Earl of Gowrie Mr Ian Paterson |
| Charity number | 801590 |
| Registered office / Address for appeals | 8 Finsbury Circus London EC2M 7AZ |
| Independent examiner | Mr David Matkins Bourner Bullock, Chartered Accountants Sovereign House 212-224 Shaftesbury Avenue London WC2H 8HQ |
| Solicitors | Piper Smith Watton LLP 20 Great Peter Street London SW1P 3LW |
| Investment advisors | Rathbone Investment Managment Ltd 8 Finsbury Circus London EC2M 7AZ UK |

THE DEREK HILL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 9 MAY 2019

The Trustees present their report and accounts for the year ended 9 May 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's 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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)", (published 16 July 2014). The accounts also comply with the Charity's governing document.

Objectives and activities

The Foundation was established in May 1989 by the late Arthur Derek Hill, "the Founder". The Foundation is governed by a Trust Deed dated 9 May 1989.

The Founder intended to transfer to the Trustees, either during his lifetime or on his death, his freehold properties known as 16 and 18 Holly Hill, Hampstead, London, together with the furniture, pictures and chattels ordinarily kept at the said properties.

The original intentions of the Founder of the charitable Foundation were to utilise the Foundation's assets for:-

- i) The preservation for the public benefit of 16 and 18 Holly Hill, Hampstead, London (the properties);
- ii) To protect and improve the properties for the public benefit;
- iii) To preserve for the public benefit the furniture, pictures and chattels kept at the properties;
- iv) The encouragement of the public to view the properties and their contents.

If the objectives above cannot be met, then the Trustees may support such charities or charitable purposes as the Trustees shall from time to time in their absolute discretion determine.

On 30 July 2000 Mr Hill died. In his will he left a specific legacy to the Foundation of the freehold properties known as 16 and 18 Holly Hill, Hampstead (the properties), together with the pictures and contents of the properties and a pecuniary legacy of £250,000.

The Trustees considered that the state of the property, when they received the bequest from Mr Hill's estate, made it impossible for them to comply with the main activities of the charitable trust deeds. They therefore regretfully decided to sell both the property and the pictures and other contents.

These items were valued at the date of death and their disposition from then to 9 May 2019 are as follows:-

| | Value at Probate | Sales Proceeds | Realised Net Profit/(Loss) on Disposal | Unrealised Loss on Valuation | Value Remaining |
|-------------------------------|---------------------|-------------------|--|------------------------------------|--------------------|
| | £ | £ | £ | £ | £ |
| 16/18 Holly Hill Hampstead | 600,000 | 743,172 | 143,172 | - | - |
| Pictures and bronzes | 349,250 | 624,830 | 306,729 | (19,700) | 11,449 |
| Books | 3,600 | 3,440 | (160) | - | - |

The Trustees consider that a more suitable use of the Foundation's assets is the provision of grants and bursaries for art and related travel.

THE DEREK HILL FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 9 MAY 2019

Public benefit

The Trustees have complied with the duty in section 17 of the Charities Act 2011 and have due regard to the public benefit guidance published by the Charities Commission.

The Trustees have supported the charitable organisations, as shown within note 16 to the financial statements. The Trustees believe all the donations made are for the benefit of the public.

Grant making policies

The Trustees meet on a regular basis to review applications for funding, investment performance, income levels and the financial statements. In the year ended 9 May 2019 the Trustees met once. The Trustees keep in regular contact during the year through the Foundation's administrator Rathbone Trust Company Limited. If decisions over grants or other matters need to be made outside of a meeting, the Trustees discuss and agree the matter by telephone.

Achievements and performance

Total incoming resources were £40,648 (£46,205 in 2018), with £129,266 (£166,206 in 2018) being committed to charitable activities of which £34,314 (£35,648 in 2018) relates to support and governance costs. There was an unrealised gain of £44,654 (gain of £62,919 in 2018) on investments and in addition a realised loss of £19,247 (gain of £3,411 in 2018) resulting in net outflow of funds of £63,211 (outflow of £53,671 in 2018).

Reserves

The Trustees have an investment policy of a balanced portfolio to ensure sufficient income and capital growth is generated each year to meet the Foundation's objectives.

The Trustees pay or apply the income of the settlement to charities for charitable purposes and accordingly retain the minimum amount of reserves required to achieve this objective.

Investment performance

The investment objective for the Foundation is for a balance between capital growth and income with a medium risk profile as defined by Rathbones Terms of Business. The investment portfolio for the Foundation rose 1.27% in capital terms compared with a fall in the MSCI WMA Balanced Index of -0.41%. On a total return basis the Fund returned 3.96% (net of fees) compared with a rise in the MSCI WMA Balanced Total Return of 2.32%.

The Fund as at 9 May 2019 was valued at £1,468,097 with an estimated annual income of £40,358 or a yield of 2.63%. The Trustees are taking out approximately £120,000 per year which is made up of a combination of £40,000 of income and the balance from capital. The investment manager is targeting a 6% total return per annum.

The Fund is currently invested with 21.4% in fixed income, 66.7% in equities and 11.9% in alternatives.

The fixed income element of the portfolio is made up of a combination of corporate bond funds and Treasury Index Linked Gilts. The UK equity content consists of a diversified selection of FTSE 100 holdings and smaller companies trusts. The portfolio exposure to overseas markets is via a selection of collective funds. The alternative exposure includes private equity, infrastructure and macro trading hedge funds.

Risks

The Trustees have identified and reviewed all the major risks to which the Foundation is exposed and systems have been established to mitigate them. In particular all major grants are carefully considered and monitored.

Plans for the future

In the forthcoming year the Trustees expect investment income to remain at a level similar to that received during the year ended 9 May 2019 and therefore they expect to award similar grants of a level to year ended 9 May 2019 in connection with the objectives of the Foundation.

THE DEREK HILL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 9 MAY 2019

Structure, governance and management

The Trustees who served during the year were:

Rathbone Trust Company Limited
Mrs Josephine Batterham
Lord Armstrong of Ilminster
The Right Honourable Alexander Ruthven Earl of Gowrie
Mr Ian Paterson

The Foundation's other advisors are noted on page 1.

The individuals who were directors of Rathbone Trust Company Limited were:

Mr Stephen Bilbao
Miss Linda Joyce Cousins
Mr James Stephen Hurrell
Mr Bruce Robert Newbigging
Mr Alexander Richmond
Mr Timothy Francis Smith
Mr Robert Paul Stockton
Mr Andrew Jonathan Warren

Training of Trustees

There are no formal policies or procedures adopted for the induction or training of Trustees, however, Rathbone Trust Company Limited keep abreast of changes in legislation and pass this information on to the other Trustees.

Recruitment of new or additional Trustees

The present Trustees have the power of appointing new or additional Trustees.

THE DEREK HILL FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 9 MAY 2019

Statement of Trustees' responsibilities

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).

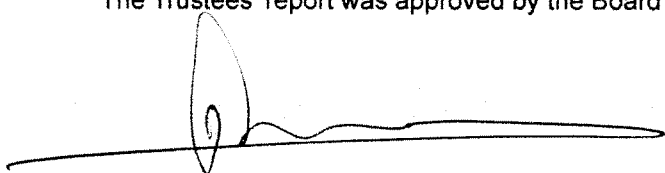
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' report was approved by the Board of Trustees.



Rathbone Trust Company Limited

Trustee

Dated: 07.11.2019

THE DEREK HILL FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE DEREK HILL FOUNDATION

I report to the Trustees on my examination of the financial statements of The Derek Hill Foundation ('the Foundation') for the year ended year ended 9 May 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (i) accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- (ii) the financial statements do not accord with those records; or
- (iii) the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Mr David Matkins FCA

Bourner Bullock, Chartered Accountants
Sovereign House
212-224 Shaftesbury Avenue
London
WC2H 8HQ

Dated: 2 November 2019

THE DEREK HILL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 9 MAY 2019

| | Notes | 2019 £ | 2018 £ |
|---|-------|-------------------------|-------------------------|
| Income | | | |
| Investments | 2 | 40,478 | 45,897 |
| Bank interest | | - | 5 |
| Royalties | 3 | 170 | 303 |
| Total income | | <u>40,648</u> | <u>46,205</u> |
| Expenditure | | | |
| Charitable activities | 4 | <u>129,266</u> | <u>166,206</u> |
| Net expenditure before investment (losses)/gains | | (88,618) | (120,001) |
| Net gains on investments | 9 | <u>25,407</u> | <u>66,330</u> |
| Net movement in funds | | (63,211) | (53,671) |
| Fund balances at 10 May 2018 | | <u>1,568,057</u> | <u>1,621,728</u> |
| Fund balances at 9 May 2019 | | <u><u>1,504,846</u></u> | <u><u>1,568,057</u></u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

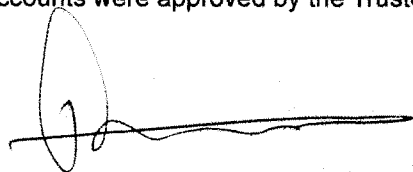
THE DEREK HILL FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 9 MAY 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Investments | 10 | | 1,510,223 | | 1,583,252 |
| Current assets | | | | | |
| Debtors | 11 | 3,051 | | 3,057 | |
| Cash at bank and in hand | | 17,972 | | 8,448 | |
| | | | | | |
| | | 21,023 | | 11,505 | |
| Creditors: amounts falling due within one year | 12 | | | | |
| | | (26,400) | | (26,700) | |
| Net current liabilities | | | (5,377) | | (15,195) |
| Total assets less current liabilities | | | 1,504,846 | | 1,568,057 |
| Income funds | | | | | |
| Unrestricted funds | | | 1,504,846 | | 1,568,057 |
| | | | 1,504,846 | | 1,568,057 |

The accounts were approved by the Trustees on 07.11.2019



Rathbone Trust Company Limited
Trustee

THE DEREK HILL FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 9 MAY 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash absorbed by operations | 14 | | (129,390) | | (165,898) |
| Investing activities | | | | | |
| Purchase of investments | | (24,889) | | (177,401) | |
| Proceeds on disposal of investments | | 118,449 | | 287,292 | |
| Dividends and interest received from investments | | 40,478 | | 43,268 | |
| Accrued interest paid on Purchases/Sales | | - | | (30) | |
| Net cash generated from investing activities | | | 134,038 | | 153,129 |
| Net increase/(decrease) in cash and cash equivalents | | | 4,648 | | (12,769) |
| Cash and cash equivalents at beginning of year | | | 15,987 | | 28,756 |
| Cash and cash equivalents at end of year | 15 | | 20,635 | | 15,987 |

THE DEREK HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 9 MAY 2019

1 Accounting policies

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 and the Charities Act 2011. The Foundation is a Public Benefit Entity as defined by FRS 102.

Assets and liabilities are initially recognised as historical cost or transaction value unless otherwise stated in the relevant policy note.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

1.2 Going concern

The Trustees consider there are no material uncertainties about the Foundation's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives the Trustees confidence the Foundation remains a going concern for the foreseeable future.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Investment income is accounted for on an accruals basis in the period to which it relates.

Donations received by the trust include the related gift aid credit where applicable. Donations are accounted for when any conditions for receipt have been met and there is reasonable assurance of receipt.

Royalties are accounted for when received.

1.5 Debtors

Debtors are receivable at their expected settlement amount.

1.6 Prepayments

Prepayments are recognised at their expected settlement amount.

1.7 Cash and cash equivalents

Cash at bank and cash 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.

1.8 Creditors

Creditors are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

THE DEREK HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 9 MAY 2019

1 Accounting policies

(Continued)

1.9 Resources expended

Management and administration costs comprise those costs incurred in running the Foundation. They have been apportioned on the basis of time spent between charitable activities, cost of raising funds and governance costs.

Governance costs consist of those costs associated with the overall running of the Foundation and meeting statutory and regulatory requirements.

Grants are included in the financial statements when approved by the Trustees and notified to recipients. The value of committed grants unpaid at the year end is accrued. Grants offered that are subject to conditions that have not been met at the year end are noted as a commitment but not accrued as expenditure. All funds are unrestricted.

1.10 Financial instruments

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except those investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

The Trustees do not invest in any complex financial instruments.

1.11 Investments

Fixed assets investments represent listed investments which are stated at market valuation, where market value represents the mid market value on the last trading day before the year end. Any unrealised or realised gains arising from investments are accounted for in the Statement of Financial Activities.

The Chattels shown as fixed assets of the Foundation are included at their original valuation when received from the Executors of Arthur Derek Hill. The remaining costs of such chattels still held in the Foundation at the year end was £39,463 (£39,463 in 2018).

During the current year the Foundation sold no chattels (£0 in 2018).

1.12 Taxation

The Foundation is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

THE DEREK HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 9 MAY 2019

2 Investments

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Income from listed investments | 26,634 | 24,921 |
| Foreign income | 5,073 | 6,069 |
| Interest on fixed income | 5,621 | 6,949 |
| REIT | 1,297 | - |
| Other foreign income | 1,973 | 5,329 |
| Accrued interest paid on Purchases/Sales | - | (30) |
| Accrued interest receivable | (120) | 2,659 |
| | <u>40,478</u> | <u>45,897</u> |

3 Royalties

| | 2019 £ | 2018 £ |
|-----------|------------|------------|
| Royalties | <u>170</u> | <u>303</u> |

4 Charitable activities

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Grant funding of activities (see note 5) | 94,952 | 130,558 |
| Share of support costs (see note 6) | 16,114 | 16,405 |
| Share of governance costs (see note 6) | 18,200 | 19,243 |
| | <u>129,266</u> | <u>166,206</u> |

5 Grants payable

| | 2019 £ | 2018 £ |
|--------------|---------------|----------------|
| Armed Forces | - | 2,000 |
| Arts | 42,002 | 30,861 |
| Education | 2,000 | 44,497 |
| Individuals | 9,350 | 6,700 |
| Literature | 12,000 | 15,000 |
| Music | 28,100 | 31,500 |
| Museums | 1,500 | - |
| | <u>94,952</u> | <u>130,558</u> |

THE DEREK HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 9 MAY 2019

6 Support costs

| | Support costs | Governance costs | 2019 | 2018 | Basis of allocation |
|----------------------------------|---------------|------------------|---------------|---------------|---------------------|
| | £ | £ | £ | £ | |
| Investment management costs | 7,315 | - | 7,315 | 7,606 | |
| Trustees' management fees | - | 16,341 | 16,341 | 16,341 | Governance |
| Independent examiner's fee | - | 960 | 960 | 1,650 | Governance |
| Trustees' expenses (see note 13) | - | 839 | 839 | 1,132 | Governance |
| Bank charges | - | 60 | 60 | 60 | Governance |
| Sundry expenses | - | - | - | 60 | Governance |
| Administration of grants | 8,799 | - | 8,799 | 8,799 | |
| | <u>16,114</u> | <u>18,200</u> | <u>34,314</u> | <u>35,648</u> | |

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year, with the exception of Rathbone Trust Company Limited, details of which are disclosed in note 13. The trustees received reimbursed expenses, details of which are disclosed in note 13.

8 Employees

There were no employees during the year, (2018: none)

9 Net gains/(losses) on investments

| | 2019 | 2018 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Unrealised gain | 44,654 | 62,919 |
| (Loss)/gain on sale of investments | (19,247) | 3,411 |
| | <u>25,407</u> | <u>66,330</u> |

THE DEREK HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 9 MAY 2019

10 Fixed asset investments

| | Listed investments £ | Chattels £ | Cash in portfolio £ | Total £ |
|--------------------------|----------------------------|---------------|---------------------------|------------|
| Cost or valuation | | | | |
| At 9 May 2018 | 1,536,250 | 39,463 | 7,539 | 1,583,252 |
| Additions | 24,889 | - | - | 24,889 |
| Realised loss | (19,247) | - | - | (19,247) |
| Unrealised gain | 44,654 | - | - | 44,654 |
| Cash available to invest | - | - | (4,876) | (4,876) |
| Disposals | (118,449) | - | - | (118,449) |
| At 9 May 2019 | 1,468,097 | 39,463 | 2,663 | 1,510,223 |

Investments representing more than 5% of the portfolios total market value (excluding cash):

| Investment | Units | Market Value £ | % of Total Market Value |
|--|--------|-------------------|----------------------------|
| Findlay Park Funds Plc American Sterling | 1,200 | 113,604 | 7.74% |
| Blackrock Throgmorton Trust Plc 5p Ordinary Shares | 15,000 | 80,100 | 5.46% |

| | 2019 £ | 2018 £ |
|------------------------------|------------------|------------------|
| Listed investments | 1,468,097 | 1,536,250 |
| Chattels | 39,463 | 39,463 |
| Cash in investment portfolio | 2,663 | 7,539 |
| | <u>1,510,223</u> | <u>1,583,252</u> |
| Historic cost of investments | <u>1,032,571</u> | <u>1,088,038</u> |

11 Debtors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|--------------------------------|--------------|--------------|
| Income tax repayment due | 398 | 398 |
| Dividend income due | 114 | - |
| Prepayments and accrued income | 2,539 | 2,659 |
| | <u>3,051</u> | <u>3,057</u> |

THE DEREK HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 9 MAY 2019

12 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|----------|-----------|-----------|
| Accruals | 26,400 | 26,700 |

13 Related party transactions

a) Four of the Trustees were reimbursed the following amounts in respect of their travel, postage and photocopying expenses incurred in connection with the Trust.

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Mrs Josephine Batterham | 202 | 447 |
| Lord Armstrong of Ilminster | 102 | - |
| The Right Honourable Alexander Ruthven Earl of Gowrie | 402 | 567 |
| Mr Ian Paterson | 133 | 118 |
| | 839 | 1,132 |

b) There is a provision of £25,140 (£25,140 in 2018) for Rathbone Trust Company Limited for management and administration services. The fee is broken down as follows, £16,341 for trust management fees and £8,799 for administration of grants.

c) The charges for the management of the investment portfolio provided by Rathbone Investment Management Limited amounted to £7,315 (£7,606 in 2016) for the year ended 9 May 2019. As at the year end the outstanding balance due to Rathbone Investment Management Limited was £nil (2018 - £nil).

d) At the year end, Mrs J Batterham held twelve paintings, with a current value of £11,449 (£11,400 in 2018) on the Trustees' behalf. The paintings are returnable to the Trustees immediately on their request.

e) Also at the year end, Lord Gowrie held a 50% ownership of a painting with the Foundation. The value of the 50% holding in the painting by the Foundation amounts to £4,014 (£4,014 in 2018).

14 Cash generated from operations

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Deficit for the year | (63,211) | (53,671) |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (40,472) | (45,897) |
| Loss/(gain) on disposal of investments | 19,247 | (3,411) |
| Fair value gains and losses on investments | (44,654) | (62,919) |
| Movements in working capital: | | |
| (Decrease) in creditors | (300) | - |
| Cash absorbed by operations | (129,390) | (165,898) |

THE DEREK HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 9 MAY 2019

15 Cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 17,972 | 8,448 |
| Cash available to invest | 2,663 | 7,539 |
| | <u>20,635</u> | <u>15,987</u> |

16 Donations approved during the year

| | 2019 £ | 2018 £ |
|---|---------------|---------------|
| To Institutions: | | |
| 800 miles | 1,000 | - |
| Agenda Magazine | - | 5,000 |
| Album Release | - | 2,000 |
| Apollo Music Projects | - | 2,000 |
| Art Fund | 1,000 | 1,000 |
| Awards for Young Musicians | - | 3,000 |
| Birmingham Opera Company | 1,000 | - |
| Birmingham Royal Ballet | 2,000 | - |
| Birmingham Symphony Orchestra | 2,000 | - |
| BSR | 3,180 | 12,997 |
| Camden Music Trust | 1,000 | - |
| Cardboard Citizens | - | 5,000 |
| City & Guilds London Art School | 5,000 | 5,000 |
| City of London Sinfonia | 2,000 | - |
| Commonwealth Youth Orchestra & Choir | 1,000 | 1,000 |
| Dartington International Summer School | - | 2,500 |
| Druk Padma | 1,000 | 1,000 |
| Dulwich Picture Gallery | 2,000 | - |
| Early Music at Discoed | 600 | - |
| Galitzine | 1,250 | - |
| Green Street Blues | 1,000 | - |
| Ianthe Ruthven | - | 2,600 |
| Institute of Contemporary Arts | - | 2,000 |
| La Nuova Musica | - | 3,000 |
| Lennox Berkeley Society | - | 1,000 |
| Live Music Now | - | 500 |
| Llanfyllin Music Festival | - | 3,000 |
| London Borough Festival Opera | - | 5,000 |
| London Symphony Orchestra | 5,000 | 3,000 |
| Longborough Festival Orchestra | - | 3,000 |
| Melos Sinfonia | - | 1,000 |
| Music in Hospital & Care | - | 500 |
| National Youth Orchestra | - | 2,000 |
| Office of Public Works - Derek Hill Prize | 433 | 861 |
| Ora | - | 2,000 |
| Carried forward | <u>30,463</u> | <u>69,958</u> |

THE DEREK HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 9 MAY 2019

16 Donations approved during the year

(Continued)

| | | |
|--|---------------|----------------|
| Brought forward | 30,463 | 69,958 |
| Orchestra of the Age of Enlightenment | 1,000 | - |
| Patricia McCarthy for Agenda Magazine | 5,000 | 5,000 |
| Peckham Womens Institution | 500 | - |
| PSAPPHA | - | 1,000 |
| Rehearsal Orchestra | - | 2,000 |
| Robert Golden Pictures | - | - |
| Royal Academy of Arts | 3,000 | 3,000 |
| Royal Academy of Music | 2,500 | 2,000 |
| Royal College of Music | 2,500 | 2,000 |
| Royal Drawing School | 6,000 | 6,000 |
| Royal Northern College of Music | 2,500 | 2,000 |
| Royal West Academy | 1,000 | - |
| Society of Antiqua | - | 5,000 |
| Southbank Sinfonia | 2,000 | - |
| SSAFA London Central | - | 2,000 |
| Stone Records Ltd | - | 2,000 |
| The Art Workers' Guild | - | 1,000 |
| The Bach Choir | - | 2,000 |
| The British School at Rome | 9,639 | - |
| The De Morgan Foundation | 500 | 500 |
| The Foundling Museum | 1,000 | - |
| The Lennox Berkeley Society | 1,000 | - |
| The London Library | 1,000 | - |
| The London Magazine | 5,000 | 5,000 |
| The Royal Society of Literature | 1,000 | - |
| The Tunnell Trust for Young Musicians | - | 1,000 |
| Treloar Trust | 1,000 | - |
| Wales Millennium Centre: Festival of Voice | - | 1,000 |
| Welsh National Opera | - | 3,000 |
| West Dean College of Arts | 3,000 | 3,000 |
| Wiltshire Music Centre Trust | - | 1,000 |
| Wiltshire Rural Music | 1,000 | - |
| Wolfson College | 5,000 | 5,000 |
| Woodbridge Choral Society | - | 500 |
| Wordsworth Trust | - | 1,500 |
| | <u>85,602</u> | <u>126,458</u> |
| To Individuals: | | |
| Anthony Astbury Greville Press | 850 | - |
| Audrey Roger | - | 500 |
| B Sharp | - | 1,000 |
| | <u>850</u> | <u>1,500</u> |
| Carried forward | | |

THE DEREK HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 9 MAY 2019

16 Donations approved during the year

(Continued)

| | | |
|---|--------------|--------------|
| Brought forward | 850 | 1,500 |
| Ben Madigan Press | - | 1,600 |
| Evelyn Hewett | 1,000 | - |
| Jodi Jones | 500 | - |
| Judith Hagan | 2,500 | - |
| Luke English (via Royal Academy of Music) | - | 1,000 |
| Nicci James | 2,500 | - |
| Patsy Dan Rogers | 1,000 | - |
| Thelma Holt | 1,000 | - |
| | <u>9,350</u> | <u>4,100</u> |

The Derek Hill Foundation

Schedule of Investments and Income

Year ended 9th May 2019

| | Holding 10/05/2018 | Market Value 10/05/2018 £ | Date | Additions Quantity | Cost £ | Date | Disposals Quantity | Proceeds £ | Profit (Loss) £ | Unrealised profit £ | Holding 09/05/2019 | Market Value 09/05/2019 £ | Net Income £ |
|---|-----------------------|---------------------------------|------------|-----------------------|-----------|------|-----------------------|---------------|-----------------------|---------------------------|-----------------------|---------------------------------|--------------------------|
| Aviva 5.90210% Fm Sub Perp GBP (var) Regs | 48,000.00 | 50,698 | | | | | | | | (934) | 48,000.00 | 49,764 | 2,833 |
| BH Global Ltd NPV Sterling shares | 3,348 | 46,035 | | | | | | | | 2,678 | 3,348 | 48,713 | |
| BHP Billiton Ordinary US\$0.50 | 1,000 | 16,318 | 23/11/2018 | | | | 1,000 | 19,184 | | 2,866 | | | 487 |
| BHP Group Plc Ordinary USD0.50 | | | 23/11/2018 | 1,000 | 19,184 | | | | | (1,848) | 1,000 | 17,336 | 795 423 |
| Blackrock (Luxembourg) S.A. Global Event Driven D2rf GBP Hdg | 400,00000 | 40,796 | | | | | | | | 3,464 | 400,00000 | 44,260 | |
| Blackrock Fund Managers Continental European Income D Units | 20,000,0000 | 31,690 | | | | | | | | (2,010) | 20,000,0000 | 29,680 | 769 132 264 114 |
| Blackrock Throgmorton Trust Plc Ordinary GBP0.05 | 15,000 | 79,500 | | | | | | | | 600 | 15,000 | 80,100 | 375 1,125 |
| Bluecrest Allblue Fund Def Unascertainable Val | 5,719 | 353 | 17/07/2018 | | | | 5,719 | 355 | 2 | | | | |
| BP Ordinary US\$0.25 | 3,200 | 18,304 | | | | | | | | (1,488) | 3,200 | 16,816 | 238 254 257 248 |
| British American Tobacco Ordinary 25p | 600 | 23,454 | | | | | | | | | | | 293 293 293 305 |
| Coupland Cardiff Funds CC Japan Alpha I GBP | 3,000,00000 | 53,868 | 09/11/2018 | | | | 3,000,00000 | 42,134 | (11,734) | (6,141) | 600 | 17,313 | |

The Derek Hill Foundation

Schedule of Investments and Income

Year ended 9th May 2019

| | Holding 10/05/2018 | Market Value 10/05/2018 £ | Date | Additions Quantity | Cost £ | Date | Disposals Quantity | Proceeds £ | Profit (Loss) £ | Unrealised profit £ | Holding 09/05/2019 | Market Value 09/05/2019 £ | Net Income £ |
|--|-----------------------|---------------------------------|------------|-----------------------|-----------|------------|-----------------------|---------------|-----------------------|---------------------------|-----------------------|---------------------------------|--------------------------|
| Coupland Cardiff Funds Japan Alpha T GBP Acc | | | 09/11/2018 | 5,655.28000 | 42,134 | | | | | 8,882 | 5,655.28000 | 51,016 | |
| Diageo Ordinary 28.935185p | 1,200 | 31,914 | | | | | | | | 6,972 | 1,200 | 38,886 | 485 313 |
| Findlay Park Funds Plc American Sterling GBP Uhdg | 1,200.00000 | 97,308 | 30/11/2018 | | 6 | | | | | 16,290 | 1,200.00000 | 113,604 | 6 195 |
| Glaxosmithkline Ordinary 25p | 1,600 | 23,658 | | | | | | | | 633 | 1,600 | 24,291 | 304 304 304 368 |
| HG Capital Trust Ordinary GBP0.25 | 1,500.00 | 29,025 | | | | | | | | 2,850 | 1,500.00 | 31,875 | 240 450 |
| HICL Infrastructure Ordinary GBP0.0001 | | | 16/10/2018 | 16,000 | 24,884 | 01/04/2019 | 16,000 | 24,884 | | | | | 322 322 |
| Hicel Infrastructure Plc Ordinary GBP0.0001 | | | 01/04/2019 | 16,000 | 24,884 | | | | | 1,292 | 16,000 | 26,176 | |
| Highbridge Multi-Strategy Fund Limi Ordinary No Par Value GBP | 14,281 | 32,061 | | | | | | | | (1,500) | 14,281 | 30,561 | |
| HSBC Holdings Ordinary US \$0.50(UK Reg) | 3,000 | 21,585 | | | | | | | | (2,028) | 3,000 | 19,557 | 227 229 233 478 |
| Ishares S&P 500(USD) | 3,000 | 58,826 | | | | | | | | 7,302 | 3,000 | 66,128 | 257 246 265 265 |
| Janus Henderson Investrs European H/yld Bd I Inc Nav | 26,211.55833 | 34,859 | | | | | | | | 343 | 26,211.55833 | 35,202 | 294 300 286 288 |

The Derek Hill Foundation

Schedule of Investments and Income

Year ended 9th May 2019

| | Holding 10/05/2018 | Market Value 10/05/2018 £ | Date | Additions Quantity | Cost £ | Date | Disposals Quantity | Proceeds £ | Profit (Loss) £ | Unrealised profit £ | Holding 09/05/2019 | Market Value 09/05/2019 £ | Net Income £ |
|---|-----------------------|---------------------------------|------|-----------------------|-----------|------------|-----------------------|---------------|-----------------------|---------------------------|-----------------------|---------------------------------|--|
| JPMorgan Gbl Emerg Mkts Inc Tst Ordinary GBP0.01 | 35,000 | 44,625 | | | | | | | | 2,275 | 35,000 | 46,900 | 350 700 350 350 |
| Legg Mason Global Funds WA Prem Cls M (GBP) | 400,000 | 38,612 | | | | | | | | | | | 187 145 151 190 144 197 154 154 196 152 158 145 |
| Link Fund Solutions Ltd Odey Absolute Return 1 GBP Acc | 12,000,000 | 36,131 | | | | | | | | (1,175) | 12,000,000 | 34,956 | |
| Nestle SA CHF1 (Regd) | 700 | 39,730 | | | | 09/10/2018 | 250 | 15,207 | 1,018 | 7,507 | 450 | 33,048 | 541 |
| Pearson Ordinary 25p | 2,500 | 22,855 | | | | | | | | (2,735) | 2,500 | 20,120 | 300 138 |
| Polar Cap Gbl Healthcare Trust Plc Ordinary GBP0.25 | 30,000 | 57,450 | | | | 09/10/2018 | 10,000 | 21,511 | 2,361 | 2,800 | 20,000 | 41,100 | 300 200 |
| Princess Private Equity Hldgs Ordinary EUR0.001 | 3,000 | 26,912 | | | | | | | | (909) | 3,000 | 26,003 | 739 749 |
| Prudential Ordinary 5p | 2,000 | 38,690 | | | | | | | | (6,480) | 2,000 | 32,210 | 650 313 |
| Rathbone Unit Trust Management Strategic Bond Fund Instl Inc | 30,000 | 34,800 | | | | | | | | (570) | 30,000 | 34,230 | 246 294 288 306 |

The Derek Hill Foundation

Schedule of Investments and Income

Year ended 9th May 2019

| | Holding 10/05/2018 | Market Value 10/05/2018 £ | Date | Additions Quantity | Cost £ | Date | Disposals Quantity | Proceeds £ | Profit (Loss) £ | Unrealised profit £ | Holding 09/05/2019 | Market Value 09/05/2019 £ | Net Income £ |
|---|-----------------------|---------------------------------|------------|-----------------------|-----------|------------|-----------------------|---------------|-----------------------|---------------------------|-----------------------|---------------------------------|---------------------------------|
| Reckitt Benckiser Group Ordinary 10p | 400 | 22,904 | | | | | | | | 1,716 | 400 | 24,620 | 391 282 |
| Royal Dutch Shell 'B' Shares EUR0.07 | 1,146 | 31,194 | | | | | | | | (3,438) | 1,146 | 27,756 | 403 418 421 412 |
| Smith & Nephew Ordinary US\$0.20 | 2,400 | 31,176 | | | | | | | | 7,296 | 2,400 | 38,472 | 256 408 |
| SSE Ordinary 50p | 2,000 | 28,080 | | | | | | | | (5,760) | 2,000 | 22,320 | 1,326 586 |
| St Modwen Props Ordinary GBPO.10 | 6,500 | 26,819 | | | | 29/06/2018 | 6,500 | 26,986 | 167 | | | | |
| T Bailey Fund Services Limited Aptus Global Financials B Inc Nav | 20,000.00000 | 71,142 | | | | 10/05/2018 | 20,000.00000 | 58,996 | (12,146) | | | | |
| T Bailey Fund Services Limited Aptus Global Financials A Inc Nav | | | 10/05/2018 | 25,309.92200 | 58,996 | 11/10/2018 | 8,309.92200 | 19,611 | 241 | (1,835) | 17,000.00000 | 37,791 | 2,118 648 |
| Target Healthcare Reit Ltd No Par Value | 21,507 | 23,873 | | | | | | | | | | | 347 104 243 354 354 |
| Treasury 2 1/2% 1/1 Stk 2020 GBP | 15,000.00 | 54,239 | | | | | | | | (786) | 15,000.00 | 53,453 | 628 642 |
| Treasury Stock 1.875% Index linked 22/11/2022 | 30,000.00 | 47,961 | | | | | | | | 378 | 30,000.00 | 48,339 | 381 389 |

The Derek Hill Foundation

Schedule of Investments and Income

Year ended 9th May 2019

| | Holding 10/05/2018 | Market Value 10/05/2018 £ | Date | Additions Quantity | Cost £ | Date | Disposals Quantity | Proceeds £ | Profit (Loss) £ | Unrealised profit £ | Holding 09/05/2019 | Market Value 09/05/2019 £ | Net Income £ |
|--|-----------------------|---------------------------------|------------|-----------------------|----------------|------|-----------------------|----------------|-----------------------|---------------------------|-----------------------|---------------------------------|-----------------|
| Treasury Stock 0.125% Ixd Lkd Gilt 22/03/24 GBP | 40,000.00 | 51,243 | | | | | | | | 1,711 | 40,000.00 | 52,954 | 29 |
| Unilever Ordinary 3 1/9p | 1,000 | 40,935 | | | | | | | | 5,175 | 1,000 | 46,110 | 334 |
| | | | | | | | | | | | | | 344 |
| | | | | | | | | | | | | | 339 |
| | | | | | | | | | | | | | 336 |
| Verizon Comms Inc Common Stock | 750 | 25,617 | | | | | | | | 6,918 | 750 | 32,535 | 290 |
| | | | | | | | | | | | | | 294 |
| | | | | | | | | | | | | | 292 |
| | | | | | | | | | | | | | 292 |
| Vodafone Group Ordinary US\$0.2095238 | 8,181 | 17,074 | | | | | | | | (5,743) | 8,181 | 11,331 | 744 |
| | | | | | | | | | | | | | 346 |
| Whitbread Ordinary 76.797385p | 800 | 33,936 | 26/10/2018 | | | | 800 | 34,780 | 844 | | | | 558 |
| | | | | | | | | | | | | | |
| TOTAL: | | 1,536,250 | | | 170,088 | | | 263,648 | (19,247) | 44,654 | | 1,468,097 | 40,604 |

