
R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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 2019**

Trustees

Mr D J Pentin, Chairman
Mr H M S Barrett, Trustee

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, 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 2019

The Board of Trustees presents its report and the audited financial statements for the ended 31 March 2019. The Trustees confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP FRS 102 effective 1 January 2015).

Objectives and Activities

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.

As there are so many applications received by the charity for donations, to keep expenditure to a minimum, replies are normally only sent to successful applicants.

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 general 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 the Charities Act 2011 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 £130,000 (2018: £128,000) to various charities. After distributing this sum and paying expenses, there was a surplus in the Unrestricted Funds account of £2,006 for the year (2018 – Deficit £11,883).

There were realised and unrealised gains of £104,975 (2018: Loss £65,906).

INVESTMENT POLICY AND PERFORMANCE

The market value of investments, excluding cash, at year end was £3,442,378 (2018: £3,782,874). There has been a lot of uncertainty in the markets and frustrating opposition in Parliament when attempts were made by the Cabinet to implement the wishes of the electorate in the 2016 referendum to leave the European Union. These difficulties have now eased following the General Election in December 2019 which gave the Conservatives a majority and a clear mandate to proceed with Brexit. The bespoke portfolio service is invested on a medium risk basis. 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 and showed a healthy gain at the end of the year including a substantial amount of cash awaiting investment.

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

Financial review

GOING CONCERN

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. 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 at the year end were £4,075,059 (2018: £3,785,324). The split of these being unrestricted £34,490 (2018: £32,484) and permanent endowment of £4,040,569 (2018: £3,752,840). The main reason for the increase is a legacy of £201,549 received during the year. 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 £34,490 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 about £30,000.

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. The life tenant died on 1 December 2017 and £201,549 was transferred to the R G Hills Charitable Trust during the year. This has been included in 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 nearly £3.7 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.

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

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 current Trustees appointed are Mr D J Pentin, a chartered accountant, who was appointed by the settlor on inception and Mr H M S Barrett, a solicitor and consultant with Furley Page.

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 any necessary skills needed and in order to provide necessary 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 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.

PRINCIPAL ACTIVITIES

The charity's principal activities have already been described in the foregoing heading of Public Benefit.

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

Plans for future periods

The charity will continue to distribute income generated from investments to various registered charities, currently in excess of £100,000 each year. In the Trustees' opinion, the level of reserves 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.

INFORMATION ON FUNDRAISING PRACTICES

The charity is a grant making body and is not engaged in fundraising activities.

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 30 January 2020 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

OPINION

We have audited the financial statements of R G Hills Charitable Trust (the 'charity') for the year ended 31 March 2019 set out on pages 9 to 25. 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".

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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

R G HILLS CHARITABLE TRUST

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

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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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.

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the Trustees determine 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 Trustees are 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Auditors' 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.

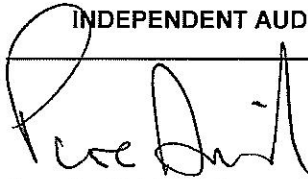
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 opinions we have formed.

R G HILLS CHARITABLE TRUST

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



Pure Audit Limited

Chartered Certified Accountants and Statutory Auditors

20 Canterbury Innovation Centre

University Road

Canterbury

Kent

CT2 7FG

Date: 30/01/2020

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 2019**

	Note	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	-	201,549	201,549	-
Investments	3	153,106	-	153,106	136,026
TOTAL INCOME AND ENDOWMENTS		153,106	201,549	354,655	136,026
EXPENDITURE ON:					
Raising funds:					
Investment management	4	-	18,795	18,795	19,264
Charitable activities	5,6,7	151,100	-	151,100	147,909
TOTAL EXPENDITURE	8	151,100	18,795	169,895	167,173
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)		2,006	182,754	184,760	(31,147)
Net gains/(losses) on investments	12	-	104,975	104,975	(65,906)
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		2,006	287,729	289,735	(97,053)
NET MOVEMENT IN FUNDS		2,006	287,729	289,735	(97,053)
RECONCILIATION OF FUNDS:					
Total funds brought forward		32,484	3,752,840	3,785,324	3,882,377
TOTAL FUNDS CARRIED FORWARD		34,490	4,040,569	4,075,059	3,785,324

The notes on pages 12 to 25 form part of these financial statements.

R G HILLS CHARITABLE TRUST

BALANCE SHEET AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Investments	12		3,442,378		3,782,874
CURRENT ASSETS					
Debtors	13	611		2	
Cash at bank and in hand	18	658,877		25,077	
			<u>659,488</u>	<u>25,079</u>	
CREDITORS: amounts falling due within one year	14	(26,807)		(22,629)	
NET CURRENT ASSETS			<u>632,681</u>		<u>2,450</u>
NET ASSETS			<u>4,075,059</u>		<u>3,785,324</u>
CHARITY FUNDS					
Endowment funds	15		4,040,569		3,752,840
Unrestricted funds	15		34,490		32,484
TOTAL FUNDS			<u>4,075,059</u>		<u>3,785,324</u>

The financial statements were approved by the Trustees on 30 January 2020 and signed on their behalf, by:


Mr D J Pentin, Chairman


Mr H M S Barrett, Trustee

The notes on pages 12 to 25 form part of these financial statements.

R G HILLS CHARITABLE TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	17	188,329	(27,287)
Proceeds from sale of investments		951,410	882,485
Purchase of investments		(505,939)	(911,845)
NET CASH USED IN INVESTMENT ACTIVITIES		445,471	(29,360)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		633,800	(56,647)
Cash and cash equivalents brought forward		25,077	81,724
CASH AND CASH EQUIVALENTS CARRIED FORWARD		658,877	25,077

The notes on pages 12 to 25 form part of these financial statements.

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and 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 Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 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.

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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.

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 2019

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 expenditure is inclusive of irrecoverable VAT.

1.5 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.

1.6 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.

1.7 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.

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 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.

1.10 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.

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

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Legacy	-	201,549	201,549	-

The Trustees received the above legacy during the year which represents the remainder interest in the estate of a benefactor following the death of the life tenant.

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

3. INVESTMENT INCOME

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income - listed investments	152,821	-	152,821	135,996
Investment income - local cash	285	-	285	30
	<u>153,106</u>	<u>-</u>	<u>153,106</u>	<u>136,026</u>
<i>Total 2018</i>	<u>136,026</u>	<u>-</u>	<u>136,026</u>	

4. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment management fees	-	18,795	18,795	19,264
	<u>-</u>	<u>18,795</u>	<u>18,795</u>	<u>19,264</u>
<i>Total 2018</i>	<u>-</u>	<u>19,264</u>	<u>19,264</u>	

5. DIRECT COSTS - CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Total 2018 £
Donations	130,000	-	130,000	128,000
	<u>130,000</u>	<u>-</u>	<u>130,000</u>	<u>128,000</u>
<i>Total 2018</i>	<u>128,000</u>	<u>-</u>	<u>128,000</u>	

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. SUPPORT COSTS - CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Total 2018 £
Trustees' professional fees	9,690	-	9,690	6,141
<i>Total 2018</i>	<i>6,141</i>	<i>-</i>	<i>6,141</i>	

7. GOVERNANCE COSTS

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Auditors' remuneration	3,037	-	3,037	3,587
Accountancy	2,750	-	2,750	2,950
Subscription and other charges	474	-	474	383
Management	5,149	-	5,149	6,848
	11,410	-	11,410	13,768

8. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Resources expended 2019 £	Total 2019 £	Total 2018 £
Expenditure on investment management	18,795	18,795	19,264
Costs of raising funds	18,795	18,795	19,264
Direct and support costs	139,690	139,690	134,141
Expenditure on governance	11,410	11,410	13,768
	169,895	169,895	167,173
<i>Total 2018</i>	<i>167,173</i>	<i>167,173</i>	

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Direct costs - (Donations to registered charities)	130,000	-	130,000	128,000
Trustees professional fees	-	9,690	9,690	6,141
Total 2019	130,000	9,690	139,690	134,141
<i>Total 2018</i>	<i>128,000</i>	<i>6,141</i>	<i>134,141</i>	

10. NET INCOME/(EXPENDITURE)

During the year, no Trustees received any remuneration (2018 - £NIL). However, the Trustees are expressly authorised to charge professional fees in the Trust instrument. See note 19 for fees charged by Trustees.

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2018 - £NIL).

11. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	3,037	3,587

Auditors remuneration includes audit fee of £2,531 (2018: £2,989) and VAT of £506 (2018: £598).

12. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 April 2018	3,782,874
Additions	505,939
Disposals	(951,410)
Revaluations	104,975
At 31 March 2019	3,442,378
Historical cost	2,955,187

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. FIXED ASSET INVESTMENTS (continued)

Investments at market value comprise:

	2019	2018
	£	£
Listed investments	3,442,378	3,782,875

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

Valuation

Investments held at the year end comprised the following:

	31 March 2019	31 March 2018
	£	£
European Equities	221,921	238,690
Hedge Funds and Alternatives	373,701	305,134
International and Thematic	589,921	540,050
International Fixed Interest	118,033	78,550
Japan, Far East and Emerging Markets	327,383	369,396
North American Equities	397,135	420,341
Property	158,161	250,016
Structured Return	311,573	431,493
UK Equities and Unit Trusts	704,759	791,418
UK Fixed Interest	239,791	357,787
	3,442,378	3,782,875

At the year end, Brooks Macdonald, the investment managers were also holding a bank balance of £459,239 (2018: £24,077).

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	234,469	6.8%
BNY Mellon Fund Managers Ltd - Newton Gbl	187,117	5.4%

13. DEBTORS

	2019	2018
	£	£
Other debtors	611	2

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	-	1,303
Accruals and deferred income	26,807	21,326
	<u>26,807</u>	<u>22,629</u>

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2019 £
Unrestricted funds					
General Fund	32,484	153,106	(151,100)	-	34,490
Endowment funds					
Endowment Funds - all funds	3,752,840	201,549	(18,795)	104,975	4,040,569
Total of funds	<u>3,785,324</u>	<u>354,655</u>	<u>(169,895)</u>	<u>104,975</u>	<u>4,075,059</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2018 £
General Fund	44,367	136,026	(147,909)	-	32,484
Endowment Funds - all funds	<u>3,838,010</u>	<u>-</u>	<u>(19,264)</u>	<u>(65,906)</u>	<u>3,752,840</u>

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Fixed asset investments	-	3,442,378	3,442,378
Current assets	216,310	443,178	659,488
Creditors due within one year	(19,871)	(6,936)	(26,807)
	<u>34,490</u>	<u>4,040,569</u>	<u>4,075,059</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Fixed asset investments	38,562	3,744,313	3,782,875
Current assets	10,926	14,151	25,077
Creditors due within one year	(17,004)	(5,624)	(22,629)
	<u>32,484</u>	<u>3,752,840</u>	<u>3,785,323</u>

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

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	289,735	(97,053)
Adjustment for:		
(Gain) / loss on investments	(104,975)	65,906
Increase in debtors	(609)	-
Increase in creditors	4,178	3,860
Net cash provided by/(used in) operating activities	<u>188,329</u>	<u>(27,287)</u>

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	658,877	25,077
Total	<u>658,877</u>	<u>25,077</u>

The cash balance at the end of the the year is much higher than normal owing to realisation of investment of which £379,113 was not invested until early April 2019. It also includes just over £200,000 relating to the legacy which was awaiting investment.

19. 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 consultant 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 £10,461 (2018: £10,221). The total fees payable to Furley Page in the year amounted to £9,464 (2018: £8,545).

No reimbursement of expenses apart from these fees have been made or is due to be made to either of the Trustees in respect of the year under review.

During the year, no trustees received any benefits in kind (2018 - £NIL).

At the year end, the charity owed £10,461 (2018: £10,221) to Mr D J Pentin and £3,936 (2018: £3,552) to Furley Page.

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

20. Donations to registered charities

	2019	2018
	£	£
Achievement for All	2,000	-
Action on Elder Abuse	2,750	-
AdAmi Project	1,100	-
African Initiatives Ltd	-	1,000
Alzheimer's and Dementia Support Services	-	1,875
Amref Health Africa	2,000	-
Andros Almshouse Charity (The)	3,000	-
Animals Asia Foundation	3,000	-
Asthma UK	2,000	-
Battersea Cats and Dogs Home	-	1,875
Bowel Cancer UK	2,500	-
Breast Cancer Care	2,000	-
British Tinnitus Association	-	1,500
Brogdale Collections	-	1,000
Build It International	2,500	-
Canterbury Cathedral Trust	4,000	-
Canterbury Housing Advice Centre	2,500	-
Chase Africa	3,000	-
Childhood Trust (The)	2,250	-
Communigrow	2,000	-
Canterbury Umbrella	-	3,000
Cantercare	-	1,875
Care International UK	-	1,250
Colostomy Association Ltd	-	2,000
Compaid Trust	-	2,000
Concern Worldwide (UK)	-	2,400
Court Based Personal Support	-	1,000
Criminon United Kingdom	-	1,500
David Sheldrick Wildlife Trust (The)	3,000	-
Disability Africa	-	2,000
Dogs Trust	3,000	-
Dogs Trust Worldwide	-	1,875
Douglas Bader Foundation (The)	-	1,000
Drukpa Trust	-	3,000
Ear Foundation (The)	1,000	-
Elephant Family	1,000	-
Elizabeth Finn Care (Turn2us)	1,000	-
Emmaus Medway Limited	2,000	-
Epilepsy Action Association	-	2,400
Excellent Development Limited	2,000	-
FareShare	2,200	-
Fauna and Flora International	-	1,500
Faversham District Scouts Council	-	1,500
Fishing for Heroes	2,000	-
Fitzroy Support	-	4,000
Footsteps International	2,500	-
For Jimmy	1,500	-
Foundation for Women's Health Research and Development	-	2,000
Hill 112 Memorial Foundation (The)	3,000	-
Hope for Justice	3,000	-
Guide Association (The)	-	2,000

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Icon Theatre	2,000	-
Impact Foundation	1,750	-
Indian Rural Health Trust	3,250	-
International Animal Rescue	-	1,875
Kenward Trust (The)	-	1,875
Kids Out UK	2,000	-
L'Arche Kent	-	1,250
Lepra	-	2,000
Look Good Feel Better	2,000	-
Lords Taverners (The)	-	2,000
Marfan Trust (The)	-	3,000
Magic Breakfast	2,000	-
Marine Conservation Society	1,250	-
Medicins sans Frontieres (UK)	-	3,750
Medair	2,000	-
Menigitis Now	1,500	-
Morning Star Trust	-	1,500
Multiple Sclerosis Society	-	1,200
Music at Malling Ltd	-	2,000
National Literacy Trust (The)	-	2,000
National Rheumatoid Arthritis Society (The)	-	2,500
Oxfam	4,000	-
Oesophageal Patients Association	-	2,500
Orangutan Appeal Ltd	-	3,000
Ovacome	-	1,875
Pathways to Independence Ltd	-	1,875
Perthes Association	-	2,500
Pituitary Foundation (The)	-	2,000
Porchlight	2,500	-
Prince of Wales Youth Club	-	1,875
Prostate Cancer	2,000	-
Raleigh International Trust	-	1,875
Refugee Action	1,000	-
Rhythmix	-	2,500
Rising Sun Domestic Violence & Abuse Service	-	2,000
Rochester Cathedral Trust	2,000	-
Royal Society for the Prevention of Cruelty to Animals - Peterborough Branch	-	1,875
Royal Star and Garter Homes (The)	-	1,500
Salt of the Earth	-	1,875
Samphire	-	1,750
Sane	2,000	-
Save the Children	4,000	-
SchoolGambia	-	1,875
Shelter	-	2,000
Smallpeice Trust (The)	1,500	-
SNAAP (Special Needs Advisory and Activities Project)	3,000	-
Snowdown Trust	1,250	-
Spadework Limited	2,000	-
Species Recovery Trust (The)	1,750	-
Step Together Volunteering	-	1,500
Street Child	-	1,875
Stubs Limited	2,000	-
Surfers Against Sewage	2,000	-
Team Rubicon Caribbean Hurricane	-	3,000
Teenage Cancer Trust	-	2,000
Tools for Self Reliance	-	2,000

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Turning Point Trust (The)	2,000	-
University of Kent	5,000	-
Waltham Village Hall Charity	-	5,000
Waterfall Trust (The)	1,750	-
Waterharvest	-	2,000
Welfare Association (The)	-	2,000
West Kent Mediation	1,250	-
Wildwood Trust	1,250	4,000
Wings for Warriors	2,000	-
World Bicycle Relief UK	-	1,250
Worldwide Education Project	-	2,000
Young Enterprise	2,700	-
Young Lives Foundation (The)	1,500	-
Total	130,000	128,000