

Charity number: 1008914

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**R G HILLS CHARITABLE TRUST**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**R G HILLS CHARITABLE TRUST**

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**R G HILLS CHARITABLE TRUST**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Trustees**

Mr D J Pentin, Chairman (resigned 18 November 2020)  
Mr H M S Barrett, Trustee  
Mr K Jones, Chairman (appointed 18 November 2020)

**Charity registered number**

1008914

**Principal office**

39-40 St. Margaret's Street, Canterbury, Kent, CT1 2TX

**Auditors**

Pure Audit Limited, 76 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, 39-40 St. Margaret's Street, Canterbury, Kent, CT1 2TX

**Investment Advisers**

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

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## R G HILLS CHARITABLE TRUST

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The Board of Trustees presents its report and the audited financial statements for the ended 31 March 2021. 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, the provisions of the Statement of Recommended Practice (Second edition) and Financial Reporting Standard FRS102.

#### 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 £50,000 (2020: £130,500) to various charities. After distributing this sum and paying expenses, there was a surplus in the Unrestricted Funds account of £50,416 for the year (2020 – Surplus £4,984).

There were realised and unrealised gains of £775,194 (2020: Loss £570,829).

#### INVESTMENT POLICY AND PERFORMANCE

The market value of investments, including cash, at year end was £4,310,381 (2020: £3,514,194). The last month of the year provided an unprecedented unfolding of events due to the effect of the pandemic and global spread of the virus COVID-19.

The continuation of lockdowns globally, global restrictions on travel for business or pleasure and an unprecedented shortage of semiconductor chips meant that the world markets continued their volatility throughout the year. The financial stimulus packages rolled out by the UK (and other) governments helped to steady the ship during the year, but the emergence of other various variants of COVID-19 meant the later months of the year were also troublesome. Reduced dividends due to lower corporate earnings will impact on the level of future distributions made by the Trustees. Meetings are held with the investment managers at regular intervals to monitor performance and to discuss any amendments to strategy.

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## R G HILLS CHARITABLE TRUST

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2021

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Trustees have distributed over £3.9 million to various charities and the continued distributions from the R G Hills Charitable Trust are a lasting tribute to Mrs. Hills benevolence. The Trust does not actively fundraise and seeks to continue the philanthropic work desired by Mrs. Hills through the careful stewardship of its existing resources.

#### 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 £4,294,459 (2020: £3,490,230). The split of these being unrestricted £89,889 (2020: £39,473) and permanent endowment of £4,204,570 (2020: £3,450,757). The permanent endowment funds are mainly investments which are held 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 £89,889 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 in the region of £30,000 to £40,000.

#### 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 subsequently transferred to the R G Hills Charitable Trust. This has been included in the Permanent Endowment.

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## R G HILLS CHARITABLE TRUST

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2021

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The Trust deed confers wide ranging powers of investment upon the Trustees. Since the death of Mrs. Hills, the Trustees have distributed over £3.9 million to various charities and the continued distributions from the R G Hills Charitable Trust are a lasting tribute to Mrs. Hills benevolence. The Trust does not actively fundraise and seeks to continue the philanthropic work desired by 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 current Trustees appointed are Mr. K Jones, a chartered accountant, 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 to provide necessary academic, professional and commercial knowledge relevant to the 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 a better 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.

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**R G HILLS CHARITABLE TRUST**

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Plans for future periods**

The charity will continue to distribute income generated from investments to various registered charities, For the preceding two years this has been around £130,000 a year but declined to £50,000 this year due to the effects of the pandemic.

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**

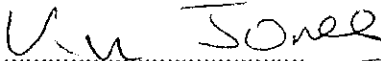
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 27/1/22 and signed on their behalf by:

  
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Mr K Jones, Chairman

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## R G HILLS CHARITABLE TRUST

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

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#### OPINION

We have audited the financial statements of R G Hills Charitable Trust (the 'charity') for the year ended 31 March 2021 set out on pages 10 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 2021 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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## R G HILLS CHARITABLE TRUST

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

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

We have nothing to report in this regard.

#### OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

#### 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.

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## R G HILLS CHARITABLE TRUST

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

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#### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### Extent to which the audit was considered capable of detecting irregularities, including fraud:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

#### Identifying and assessing potential risks related to irregularities:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

The nature of the industry and sector, control environment and business performance including the design of the entity's remuneration policies, results of our enquiries of management about their own identification and assessment of the risks of irregularities and any matters we identified having reviewed the entity's policies and procedures; the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the entity operates in and focused on those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011.

#### Audit response to risks identified:

As a result of performing the above, we identified revenue recognition as key audit matter related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

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**R G HILLS CHARITABLE TRUST**

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

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- obtaining an understanding of provisions and discussing with management to understand the basis of recognition or non-recognition of provisions; and in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

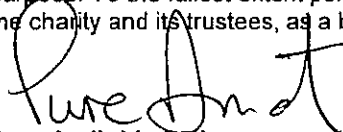
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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



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

Date: 27 JANUARY 2012

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 2021**

	Note	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Investments	2	126,446	-	126,446	159,011
Other income		3,131	-	3,131	-
<b>TOTAL INCOME AND ENDOWMENTS</b>		<b>129,577</b>	<b>-</b>	<b>129,577</b>	<b>159,011</b>
<b>EXPENDITURE ON:</b>					
Raising funds:					
Investment management	3	-	17,421	17,421	18,984
Charitable activities	5,6,7	79,161	3,960	83,121	154,027
<b>TOTAL EXPENDITURE</b>	7	<b>79,161</b>	<b>21,381</b>	<b>100,542</b>	<b>173,011</b>
<b>NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)</b>					
Net gains/(losses) on investments	11	50,416	(21,381)	29,035	(14,000)
		-	775,194	775,194	(570,829)
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>50,416</b>	<b>753,813</b>	<b>804,229</b>	<b>(584,829)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>50,416</b>	<b>753,813</b>	<b>804,229</b>	<b>(584,829)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		39,473	3,450,757	3,490,230	4,075,059
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>89,889</b>	<b>4,204,570</b>	<b>4,294,459</b>	<b>3,490,230</b>

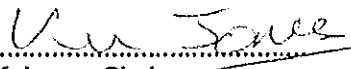
The notes on pages 13 to 25 form part of these financial statements.

**R G HILLS CHARITABLE TRUST**

**BALANCE SHEET  
AS AT 31 MARCH 2021**

	Note	£	2021 £	£	2020 £
<b>FIXED ASSETS</b>					
Investments	11		4,196,229		3,262,909
<b>CURRENT ASSETS</b>					
Debtors	12	-		18	
Cash at bank and in hand	17	114,152		251,285	
		<u>114,152</u>		<u>251,303</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<b>(15,922)</b>		<b>(23,982)</b>	
<b>NET CURRENT ASSETS</b>			<b>98,230</b>		<b>227,321</b>
<b>NET ASSETS</b>			<b>4,294,459</b>		<b>3,490,230</b>
<b>CHARITY FUNDS</b>					
Endowment funds	14		4,204,570		3,450,757
Unrestricted funds	14		89,889		39,473
<b>TOTAL FUNDS</b>			<b>4,294,459</b>		<b>3,490,230</b>

The financial statements were approved by the Trustees on 22/1/22 and signed on their behalf, by:

  
.....  
**Mr K Jones, Chairman**

The notes on pages 13 to 25 form part of these financial statements.

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**R G HILLS CHARITABLE TRUST**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Note	2021 £	2020 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by/(used in) operating activities	16	20,992	(16,232)
Proceeds from sale of investments		745,242	455,013
Purchase of investments		(903,367)	(846,313)
<b>NET CASH USED IN INVESTMENT ACTIVITIES</b>		<b>(158,125)</b>	<b>(391,360)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>(137,133)</b>	<b>(407,592)</b>
Cash and cash equivalents brought forward		251,285	658,877
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>		<b>114,152</b>	<b>251,285</b>

The notes on pages 13 to 25 form part of these financial statements.

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**R G HILLS CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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.

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

**General information**

The entity is a charity registered with Charity Commission in England & Wales under registration number 1008914. The charity's registered office address is: 39-40 St. Margaret's Street, Canterbury, Kent, CT1 2TX.

**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.

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**R G HILLS CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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 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.

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## R G HILLS CHARITABLE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 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.

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**R G HILLS CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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. INVESTMENT INCOME**

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income - listed investments	126,425	-	126,425	158,655
Investment income - local cash	21	-	21	356
	<u>126,446</u>	<u>-</u>	<u>126,446</u>	<u>159,011</u>
<i>Total 2020</i>	<u>159,011</u>	<u>-</u>	<u>159,011</u>	

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**R G HILLS CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**3. INVESTMENT MANAGEMENT COSTS**

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Investment management fees	-	17,421	17,421	18,984
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total 2020</i>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**4. DIRECT COSTS - CHARITABLE ACTIVITIES**

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	<i>Total 2020 £</i>
Donations	50,000	-	50,000	130,500
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total 2020</i>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**5. SUPPORT COSTS - CHARITABLE ACTIVITIES**

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	<i>Total 2020 £</i>
Trustees' professional fees	13,218	-	13,218	12,507
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total 2020</i>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**R G HILLS CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**6. GOVERNANCE COSTS**

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Auditors' remuneration	3,540	-	3,540	3,240
Accountancy	3,000	-	3,000	3,000
Subscription and other charges	110	-	110	107
Management	9,293	-	9,293	4,674
Legal & professional	3,960	-	3,960	-
	<u>19,903</u>	<u>-</u>	<u>19,903</u>	<u>11,021</u>
<i>Total 2020</i>	<u>11,021</u>	<u>-</u>	<u>11,021</u>	

**7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

	Resources expended 2021 £	Total 2021 £	Total 2020 £
Expenditure on investment management	17,421	17,421	18,984
<b>Costs of raising funds</b>	<b>17,421</b>	<b>17,421</b>	<b>18,984</b>
Direct and support costs	63,218	63,218	143,007
Expenditure on governance	19,903	19,903	11,021
	<u>100,542</u>	<u>100,542</u>	<u>173,012</u>
<i>Total 2020</i>	<u>173,012</u>	<u>173,012</u>	

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**R G HILLS CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Direct costs - (Donations to registered charities)	50,000	-	50,000	130,500
Trustees professional fees	-	13,218	13,218	12,507
	<u>50,000</u>	<u>13,218</u>	<u>63,218</u>	<u>143,007</u>
Total 2021				
	<u>50,000</u>	<u>13,218</u>	<u>63,218</u>	<u>143,007</u>
Total 2020	<u>130,500</u>	<u>12,507</u>	<u>143,007</u>	

**9. NET INCOME/(EXPENDITURE)**

During the year, no Trustees received any remuneration (2020 - £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 (2020 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2020 - £NIL).

**10. AUDITORS' REMUNERATION**

	2021 £	2020 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	<u>3,540</u>	<u>3,240</u>

Auditors remuneration includes audit fee of £2,950 (2020: £2,700) and VAT of £590 (2020: £540).

**11. FIXED ASSET INVESTMENTS**

	Listed securities £
<b>Market value</b>	
At 1 April 2020	3,262,909
Additions	903,367
Disposals	(745,242)
Revaluations	775,195
	<u>4,196,229</u>
At 31 March 2021	<u>4,196,229</u>
<b>Historical cost</b>	<u>3,617,864</u>

**R G HILLS CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**11. FIXED ASSET INVESTMENTS (continued)**

**Investments at market value comprise:**

	2021	2020
	£	£
Listed investments	<u>4,196,229</u>	<u>3,262,909</u>

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

**Valuation**

Investments held at the year end comprised the following:

	31 March 2021	31 March 2020
	£	£
European Equities	93,604	149,971
Hedge Funds and Alternatives	424,637	324,181
International and Thematic	772,914	598,926
International Fixed Interest	124,522	108,225
Japan, Far East and Emerging Markets	435,572	246,902
North American Equities	464,623	344,208
Property	111,355	112,625
Structured Return	508,252	352,735
UK Equities and Unit Trusts	984,262	758,324
UK Fixed Interest	276,488	266,812
	<u>4,196,229</u>	<u>3,262,909</u>

At the year end, Brooks Macdonald, the investment managers were also holding a bank balance of £73,166 (2020: £244,714).

**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	276,691	6.6%

**12. DEBTORS**

	2021	2020
	£	£
Other debtors	<u>-</u>	<u>18</u>

**R G HILLS CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**13. CREDITORS: Amounts falling due within one year**

	2021	2020
	£	£
Accruals and deferred income	<u>15,922</u>	<u>23,982</u>

**14. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
General Fund	<u>39,473</u>	<u>129,577</u>	<u>(79,161)</u>	<u>-</u>	<u>89,889</u>
<b>Endowment funds</b>					
Endowment Fund	3,450,756	-	(21,381)	775,194	4,204,569
Other Endowment funds	1	-	-	-	1
	<u>3,450,757</u>	<u>-</u>	<u>(21,381)</u>	<u>775,194</u>	<u>4,204,570</u>
<b>Total of funds</b>	<u>3,490,230</u>	<u>129,577</u>	<u>(100,542)</u>	<u>775,194</u>	<u>4,294,459</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
General Fund	<u>34,490</u>	<u>159,011</u>	<u>(154,028)</u>	<u>-</u>	<u>39,473</u>
Endowment Fund	<u>4,040,570</u>	<u>-</u>	<u>(18,984)</u>	<u>(570,829)</u>	<u>3,450,757</u>

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**R G HILLS CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Fixed asset investments	-	4,196,229	4,196,229
Current assets	100,897	13,255	114,152
Creditors due within one year	(11,008)	(4,914)	(15,922)
	<u>89,889</u>	<u>4,204,570</u>	<u>4,294,459</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds 2020 £</i>	<i>Endowment funds 2020 £</i>	<i>Total funds 2020 £</i>
Fixed asset investments	-	3,262,909	3,262,909
Current assets	59,054	192,250	251,303
Creditors due within one year	(19,581)	(4,402)	(23,982)
	<u>39,473</u>	<u>3,450,757</u>	<u>3,490,231</u>

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

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	804,229	(584,829)
<b>Adjustment for:</b>		
(Gain) / loss on investments	(775,195)	570,829
Decrease in debtors	18	593
Decrease in creditors	(8,060)	(2,825)
<b>Net cash provided by/(used in) operating activities</b>	<u>20,992</u>	<u>(16,232)</u>

**17. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2021 £	2020 £
Cash in hand	114,152	251,285
<b>Total</b>	<u>114,152</u>	<u>251,285</u>

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**R G HILLS CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**18. RELATED PARTY TRANSACTIONS**

The professional trustees, Mr D J Pentin, Chartered Accountant, Mr K Jones, 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. Mr K Jones is a partner at Burgess Hodgson, Chartered Accountants.

The total fees payable to Mr D J Pentin for the period amounted to £5,951 (2020: £16,044). The total fees payable to Furley Page in the year amounted to £11,280 (2020: £11,573). The total fees payable to Burgess Hodgson amounted to £12,733.

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 (2020 - £NIL).

At the year end, the charity owed the followed balances:

Mr D J Pentin: £Nil (2020: £13,274)

Furley Page: £Nil (2020: £3,780)

Burgess Hodgson: £7,933 (2020: £Nil).

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**19. Donations to registered charities**

	2021	2020
	£	£
African Children's Fund Ltd	-	2,000
Age UK Thanet Ltd	-	3,000
APT Action on Poverty	-	1,500
Astor Community Arts Trust Ltd	-	1,500
Back-Up Trust (The)	-	2,250
Bees For Development Trust	1,500	-
Rexley Churches Care Trust	-	2,000
Beyond Autism	-	2,250
Bletchley Park Trust Limited	-	1,000
Brent Lodge Bird & Wildlife Trust	1,000	-
British Stammering Assn (The)	-	2,000
Caldecott Foundation Limited	-	3,000
Cameo Aid	-	2,000
Campaign for National Parks	-	1,500
Canterbury Theatre & Festival Trust	-	3,000
Care International UK	1,500	-
Catching Lives	-	5,000
Child Rescue Nepal	-	1,000
Child In Need India	2,000	-
Childhope (UK)	-	2,000
Childnet	-	1,500
Combat Stress	2,000	-
Cruse Bereavement Care Scotland	1,500	-
Demand Design and Manufacture for Disability	-	3,000
Dementia Support	-	4,000
Dogs for Autism	-	1,000
Duchenne UK	-	2,500
Earth Trust	-	1,500
East African Playgrounds	-	2,000
Edinburgh Young Carers	1,500	-
Educating The Children	1,000	-
Farm Africa Limited	2,000	-
Fauna and Flora International	-	2,000
Fort Amherst Heritage Trust	-	1,000
Free the Bears	1,500	-
Freshwater Habitats Trust	-	1,500
Frozen Ark Project (The)	-	2,000
Funzi and Bodo Trust	-	1,000
Galapagos Conservation Trust	-	1,500
Giving World	2,000	-
Goodwin Sands Conservation Trust	500	-
Great Ormond Street Hospital Children's Charity	-	2,750
Green Shoots Foundation Limited	-	2,000
Grief Encounter	1,500	-
Hearing Dogs for Deaf People	-	1,500
Hope for Tomorrow	-	2,500
Hope International Development Agency	-	1,750
Hospice UK	-	1,750
Humanitas Charity	-	2,000
Inter Care Ltd	1,500	-
International Rescue Committee UK (The)	-	2,000

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**R G HILLS CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

Joss Searchlight	1,000	-
Juvenile Diabetes Research Foundation	-	1,500
Kent Coast Volunteering Ltd	-	2,000
Kent County Scout Council	-	2,000
Kent Multiple Sclerosis Therapy Centre Limited	-	3,000
Kent Surrey & Sussex Air Ambulance	2,000	-
Kent Wildlife Trust	-	3,000
Kisumu Children Trust	-	1,000
Limbless Association	-	1,500
Maidstone Churches Winter Shelter	-	2,000
Makhad Trust	1,500	-
Medway Asthma Self Help Group	-	1,250
Methodist Relief & Development Fund (The)	-	2,000
Michael Yoakley's Charity	-	2,000
Mothers 2 Mothers	2,000	-
Movement for Non-Mobile Children (The) (Whizz-Kidz)	-	2,000
Music for Change	-	3,000
New Life Nyambene	1,000	-
Nowzad	-	2,000
Oasis Domestic Abuse Service	2,000	-
Porchlight	2,000	-
Prevent Breast Cancer Ltd	-	1,500
Read International	1,000	-
Refocus Project Ltd	-	2,000
Right To Play	1,000	-
Royal Society for the Protection of Birds	-	1,250
Safety Net (UK)	1,000	-
Samaritans	1,500	-
Seasfarers UK	-	2,000
Simien Mountains Mobile Medical Service	1,000	-
Solar Aid	1,500	-
Spaniel Aid UK	2,000	-
Speakers For Schools	1,500	-
Strongbones Childrens Trust	1,000	-
Surfers Against Sewage	1,000	-
Support and Love via Education International	-	2,000
Tall Ships Youth Trust	-	2,000
Thanet Community Development Trust Ltd	-	3,000
The Cheer-Up Squad	1,000	-
The Counselling Centre	1,500	-
The Maytree Respite Centre Ltd	1,000	-
The No Way Trust Ltd	1,500	-
Tiny Tim's Children Centre	-	2,000
Trussell Trust (The)	-	2,000
Trussell Trust (The)	-	2,500
West Faversham Community Association	-	2,250
World Child Cancer UK	-	2,000
Worldwide Veterinary Service	-	2,000
<b>Total</b>	<b>50,000</b>	<b>130,500</b>

