
R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

R G HILLS CHARITABLE TRUST

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 5
Independent auditors' report	6 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 26

R G HILLS CHARITABLE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Trustees

Mr K Jones, Chairman
Mr H M S Barrett, Trustee

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

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Board of Trustees presents its report and the audited financial statements for the ended 31 March 2022. 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 £100,000 (2021: £50,000) to various charities. After distributing this sum and paying expenses, there was an increase in the surplus Unrestricted Funds account of £12,072 for the year to £101,962 (2021 – Surplus increase of £50,416).

There were realised and unrealised gains of £236,884 (2021: Gain £775,194).

INVESTMENT POLICY AND PERFORMANCE

The market value of investments, including cash, at year end was £4,556,489 (2021: £4,310,381). 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 later months of 2021 began to see the effects of global lockdown start to lift. Restrictions on travel for business and pleasure were gradually removed, and the world markets were beginning to move to reflect this. However, February 2022 saw the unprecedented invasion of Ukraine by Russian forces, which has subsequently had a ripple effect across global markets. Almost all markets have subsequently been affected as a direct result of this, which has plunged the global economy back into a period of uncertainty, when it was only just beginning to recover from COVID.

To stay abreast of the continuously fluctuating markets and ensure security and returns on investments, updates are regularly received from the investment managers with meetings where appropriate, to monitor performance

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

and to discuss any amendments to strategy.

Trustees have distributed over £4 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 £4,523,928 (2021: £4,294,459). The split of these being unrestricted £101,962 (2021: £89,890) and permanent endowment of £4,421,966 (2021: £4,204,569). 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 £101,962 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.

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

This has been included in the Permanent Endowment.

The Trust deed confers wide ranging powers of investment upon the Trustees. Since the death of Mrs. Hills, the Trustees have distributed over £4 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

R G HILLS CHARITABLE TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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

Plans for future periods

The charity will continue to distribute income generated from investments to various registered charities.

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 30/01/2023 and signed on their behalf by:


.....
Mr K Jones, 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 2022 set out on pages 10 to 26. 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 2022 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.

R G HILLS CHARITABLE TRUST

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

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;

R G HILLS CHARITABLE TRUST

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

- 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. 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: 30 JANUARY 2023

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 2022**

	Note	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME AND ENDOWMENTS FROM:					
Investments	2	138,285	-	138,285	126,446
Other income		-	-	-	3,131
TOTAL INCOME AND ENDOWMENTS		<u>138,285</u>	<u>-</u>	<u>138,285</u>	<u>129,577</u>
EXPENDITURE ON:					
Raising funds:					
Investment management	3	-	19,487	19,487	17,421
Charitable activities	5,6,7	126,213	-	126,213	83,121
TOTAL EXPENDITURE	7	<u>126,213</u>	<u>19,487</u>	<u>145,700</u>	<u>100,542</u>
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS					
Net gains on investments	11	12,072	(19,487)	(7,415)	29,035
		<u>-</u>	<u>236,884</u>	<u>236,884</u>	<u>775,194</u>
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		12,072	217,397	229,469	804,229
NET MOVEMENT IN FUNDS		12,072	217,397	229,469	804,229
RECONCILIATION OF FUNDS:					
Total funds brought forward		89,890	4,204,569	4,294,459	3,490,230
TOTAL FUNDS CARRIED FORWARD		<u>101,962</u>	<u>4,421,966</u>	<u>4,523,928</u>	<u>4,294,459</u>


The notes on pages 13 to 26 form part of these financial statements.

R G HILLS CHARITABLE TRUST

**BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Investments	11		4,402,066		4,196,229
CURRENT ASSETS					
Cash at bank and in hand		152,423		114,152	
CREDITORS: amounts falling due within one year	12	(30,561)		(15,922)	
NET CURRENT ASSETS			<u>121,862</u>		<u>98,230</u>
NET ASSETS			<u><u>4,523,928</u></u>		<u><u>4,294,459</u></u>
CHARITY FUNDS					
Endowment funds	13		4,421,966		4,204,569
Unrestricted funds	13		101,962		89,890
TOTAL FUNDS			<u><u>4,523,928</u></u>		<u><u>4,294,459</u></u>

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


.....
Mr K Jones, Chairman

30/01/2023

The notes on pages 13 to 26 form part of these financial statements.

R G HILLS CHARITABLE TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	15	<u>8,373</u>	<u>20,992</u>
Proceeds from sale of investments		877,986	745,242
Purchase of investments		<u>(848,088)</u>	<u>(903,367)</u>
NET CASH USED IN INVESTMENT ACTIVITIES		<u>29,898</u>	<u>(158,125)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		<u>38,271</u>	<u>(137,133)</u>
Cash and cash equivalents brought forward		<u>114,152</u>	<u>251,285</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD		<u><u>152,423</u></u>	<u><u>114,152</u></u>

The notes on pages 13 to 26 form part of these financial statements.

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 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 2022

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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.

1.9 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 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income - listed investments	138,274	-	138,274	126,425
Investment income - local cash	11	-	11	21
	<u>138,285</u>	<u>-</u>	<u>138,285</u>	<u>126,446</u>
<i>Total 2021</i>	<u>126,446</u>	<u>-</u>	<u>126,446</u>	

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment management fees	-	19,487	19,487	17,421
<i>Total 2021</i>	-	17,421	17,421	

4. DIRECT COSTS - CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
Donations	100,000	-	100,000	50,000
<i>Total 2021</i>	50,000	-	50,000	

5. SUPPORT COSTS - CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
Trustees' professional fees	10,701	-	10,701	13,218
<i>Total 2021</i>	13,218	-	13,218	

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. GOVERNANCE COSTS

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Auditors' remuneration	3,660	-	3,660	3,540
Accountancy	3,600	-	3,600	3,000
Subscription and other charges	137	-	137	110
Management	8,115	-	8,115	9,293
Legal & professional	-	-	-	3,960
	<u>15,512</u>	<u>-</u>	<u>15,512</u>	<u>19,903</u>
<i>Total 2021</i>	<u>19,903</u>	<u>-</u>	<u>19,903</u>	

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Resources expended 2022 £	Total 2022 £	<i>Total 2021 £</i>
Expenditure on investment management	19,487	19,487	17,421
Costs of raising funds	19,487	19,487	17,421
Direct and support costs	110,701	110,701	63,218
Expenditure on governance	15,512	15,512	19,903
	<u>145,700</u>	<u>145,700</u>	<u>100,542</u>
<i>Total 2021</i>	<u>100,542</u>	<u>100,542</u>	

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total 2022 £	<i>Total 2021 £</i>
Direct costs - (Donations to registered charities)	100,000	-	100,000	50,000
Trustees professional fees	-	10,701	10,701	13,218
Total 2022	100,000	10,701	110,701	63,218
<i>Total 2021</i>	<i>50,000</i>	<i>13,218</i>	<i>63,218</i>	

9. NET INCOME/(EXPENDITURE)

During the year, no Trustees received any remuneration (2021 - £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 (2021 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2021 - £NIL).

10. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	3,660	3,540

Auditors remuneration includes audit fee of £3,050 (2021: £2,950) and VAT of £610 (2021: £590).

11. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 April 2021	4,196,229
Additions	848,088
Disposals	(877,986)
Revaluations	235,735
At 31 March 2022	4,402,066
Historical cost	3,805,515

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. FIXED ASSET INVESTMENTS (continued)

Investments at market value comprise:

	2022	2021
	£	£
Listed investments	<u>4,402,066</u>	<u>4,196,229</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 2022	31 March 2021
	£	£
European Equities	96,515	93,604
Hedge Funds and Alternatives	426,863	424,637
International and Thematic	924,402	772,914
International Fixed Interest	115,803	124,522
Japan, Far East and Emerging Markets	500,122	435,572
North American Equities	499,000	464,623
Property	133,666	111,355
Structured Return	385,571	508,252
UK Equities and Unit Trusts	891,193	984,262
UK Fixed Interest	428,931	276,488
	<u>4,402,066</u>	<u>4,196,229</u>

At the year end, Brooks Macdonald, the investment managers were also holding a bank balance of £90,838 (2021: £733,166).

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
Schroder Unit Trusts Global Equity Income	226,405	5%

12. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Accruals and deferred income	<u>30,561</u>	<u>15,922</u>

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds - all funds	89,890	138,285	(126,213)	-	101,962
Endowment funds					
Endowment Fund	4,204,569	-	(19,487)	236,884	4,421,966
Total of funds	<u>4,294,459</u>	<u>138,285</u>	<u>(145,700)</u>	<u>236,884</u>	<u>4,523,928</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
General Fund	39,473	129,577	(79,161)	-	89,889
Endowment Fund	<u>3,450,756</u>	<u>-</u>	<u>(21,381)</u>	<u>775,194</u>	<u>4,204,569</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Fixed asset investments	-	4,402,066	4,402,066
Current assets	127,868	24,555	152,423
Creditors due within one year	(25,906)	(4,655)	(30,561)
	<u>101,962</u>	<u>4,421,966</u>	<u>4,523,928</u>

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2021 £</i>	<i>Endowment funds 2021 £</i>	<i>Total funds 2021 £</i>
Fixed asset investments	-	4,196,229	4,196,229
Current assets	100,897	13,255	114,152
Creditors due within one year	(11,008)	(4,915)	(15,922)
	<u>89,889</u>	<u>4,204,569</u>	<u>4,294,458</u>

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

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	229,469	804,229
Adjustment for:		
(Gain) / loss on investments	(235,735)	(775,195)
Decrease in debtors	-	18
Increase/(decrease) in creditors	14,639	(8,060)
Net cash provided by operating activities	<u>8,373</u>	<u>20,992</u>

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	152,423	114,152
Total	<u>152,423</u>	<u>114,152</u>

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. RELATED PARTY TRANSACTIONS

The professional trustees, 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 Furley Page in the year amounted to £8,115 (2021: £11,280). The total fees payable to Burgess Hodgson amounted to £14,968 (2021: £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 (2021 - £NIL).

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

Furley Page: £1,080 (2021: £Nil)

Burgess Hodgson: £17,600 (2021: £7,933).

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Donations to registered charities

	2022 £	2021 £
Adami Project	1,000	-
Amref Health Africe	1,000	-
Anaphylaxis Campaign	1,000	-
Appropriate Technology Assistance	1,000	-
Ashford & Tenterden Umbrella	1,500	-
B Creativity Trust	1,500	-
Bees For Development Trust	-	1,500
Blesham	1,000	-
Brent Lodge Bird & Wildlife Trust	-	1,000
British Polio Fellowship	1,000	-
Care International UK	-	1,500
Care for Carers	1,000	-
Chernobyl Children in Need	1,500	-
Child In Need India	-	2,000
Child of Hope	1,500	-
Children Ahead Ltd	1,000	-
Church Homeless Trust	1,000	-
The Circular Sailing Trust	1,000	-
City Gate Community Projects	1,000	-
Combat Stress	-	2,000
Cruse Bereavement Care Scotland	-	1,500
Cure International UK	1,500	-
CPIN Away	1,500	-
Dandelion Time	1,000	-
Demelza House Childrens Hospice	1,000	-
Edinburgh Young Carers	-	1,500
Educating The Children	-	1,000
Ellenor	1,000	-
Excellent Development	1,000	-
Farm Africa Limited	-	2,000
Free the Bears	-	1,500
Giving World	-	2,000
Gingerbread the Charity	2,000	-
Goodwin Sands Conservation Trust	-	500
Grief Encounter	-	1,500
Havens Hospice	1,000	-
Hope Health Action	1,500	-
House of Mercy	1,000	-
Hypo Hands UK	1,000	-
Inter Care Ltd	-	1,500
International Needs UK	1,000	-
Jigsaw (South East)	1,000	-
Joss Searchlight	-	1,000
Kent Surrey & Sussex Air Ambulance	-	2,000
Kent Search & Rescue (Lowland)	2,500	-
Little Village	1,000	-
Make Them Smile	1,500	-
Makhad Trust	-	1,500
Marine Conservation Society	1,000	-
Mondo Challenge Foundation	1,000	-
Mothers 2 Mothers	2,000	2,000

R G HILLS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

New Life Nyambene	-	1,000
Nicodemus	2,000	-
Oasis Domestic Abuse Service	-	2,000
Porchlight	-	2,000
Prevent 2 Project	1,500	-
Prince of Wales Youth Club	2,500	-
Prisoners Education Trust	1,500	-
Read International	-	1,000
Rising Sun	1,500	-
Parridge & Pens Gahna	2,000	-
Pear Tree - Special School Fund	1,000	-
Peoples Trust for Endangered Species	1,000	-
Pipal Tree	2,000	-
Pet Food Bank Service	1,500	-
Pragya	1,000	-
Quest for Learning	1,000	-
Re-Cycle	1,000	-
Right To Play	-	1,000
Safety Net (UK)	-	1,000
Samaritans	-	1,500
Scholarship for Street Kids	1,500	-
Seed International Fund Trust	1,000	-
Shrewsbury Christian Centre Association	1,000	-
Simien Mountains Mobile Medical Service	-	1,000
Solar Aid	-	1,500
Spaniel Aid UK	-	2,000
Speakers For Schools	-	1,500
Spinal Muscular Atrophy UK	1,500	-
Standard Life	1,500	-
Strongbones Childrens Trust	-	1,000
Strong Men	1,000	-
Surfers Against Sewage	1,000	1,000
Survive	1,500	-
The Born Free Foundation	2,000	-
The British Forces Foundation	1,000	-
The Cheer-Up Squad	-	1,000
The Childrens Adventure Farm Trust	1,000	-
The Counselling Centre	-	1,500
The David Sheldrick Wildlife Trust	1,500	-
The Frozen Ark Project	1,500	-
The Greenpeace Environmental Trust	1,000	-
The Hill 112 Memorial Foundation	1,000	-
The Jessie May Trust	1,500	-
The Kinetic Science Foundation	1,500	-
The Living Paintings Trust	1,000	-
The Maytree Respite Centre Ltd	-	1,000
The Methodist - Relief & Devp Fund	1,000	-
The No Way Trust Ltd	-	1,500
The Rural Coffee Caravan	1,000	-
The Society of Friends of Mvumi Hospital	2,000	-
The Society of Protection of Animals Abroad	1,000	-
The United Society	1,500	-
Their Future Today	1,500	-
Warchild	1,500	-
Wildwood Trust	2,500	-
Women and Children First UK	1,000	-
World Cancer Research Fund	1,500	-

R G HILLS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Youth on the Move London	1,500	-
Total	<u>100,000</u>	<u>50,000</u>