

THE HILL FOUNDATION

England & Wales · Charity number 1086396

Details

Status Registered

Legal form Charitable company

Company number [04189311](#)

Registered 2001-04-30

Register [View on the Charity Commission register](#)

Contact

Address 4 Hill Street
London
W1J 5NE

Phone 02073181180

Email atulloch@atulloch.com

Website www.hillfoundationscholarships.org

Activities

Objects: THE CHARITY'S OBJECTS (THE OBJECTS) ARE TO ADVANCE EDUCATION AND TO RELIEVE POVERTY AND TO PROMOTE SUCH OTHER PURPOSES AS ARE NOW OR MAY HEREAFTER BE DEEMED BY ENGLISH LAW TO BE CHARITABLE.

Activities: Award of Hill Foundation Scholarships to Russian students to study at Oxford University, Cambridge University, Durham University and Royal Academy of Music.

Classification

- **How:** Makes Grants To Individuals
- **What:** Education/training
- **Who:** People Of A Particular Ethnic Or Racial Origin

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£322,645	£3,403,714	-	-
2024-03-31	£350,018	£2,380,363	-	-
2023-03-31	£314,204	£2,512,729	-	-
2022-03-31	£486,435	£2,613,461	-	-
2021-03-31	£1,102,219	£1,334,500	£23,618,508	0

Trustees

Name	Role	Appointed
Alastair Tulloch		2007-05-10
CATRIONA KELLY		

THE HILL FOUNDATION

England & Wales - Charity number 1086396

Accounts

Charity registration number 1086396 (England and Wales)

Company registration number 04189311

THE HILL FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

THE HILL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A R C Tulloch Mr J Nightingale Prof Catriona Kelly
Secretary	D A Forsdick
Charity number (England and Wales)	1086396
Company number	04189311
Registered office	4 Hill Street London W1J 5NE
Auditor	Gravita Audit Oxford LLP First Floor, Park Central 40-41 Park End Street Oxford OX1 1JD
Investment advisors	Cazenove Capital 1 London Wall Place London EC2Y 5AU

THE HILL FOUNDATION

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THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Objectives and activities

The charity's objects are that of the advancement of education and the relief of poverty, and to promote such other purposes as are now or may hereafter be deemed by English law to be charitable.

The policies adopted in furtherance of the Foundation's charitable objects have to date been the provision of student scholarships at Oxford University and Cambridge University, known as the Hill Foundation Scholarships. The awards have been made to outstanding young citizens and nationals of the Russian Federation who had a first degree from a Russian university and intended to return, when circumstances permit, to their homeland, and to spend their lives in ways beneficial to their home society: whether in business, academic life, public service, the arts or the professions. The charity has also supported cultural activities relating to the furtherance of its objectives, namely, to foster positive relations between the UK and the Russian Federation.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Activities

The following charitable distributions had been made or agreed on behalf of the Foundation during the year: the selection committee awarded 13 Hill Foundation scholarships in the 2024-25 academic year (28 in 2023-24) to students of Russian nationality, of which 8 were on courses at Oxford University and 5 on courses at Cambridge University to read for either post-graduate degrees or doctorates. In addition, the charity provided a grant of £90,000 (2024: £80,000) to Royal Academy of Music.

All activities pursuant to the above policies are considered to be ultimately for the public good in so far as the charity seeks scholarship applicants who wish to spend their lives in ways that are beneficial to society, whether in business, academic life, public service, the arts or the professions.

Achievements and performance

Significant activities and achievements against objectives

The charity's main achievements are reflected in the high academic success of its scholars who contribute to society in general and Anglo-Russian relations in particular. There is a thriving alumni group whose members promote the charity's core values of sharing the Oxbridge spirit and promoting international co-operation and togetherness.

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Financial review

The charity funds its regular commitments to the Hill Foundation Scholarships out of its expendable endowment and income /capital gains arising from the endowment. The trustees envisage that the aggregate annual value of the scholarships awarded by the charity will be between £2.2m and £3.5m and that such spending rate will result in the endowment reducing in value over time.

The trustees regard the current level of asset cover and cash reserves to be sufficient to meet future grant expenditure needs.

The total amount required for the new 2025-6 scholarship awards is projected to be approximately £3.5m with up to 36 new scholarships awarded. (2024-5 : £1,821,554 – 13 awards). In addition there is an ongoing commitment to the Royal Academy of Music for £90,000 (2024-5 £80,000).

The portfolio is invested directly in stocks for its equity allocation and in pooled funds for other asset classes. The current weighting is 83.6% (60%-90%) Equities, 4.7% (0-15%) Fixed Income and Cash, 5.8% (0-15%) Property, 4.5% (0-20%) Alternatives including Investment Trusts). The portfolio is invested within the agreed parameters and the yield is the function of the tactical asset allocation. The overall yield for the year was 1.56% (2023: 1.61%) and the overall return for the year was +1.9% (2023: +21.47%). The portfolio is held in multiple currencies: 21.9% in GBP, 57.6% in USD, 2.9% in Euros and 17.6% for all others

Total realised and unrealised gains achieved were £374,039 (2024: Total realised and unrealised gains : £3,285,047 loss).

Reserves policy

As a result of the spending rate referred to above, the charity expects the proportion of its total expenditure that comes from capital, rather than income, to increase. There should be no impact on the charity's ability to continue as a going concern as explained at note 1.2 in the Statutory Accounts. The fund managers continue to take an active approach within all asset classes. The managers continue to use appropriate asset allocation strategies, benchmarking and performance management tools. Having regard to the charity's investment based income; the reserves to cover fluctuations in donations are not required. Instead the charity's investment policy plans for fluctuations in income and capital growth and the need for funds to meet on-going commitments of the charity during periods of low dividend yield and nil or negative capital growth.

The total reserves of the charity of £16,567,697 are all represented by expendable endowment funds.

Major risks

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The trustees continue to take legal advice as appropriate.

Plans for future periods

The charity's future plans are to continue

- (i) to provide scholarship funding to Oxford and Cambridge Universities and Royal Academy of Music: and
- (ii) to extend the scope of the charity's activities to provide scholarship funding to Durham University.

The trustees intend to use the expendable endowment to the extent that income in the year is insufficient to meet the costs of the grants.

Structure, governance and management

The charity is a company limited by guarantee and is governed by the Memorandum of Association adopted 28th March 2001 and updated on 6th December 2022.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A R C Tulloch

Mr J Nightingale

Prof Catriona Kelly

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Recruitment and appointment of trustees

The recruitment and appointment of trustees is carried out by the board of trustees and only individuals with the necessary expertise are invited to join the board.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Organisational structure

The trustees conduct the overall supervision and monitoring of the financial position of the organisation. The day to day administration is delegated to TGW Law. Student selection committees in each of the three Universities assess applications for scholarships.

Other matters

There are no specific restrictions imposed by the governing document concerning the way the charity can operate. However, the donor of the expendable endowment fund expressed a wish, which is non-binding upon the trustees, that the income from these funds be directed towards the integration of the Russian Federation into the wider world, with the sponsorship of Russian students at schools and universities outside of Russia being specified as the most direct way of assisting such integration.

There are no specific investment powers. The trustees have delegated investment of the expendable endowment fund to professional investment managers.

Statement of trustees' responsibilities

The trustees, who are also the directors of The Hill Foundation for the purpose of company law, 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).

Company law 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, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2025*

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small company exemptions

This report has been prepared in accordance with the Small Companies Regime under Section 419(2) of the Companies Act 2026.

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



Mr A R C Tulloch

Trustee

Date: 6th July 2025

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HILL FOUNDATION

Opinion

We have audited the financial statements of The Hill Foundation (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 *Auditor's 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE HILL FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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 statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors/trustees and other management, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE HILL FOUNDATION

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

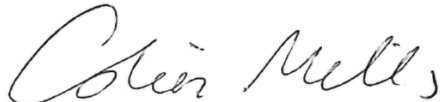
In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Colin Mills (Senior Statutory Auditor)

For and on behalf of Gravita Audit Oxford LLP, Statutory Auditor

Chartered Accountants

First Floor, Park Central

40-41 Park End Street

Oxford

OX1 1JD

Date: 9 July 2025.....

THE HILL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds	Endowment funds	Total	Restated Unrestricted funds	Restated Endowment funds	Restated Total
		2025	2025	2025	2024	2024	2024
	Notes	£	£	£	£	£	£
Income from:							
Investments	3	322,645	-	322,645	350,018	-	350,018
Total income		322,645	-	322,645	350,018	-	350,018
Expenditure on:							
Raising funds	4	-	81,360	81,360	3,234	75,319	78,553
Charitable activities	5	3,322,354	-	3,322,354	2,301,810	-	2,301,810
Total expenditure		3,322,354	81,360	3,403,714	2,305,044	75,319	2,380,363
Net gains/(losses) on investments	11	-	374,039	374,039	-	3,285,047	3,285,047
Net income/(expenditure)		(2,999,709)	292,679	(2,707,030)	(1,955,026)	3,209,728	1,254,702
Transfers between funds		2,999,709	(2,999,709)	-	1,955,026	(1,955,026)	-
Net movement in funds	8	-	(2,707,030)	(2,707,030)	-	1,254,702	1,254,702
Reconciliation of funds:							
Fund balances at 1 April 2024		-	19,274,727	19,274,727	-	18,020,025	18,020,025
Fund balances at 31 March 2025		-	16,567,697	16,567,697	-	19,274,727	19,274,727

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE HILL FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

	All income funds	
	2025	2024
	£	£
Gross income	322,645	350,018
Transfer from endowment funds	2,999,709	1,955,026
Total income in the reporting period	3,322,354	2,305,044
Total expenditure from income funds	3,322,354	2,305,044
Net expenditure for the year	-	-

THE HILL FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2025

		2025		2024 as restated	
	Notes	£	£	£	£
Fixed assets					
Investments	13		20,656,460		21,977,613
Current assets					
Debtors	14	27,538		34,606	
Creditors: amounts falling due within one year	15				
		(4,116,301)		(2,737,492)	
Net current liabilities			(4,088,763)		(2,702,886)
Total assets less current liabilities			16,567,697		19,274,727
The funds of the charity					
Endowment funds	16		16,567,697		19,274,727
			16,567,697		19,274,727

The financial statements were approved by the trustees on 6th July 2025



Mr A R C Tulloch
Trustee

Company registration number 04189311 (England and Wales)

THE HILL FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	19	(2,017,837)		(2,382,605)	
Investing activities					
Purchase of investments		(2,168,855)		(2,794,989)	
Proceeds from disposal of investments		3,864,047		4,827,576	
Investment income received		322,645		350,018	
Net cash generated from investing activities		2,017,837		2,382,605	
Net cash generated from financing activities		-		-	
Net increase in cash and cash equivalents		-		-	
Cash and cash equivalents at beginning of year		-		-	
Cash and cash equivalents at end of year		-		-	

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

The Hill Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 4 Hill Street, London, W1J 5NE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Expendable endowment funds are subject to specific conditions by the donor that they should be treated as capital until the Trustees decide to convert the funds into income.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

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

1.5 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. For liabilities under long-term grant agreements, a liability is recognised for future amounts which would fall due in the notice period needed to terminate the grant agreements.

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.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

Cash balances held by the investment managers are presented within fixed asset investments.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not discounted.

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from listed investments	300,249	338,719
Interest receivable	22,396	11,299
	<u>322,645</u>	<u>350,018</u>

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Expenditure on raising funds

	Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Fundraising and publicity						
Other fundraising costs	-	-	-	3,234	-	3,234
Investment management	-	81,360	81,360	-	75,319	75,319
Total costs	-	81,360	81,360	3,234	75,319	78,553

5 Expenditure on charitable activities

	Scholarships	Scholarships
	2025	2024
	£	£
Direct costs		
Grant funding of activities (see note 6)	3,261,454	2,240,406
Share of support and governance costs (see note 7)		
Support	46,645	37,835
Governance	14,255	23,569
	3,322,354	2,301,810
Analysis by fund		
Unrestricted funds	3,322,354	2,301,810

6 Grants payable

	Scholarships	Scholarships
	2025	2024
	£	£
Grants to institutions:		
University of Oxford	838,695	1,216,631
The Cambridge Commonwealth, European & International Trust	982,759	943,775
Royal Academy of Music	90,000	80,000
University of Durham	1,350,000	-
	3,261,454	2,240,406

-

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Support costs allocated to activities

	2025 £	2024 £
Student selection, secretarial support and dinner costs	14,775	11,878
Other expenses	2,957	356
Secretarial costs	28,913	25,211
Website costs	-	307
Bank interest	-	83
Governance costs	14,255	23,569
	<u>60,900</u>	<u>61,404</u>

Analysed between:

Scholarships	60,900	61,404
	<u>60,900</u>	<u>61,404</u>

	2025 £	2024 £
Governance costs comprise:		
Audit fees	8,400	6,272
Accountancy	2,642	14,063
Legal and professional	3,213	3,234
	<u>14,255</u>	<u>23,569</u>

8 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	8,400	6,272
- for other financial services	3,000	-
	<u>11,400</u>	<u>6,272</u>

9 Trustees and related party transactions

None of the trustees received any remuneration or reimbursement of expenses during the year. TGW Law Solicitors, a firm connected to Alastair Tulloch (Trustee) was paid £32,126 (2024- £31,680) inclusive of VAT and disbursements in respect of the administration under the provisions in the governing document.

As at the year-end the charity owed TGW Law £32,126 (2024: £nil).

John Nightingale (Trustee) sold wine to the charity for £155 in the year (2024 £nil).

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

10 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Total	-	-

11 Gains and losses on investments

	Endowment funds 2025 £	Endowment funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	34,117	3,209,310
Sale of investments	339,922	75,737
	<u>374,039</u>	<u>3,285,047</u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Cost or valuation			
At 1 April 2024	21,678,205	299,408	21,977,613
Additions	2,168,855	(2,168,855)	-
Valuation changes	374,039	-	374,039
Net cash expenditure	-	(1,695,192)	(1,695,192)
Disposals	(4,952,905)	4,952,905	-
	<u>19,268,194</u>	<u>1,388,266</u>	<u>20,656,460</u>
At 31 March 2025			
	<u>19,268,194</u>	<u>1,388,266</u>	<u>20,656,460</u>
Carrying amount			
At 31 March 2025	<u>19,268,194</u>	<u>1,388,266</u>	<u>20,656,460</u>
At 31 March 2024	<u>21,678,205</u>	<u>299,408</u>	<u>21,977,613</u>

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

14 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Prepayments and accrued income	27,538	34,606

15 Creditors: amounts falling due within one year

	2025 £	restated 2024 £
Trade creditors	32,126	-
Grants payable	4,050,000	2,700,000
Accruals and deferred income	34,175	37,492
	4,116,301	2,737,492

16 Endowment funds

Expendable endowment funds represent funds where the capital can be converted into income at the discretion of the trustees. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 April 2024 £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2025 £
Expendable endowments					
Expendable endowment	19,274,727	(81,360)	(2,999,709)	374,039	16,567,697
Previous year:	At 1 April 2023 £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2024 £
Expendable endowments					
Expendable endowment	18,020,025	(75,319)	(1,955,026)	3,285,047	19,274,727

At the end of each year a transfer is made from expendable endowment to unrestricted funds to cover the net expenditure on unrestricted funds.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

17 Analysis of net assets between funds

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total 2025 £
At 31 March 2025:			
Investments	4,068,946	16,587,514	20,656,460
Current assets/(liabilities)	(4,068,946)	(19,817)	(4,088,763)
	<u>-</u>	<u>16,567,697</u>	<u>16,567,697</u>
	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 March 2024:			
Investments	2,683,944	19,293,669	21,977,613
Current assets/(liabilities)	(2,683,944)	(18,942)	(2,702,886)
	<u>-</u>	<u>19,274,727</u>	<u>19,274,727</u>

18 Prior year adjustment

It has been identified that there were two errors in the previous year's financial statements

Expendable endowment fund

The expendable endowment fund of the charity was incorrectly presented as unrestricted in the previous year's financial statements.

Grants payable

It has been identified that there should have been a liability of £2,700,000 at both 31 March 2024 and 2023 for amounts due in the notice period of long-term grant agreements. This had no impact on the 2024 income and expenditure.

Corrections have been made and comparatives have been adjusted accordingly.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19	Cash absorbed by operations	2025 £	2024 £
	(Deficit)/surplus for the year	(2,707,030)	1,254,702
	Adjustments for:		
	Investment income recognised in statement of financial activities	(322,645)	(350,018)
	Gain on disposal of investments	(339,922)	(75,737)
	Fair value gains and losses on investments	(34,117)	(3,209,310)
	Movements in working capital:		
	Decrease/(increase) in debtors	7,068	(3,784)
	Increase in creditors	1,378,809	1,542
	Cash absorbed by operations	<u>(2,017,837)</u>	<u>(2,382,605)</u>
20	Analysis of changes in net (debt)/funds		
	The charity had no material debt during the year.		

THE HILL FOUNDATION

England & Wales - Charity number 1086396

Accounts

Charity registration number 1086396

Company registration number 04189311 (England and Wales)

THE HILL FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

THE HILL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Alastair Tulloch Prof Catriona Kelly Prof John Nightingale
Secretary	Mrs D Forsdick
Charity number	1086396
Company number	04189311
Registered office	4 Hill Street Mayfair London W1J 5NE
Auditor	BKL Audit LLP 35 Ballards Lane London N3 1XW
Bankers	Schroder & Co 1 London Wall Place London EC2Y 5AU
Investment advisors	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA

THE HILL FOUNDATION

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THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

The charity's objects are that of the advancement of education and the relief of poverty, and to promote such other purposes as are now or may hereafter be deemed by English law to be charitable.

The policies adopted in furtherance of the Foundation's charitable objects have to date been the provision of student scholarships at Oxford University and Cambridge University, known as the Hill Foundation Scholarships. The awards have been made to outstanding young citizens and nationals of the Russian Federation who had a first degree from a Russian university and intended to return to their homeland at the end of their studies, for at least one year, and to spend their lives in ways beneficial to their home society: whether in business, academic life, public service, the arts or the professions. The charity has also supported cultural activities relating to the furtherance of its objectives, namely, to foster positive relations between the UK and the Russian Federation.

The trustees continue to keep these policies under careful review in the light of the war in Ukraine and have made adjustments where required, while remaining committed to the long-term objective of fostering positive relations between the UK and the Russian Federation.

Activities

The following charitable distributions had been made or agreed on behalf of the Foundation during the year: the selection committee awarded 28 Hill Foundation scholarships in the 2023-24 academic year (24 in 2022-23) to students of Russian nationality, of which 14 were on courses at Oxford University and 14 on courses at Cambridge University to read for either post-graduate degrees or doctorates.

All activities pursuant to the above policies are considered to be ultimately for the public good in so far as the charity seeks scholarship applicants who wish to spend their lives in ways that are beneficial to society, whether in business, academic life, public service, the arts or the professions.

Grant making policy

The charity's grant making policy includes support for specific one-off events such as cultural exchanges and conferences from time to time, together with sponsoring academic fellowships at other UK universities. In 2024, the charity made a further grant of £80,000 (2023: £80,000) to the Royal Academy of Music.

Achievements and performance

Significant activities and achievements against objectives

The charity's main achievements are reflected in the high academic success of its scholars who contribute to society in general and Anglo-Russian relations in particular. There is a thriving alumni group whose members promote the charity's core values of sharing the Oxbridge spirit and promoting international co-operation and togetherness.

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Financial review

The charity funds its regular commitments to the Hill Foundation Scholarships out of its expendable endowment and income /capital gains arising from the endowment. The trustees envisage that the aggregate annual value of the scholarships awarded by the charity will be between £2.2m and £2.7m and that such a rate of spending will result in the endowment reducing in value over time.

The portfolio is invested directly in stocks for its equities allocation and in pooled funds for other asset classes. The long term strategic asset allocation is 84% (60%-90%) Equities, 3.1% (0-15%) Fixed Income, 5.9% (0-15%) Property, 5.2% (0-20%) Alternatives inc Absolute Return) . The portfolio is invested within the agreed parameters and the yield is the function of the tactical asset allocation. The overall yield for the year was 1.61% (2023: 1.63%) and the overall return for the year was +21.47% (2023: +1.0%).

The portfolio is held in multiple currencies: 27% in GBP, 46.3% in USD, 5.8% in Euros and 20.9% for all others and held by class: 80.2% equities, 4.9% bonds, 12.1 % alternatives and 2.8% cash.

Total realised and unrealised gains achieved were £3,285,047 (2023: Total realised and unrealised gains : -£37,975 loss).

Reserves policy

As a result of the global pandemic and geopolitical and economic events impacting global investment assets, the charity expects the proportion of its total expenditure that comes from capital, rather than income, to increase. There should be no impact on the charity's ability to continue as a going concern as explained at note 1.2 in the Statutory Accounts.

The fund managers continue to take an active approach within all asset classes. The managers continue to use appropriate asset allocation strategies, benchmarking and performance management tools.

Having regard to the charity's investment based income; the reserves to cover fluctuations in donations are not required. Instead the charity's investment policy plans for fluctuations in income and capital growth and the need for funds to meet on-going commitments of the charity during periods of low dividend yield and nil or negative capital growth.

Major risks

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The trustees continue to take legal advice as appropriate.

Plans for future periods

The charity's future plans are to continue to provide scholarship funding to Oxford and Cambridge Universities to cover the costs of Russian students studying at Oxford and Cambridge Universities and to make one-off grants for cultural activities and academic fellowships. The trustees intend to use the expendable endowment if income in the year is insufficient to meet the costs of the grants. The trustees will continue to have careful regard to the potential reputational and other risks to the charity arising from the war in Ukraine.

Structure, governance and management

The charity is a company limited by guarantee and is governed by the Memorandum of Association adopted 28th March 2001 and updated on 6th December 2022.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Alastair Tulloch

Prof Catriona Kelly

Prof John Nightingale

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Recruitment and appointment of trustees

The recruitment and appointment of trustees is carried out by the board of trustees and only individuals with the necessary expertise are invited to join the board.

None of the trustees has any beneficial interest in the company. The majority of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Organisational structure

The trustees conduct the overall supervision and monitoring of the financial position of the organisation. The day to day administration is delegated to TGW Law. A student selection committee assesses applications for awards and grants.

Other matters

There are no specific restrictions imposed by the governing document concerning the way the charity can operate. However, the donor of the expendable endowment fund expressed a wish, which is non-binding upon the trustees, that the income from these funds be directed towards the integration of the Russian Federation into the wider world, with the sponsorship of Russian students at schools and universities outside of Russia being specified as the most direct way of assisting such integration.

There are no specific investment powers. The trustees have delegated investment of the expendable endowment fund to professional investment managers. The investment managers have declared that their investment objectives are based on an active approach for asset allocation and have transitioned to segregated equities to keep costs down. They have adopted strategies to meet the target return over the long term whilst minimising volatility.

Relationship with related parties

The scholarship sponsorship costs are paid to the Oxford and Cambridge Universities and further details are set out in the notes to the Accounts.

Promoting the success of the company

The trustees regard the current level of asset cover and cash reserves to be sufficient to meet future grant expenditure needs and will closely monitor this situation particularly as the student funding commitments to both Oxford and Cambridge University are likely to rise in 2024-25.

The total amount required for the new 2024-25 scholarship awards is projected to be approximately £2.4m with 23 new scholarships awarded. (2023-24 : £2,160,406 - 28 awards). In addition there is an ongoing commitment to the Royal Academy of Music for £80,000 (2023-24: £80,000).

Auditor

Under section 487(2) of the Companies Act 2006, BKL Audit LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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



.....
Mrs D Forsdick

Secretary

29/11/2024

Date:

THE HILL FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors of The Hill Foundation for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HILL FOUNDATION

Opinion

We have audited the financial statements of The Hill Foundation (the 'charitable company') for the year ended 31 March 2024 set out on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure 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 *Auditor's 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HILL FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HILL FOUNDATION

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BKL Audit LLP

**Chartered Accountants
Statutory Auditor**

BKL Audit LLP

.....

35 Ballards Lane
London
N3 1XW

BKL Audit LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

29/11/2024

THE HILL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Investments	2	350,018	314,204
Total income		350,018	314,204
Expenditure on:			
Raising funds	3	78,553	77,229
Charitable activities	4	2,301,810	2,435,500
Total expenditure		2,380,363	2,512,729
Net gains/(losses) on investments	10	3,285,047	(37,975)
Net income/(expenditure) and movement in funds		1,254,702	(2,236,500)
Reconciliation of funds:			
Fund balances at 1 April 2023		20,720,025	22,956,525
Fund balances at 31 March 2024		21,974,727	20,720,025

All income and expenditure derives from continuing activities.

THE HILL FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Investments	12		21,977,613		20,725,153
Current assets					
Debtors	13	34,606		30,822	
Creditors: amounts falling due within one year	14				
		(37,492)		(35,950)	
Net current liabilities			(2,886)		(5,128)
Total assets less current liabilities			21,974,727		20,720,025
The funds of the charity					
Unrestricted funds	15		21,974,727		20,720,025
			21,974,727		20,720,025

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

27/11/2024

The financial statements were approved by the trustees on



Mr Alastair Tulloch
Trustee

Company registration number 04189311 (England and Wales)

THE HILL FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	17	(2,382,605)		(2,502,188)	
Investing activities					
Purchase of investments		(2,794,989)		(3,249,731)	
Proceeds from disposal of investments		4,827,576		5,386,242	
Investment income received		350,018		314,204	
Net cash generated from investing activities			2,382,605		2,450,715
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			-		(51,473)
Cash and cash equivalents at beginning of year			-		51,473
Cash and cash equivalents at end of year			-		-

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

The Hill Foundation is a private company limited by guarantee incorporated in England and Wales. It was incorporated on 28th March 2001 under company number 04189311. The registered office is 4 Hill Street, Mayfair, London, W1J 5NE. The Hill Foundation is also a UK Charity (no 1086396).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the reporting date, the charity held £21,678,205 in investments together with an additional £299,408 in liquid funds within the investment portfolio. All the assets are unrestricted and expendable. In the year under review, whilst the charity had insufficient income from donations and investment income to meet the cost of its charitable activities, this is based on a trustee decision to utilise the expendable endowment over time. It also posted a revaluation gain of £3,285,047, which more than covered the running deficit for the year under review. Although the charity had net current liabilities of £2,886 at 31 March 2024, included within the investment portfolio held within fixed assets is cash held within the portfolio as stated above of £299,408.

The overall value of the investments is more than 9 times the cost of total resources expended in the year, which indicates that there are sufficient reserves to meet the charity's annual commitments.

Consequently the trustees believe that they should continue to prepare the Accounts on a going concern basis.

1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objective of the charity and which have not been designated for other purposes. The charity has no restricted funds.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

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

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of investments management.
- Expenditure on charitable activities includes the costs of student selection, secretarial support and other related activities undertaken to further the purposes of the charity and associated student support costs.
- Governance costs are costs relating to meeting the constitutional and statutory requirements of the charity.
- Other expenditure represents those items not falling into any other heading.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.10 Debtors

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

1.11 Creditors and provisions

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

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

2 Investment income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	292,194	275,042
UK Bonds interest	31,961	32,630
Overseas fund interest	14,564	1,689
Other Interest	11,299	4,843
	<u>350,018</u>	<u>314,204</u>

3 Raising funds

	2024 £	2023 £
Other fundraising costs	3,234	3,222
Investment management costs	75,319	74,007
	<u>78,553</u>	<u>77,229</u>

In addition to the management fees incurred, there were underlying instrument costs of £28,511 (2023: £32,392). In line with MIFID II disclosure requirements, combined with transaction fees, the overall investment management costs were £137,049 or 0.65% of investment assets.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

4 Charitable activities

	2024 £	2023 £
Grant funding of activities (see note 5)	2,240,406	2,369,407
Share of support costs (see note 6)	37,835	44,528
Share of governance costs (see note 6)	23,569	21,565
	<u>2,301,810</u>	<u>2,435,500</u>
Analysis by fund		
Unrestricted funds	<u>2,301,810</u>	
	<u>2,301,810</u>	
For the year ended 31 March 2023		
Unrestricted funds		<u>2,435,500</u>
		<u>2,435,500</u>

5 Grants payable

	2024 £	2023 £
Grants to institutions:		
University of Oxford	1,216,631	1,164,756
The Cambridge Commonwealth, European & International Trust	943,775	1,013,451
Royal Academy of Music	80,000	80,000
Liverpool John Moores University	-	111,200
	<u>2,240,406</u>	<u>2,369,407</u>

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

6 Support costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Student Selection, secretarial support and dinner costs	11,878	-	11,878	18,294	-	18,294
Other expenses	356	-	356	554	-	554
Secretarial support	25,211	-	25,211	25,237	-	25,237
Website expenses	307	-	307	443	-	443
Bank Interest	83	-	83	-	-	-
Audit fees	-	6,272	6,272	-	5,948	5,948
Accountancy	-	14,063	14,063	-	12,395	12,395
Legal and professional	-	3,234	3,234	-	3,222	3,222
	<u>37,835</u>	<u>23,569</u>	<u>61,404</u>	<u>44,528</u>	<u>21,565</u>	<u>66,093</u>
Analysed between Charitable activities	<u>37,835</u>	<u>23,569</u>	<u>61,404</u>	<u>44,528</u>	<u>21,565</u>	<u>66,093</u>

7 Net movement in funds

2024
£

2023
£

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	<u>6,272</u>	<u>5,948</u>
--	--------------	--------------

8 Trustees

None of the trustees received any remuneration or reimbursement of expenses during the year. TGW Law Solicitors, a firm connected to Alastair Tulloch was paid £31,680 (2023- £31,680) inclusive of VAT and disbursements in respect of the administration under the provisions in the governing document.

9 Employees

There were no employees during the year.

10 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	3,209,310	(118,219)
Sale of investments	75,737	80,244
	<u>3,285,047</u>	<u>(37,975)</u>

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

10 Gains and losses on investments

(Continued)

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.

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Cost or valuation			
At 1 April 2023	20,135,570	589,583	20,725,153
Additions	2,794,989	-	2,794,989
Valuation changes	3,209,310	-	3,209,310
Movement in year	-	(290,175)	(290,175)
Disposals	(4,461,664)	-	(4,461,664)
At 31 March 2024	21,678,205	299,408	21,977,613
Carrying amount			
At 31 March 2024	21,678,205	299,408	21,977,613
At 31 March 2023	20,135,570	589,583	20,725,153

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

12 Fixed asset investments

(Continued)

Investment Risk

All investments are listed on recognised stock exchanges. Day-to-day management of the investments was delegated by the trustees during the year to Cazenove Capital, a division of the Schroder Group.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance section of the Trustees' Annual report. The main risk to the charity from financial instrument lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all are traded investments and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity with high traded volumes.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

13 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	34,606	30,822

14 Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals	37,492	35,950

15 Unrestricted funds

	At 1 April 2023 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2024 £
General funds	20,720,025	350,018	(2,380,363)	3,285,047	21,974,727

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

15 Unrestricted funds (Continued)

Previous year:	At 1 April 2022	Incoming resources	Resources expended	Gains and losses	At 31 March 2023
	£	£	£	£	£
General funds	22,956,525	314,204	(2,512,729)	(37,975)	20,720,025

16 Related party transactions

There were no disclosable related party transactions during the year (2023- none) other than those disclosed in note 7.

17 Cash generated from operations	2024 £	2023 £
Surplus/(deficit) for the year	1,254,702	(2,236,500)
Adjustments for:		
Investment income recognised in statement of financial activities	(350,018)	(314,204)
Gain on disposal of investments	(75,737)	(80,244)
Fair value gains and losses on investments	(3,209,310)	118,219
Movements in working capital:		
(Increase)/decrease in debtors	(3,784)	10,203
Increase in creditors	1,542	338
Cash absorbed by operations	(2,382,605)	(2,502,188)

18 Analysis of changes in net (debt)/funds

The charity had no debt during the year.

The Hill Foundation

4 Hill Street, Mayfair, London, W1J 5NE

27/11/2024

Date:

Your ref: **H0989/IS/TJ**

BKL Audit LLP
35 Ballards Lane
London
N3 1XW

Dear Sirs

THE HILL FOUNDATION

This representation letter is provided in connection with your audit of the financial statements of the Charity for the year ending 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial position of the Charity in accordance with the Companies Act 2006, the Charities Act 2011 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

GENERAL

1. We have fulfilled as directors our responsibility under the Companies Act 2006 and the Charities Act 2011 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) which give a true and fair view and for making accurate representations to you. All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Charity have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders meetings, have been made available to you.
2. We confirm that the financial statements are free of material misstatements, including omissions.
3. We believe that the effect of uncorrected misstatements is immaterial both individually and in total.

INTERNAL CONTROL

4. We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud. We confirm that following our risk assessment, in our opinion, the financial statements are not materially misstated as a result of fraud.

The Hill Foundation

4 Hill Street, Mayfair, London, W1J 5NE

5. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

ASSETS AND LIABILITIES

6. We confirm that assets are included on the balance sheet at no more than their recoverable amounts and that liabilities are included at their expected cost to the charity.
7. We confirm that the Charity has satisfactory title to all assets and there are no liens or encumbrances on the Charity's assets, except for those that are disclosed in the notes to the financial statements.
8. We confirm that we have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the financial statements all guarantees that have been given to third parties.
9. We confirm that we have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

INCOME AND EXPENDITURE

10. We confirm that the Charity received no donations or investment income in the year other than that included in the accounts. All expenditure made is in line with the objects of the charity.

ACCOUNTING ESTIMATES

11. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

LEGAL CLAIMS

12. We confirm that all claims in connection with litigation that have been, or are expected to be received have been properly accrued for in the financial statements.

LAWS AND REGULATIONS

13. We confirm that we are not aware of any irregularities, including fraud, involving management or employees of the Charity; nor are we aware of any breaches or possible breaches of statute, regulations, contracts, agreements or the Charity's Memorandum and Articles of Association which might prejudice the Charity's going concern status or that might result in the Charity suffering significant penalties or other loss. We further confirm that no allegations of such irregularities, including fraud, or such breaches have come to our notice.

Registered office: 4 Hill Street, Mayfair, London, W1J 5NE

Registered in England & Wales no. 4189311

Registered charity no. 1086396

The Hill Foundation

4 Hill Street, Mayfair, London, W1J 5NE

LOANS AND ARRANGEMENTS WITH DIRECTORS

14. We confirm that the Charity has not had nor entered into at any time during the year, any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit facilities) for directors nor to guarantee or provide security for such matters other than those disclosed in the financial statements.

TRANSACTIONS WITH OTHER RELATED PARTIES

15. We confirm that we have disclosed to you the identity of the entity's related parties and all related party relationships and transactions relevant to the Charity that we are aware of and that all related party transactions have been fully disclosed in the notes to the accounts.

POST-BALANCE SHEET EVENTS

16. We confirm that there have been no events since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto. Should further material events occur, which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, we will advise you accordingly.

GOING CONCERN

17. We believe that the Charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding and or support will be more than adequate for the Charity's needs. We have considered a period of twelve months from the date of approval of the financial statements.

RESTRICTED INCOME AND EXPENDITURE

18. We confirm that there have been no grants, donations or other monies, of which the receipt was subject to specific terms or conditions. We further confirm that all funds are expendable.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

The Hill Foundation

4 Hill Street, Mayfair, London, W1J 5NE

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that, so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'N. Hill'.

Signed on behalf of the Board of Directors

The Hill Foundation

Registered office: 4 Hill Street, Mayfair, London, W1J 5NE

Registered in England & Wales no. 4189311

Registered charity no. 1086396

The Hill Foundation 2024 Accounts Pack to Sign

Final Audit Report

2024-11-29

Created:	2024-11-27
By:	External Accounts BKL (externalaccounts@bkl.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAA5EMWSnJAXW3pfsDjVq4nQluGgNA43gSQ

"The Hill Foundation 2024 Accounts Pack to Sign" History

 Document created by External Accounts BKL (externalaccounts@bkl.co.uk)
2024-11-27 - 09:55:43 GMT- IP address: 193.17.86.220

 Document emailed to atulloch@tgwlaw.co.uk for signature
2024-11-27 - 09:57:59 GMT

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2024-11-27 - 10:05:25 GMT- IP address: 79.173.135.34

 Signer atulloch@tgwlaw.co.uk entered name at signing as Alastair Tulloch
2024-11-27 - 10:06:27 GMT- IP address: 79.173.135.34

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2024-11-29 - 10:22:35 GMT- IP address: 79.173.135.34

 Signer dforsdick@tgwlaw.co.uk entered name at signing as Denise Forsdick
2024-11-29 - 10:29:41 GMT- IP address: 79.173.135.34

 Document e-signed by Denise Forsdick (dforsdick@tgwlaw.co.uk)
Signature Date: 2024-11-29 - 10:29:43 GMT - Time Source: server- IP address: 79.173.135.34

 Document emailed to ian.saunderson@bkl.co.uk for signature
2024-11-29 - 10:29:46 GMT

 Email viewed by ian.saunderson@bkl.co.uk

2024-11-29 - 10:31:10 GMT- IP address: 104.47.11.62

 Signer ian.saunderson@bkl.co.uk entered name at signing as BKL Audit LLP

2024-11-29 - 10:33:04 GMT- IP address: 86.167.40.86

 Document e-signed by BKL Audit LLP (ian.saunderson@bkl.co.uk)

Signature Date: 2024-11-29 - 10:33:06 GMT - Time Source: server- IP address: 86.167.40.86

 Agreement completed.

2024-11-29 - 10:33:06 GMT

THE HILL FOUNDATION

England & Wales - Charity number 1086396

Accounts

Charity registration number 1086396

Company registration number 04189311 (England and Wales)

THE HILL FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE HILL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Alastair Tulloch Prof Catriona Kelly Prof John Nightingale
Secretary	Mrs D Forsdick
Charity number	1086396
Company number	04189311
Registered office	4 Hill Street Mayfair London W1J 5NE
Auditor	BKL Audit LLP 35 Ballards Lane London N3 1XW
Bankers	Schroder & Co 1 London Wall Place London EC2Y 5AU
Investment advisors	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA

THE HILL FOUNDATION

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THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

The trustees pay due regards to the guidance from the Charity Commission on public benefit in deciding which grants and activities to undertake.

Objectives and activities

The policies adopted in furtherance of the Foundation's charitable objects have to date been the provision of student scholarships at Oxford University and Cambridge University, known as the Hill Foundation Scholarships. The awards have been made to outstanding young citizens and nationals of the Russian Federation who had a first degree from a Russian university and intended to return to their homeland at the end of their studies, for at least one year, and to spend their lives in ways beneficial to their home society: whether in business, academic life, public service, the arts or the professions. The charity has also supported cultural activities relating to the furtherance of its objectives, namely, to foster positive relations between the UK and the Russian Federation.

The trustees continue to keep these policies under careful review in the light of the war in Ukraine and have made adjustments where required, while remaining committed to the long-term objective of fostering positive relations between the UK and the Russian Federation.

The following charitable distributions had been made or agreed on behalf of the Foundation during the year: the selection committee awarded 24 Hill Foundation scholarships in the 2022-23 academic year (26 in 2021-22 at Oxford only) to Russian Federation origin students, of which 10 were on courses at Oxford University and 14 on courses at Cambridge University to read for either post-graduate degrees or doctorates.

The charity's grant making policy includes support for specific one-off events such as cultural exchanges and conferences from time to time, together with sponsoring academic fellowships at other UK universities.

Achievements and performance

The charity's main achievements are reflected in the high academic success of its scholars who contribute to society in general and Anglo-Russian relations in particular. There is a thriving alumni group whose members promote the charity's core values of sharing the Oxbridge spirit and promoting international co-operation and togetherness.

Financial review

The charity funds its regular commitments to the Hill Foundation Scholarships out of its expendable endowment and income /capital gains arising from the endowment. The trustees envisage that the aggregate annual value of the scholarships awarded by the charity could amount to £2.6m per annum and that such a rate of spending will result in the endowment reducing in value over time.

The portfolio is invested directly in stocks for its equities allocation and in pooled funds for other asset classes. The long term strategic asset allocation is 75% (60%-90%) Equities, 7.5% (0-15%) Fixed Income, 7.5% (0-15%) Property, 10% (0-20%) Alternatives inc Absolute Return) . The portfolio is invested within the agreed parameters and the yield is the function of the tactical asset allocation. The overall yield for the year was 1.63% (2022: 1.26%) and the overall return for the year was +1.0% (2022: +8.1%).

The portfolio is held in multiple currencies: 26.7% in GBP, 46.5% in USD, 5.8% in Euros and 20.9% for all others and held by class: 80.4% equities, 4.9% bonds, 12.1 % alternatives and 2.5% cash.

Total realised and unrealised gains achieved were -£37,975 (loss) (2022: Total realised and unrealised gains : £1,465,043).

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

As a result of the ongoing global pandemic and geopolitical and economic events impacting global investment assets, the charity expects the proportion of its total expenditure that comes from capital, rather than income, to increase. There should be no impact on the charity's ability to continue as a going concern as explained at note 1.2 in the Statutory Accounts.

The fund managers continue to take an active approach within all asset classes. Going forward, they recognise that achieving CPI+4.5% will be challenging as they expect market volatility to continue. As the investments are held in multiple currency denominated direct stocks there is no longer a need to apply currency hedging strategies. The managers continue to use appropriate asset allocation strategies, benchmarking and performance management tools.

Having regard to the charity's investment based income; the reserves to cover fluctuations in donations are not required. Instead the charity's investment policy plans for fluctuations in income and capital growth and the need for funds to meet on-going commitments of the charity during periods of low dividend yield and nil or negative capital growth.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The trustees continue to take legal advice as appropriate.

Plans for future periods

The charity's future plans are to continue to provide scholarship funding to Oxford and Cambridge Universities to cover the costs of Russian students studying at Oxford and Cambridge Universities and to make one-off grants for cultural activities and academic fellowships. The trustees intend to use the expendable endowment if income in the year is insufficient to meet the costs of the grants. The trustees will continue to have careful regard to the potential reputational and other risks to the charity arising from the war in Ukraine.

Structure, governance and management

The charity is a company limited by guarantee and is governed by the Memorandum of Association adopted 28th March 2001 and updated on 6th December 2022. The charity's objects are that of the advancement of education and the relief of poverty, and to promote such other purposes as are now or may hereafter be deemed by English law to be charitable.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Alastair Tulloch

Prof Catriona Kelly

Prof John Nightingale

The recruitment and appointment of trustees is carried out by the board of trustees and only individuals with the necessary expertise are invited to join the board.

None of the trustees has any beneficial interest in the company. The majority of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

The trustees conduct the overall supervision and monitoring of the financial position of the organisation. The day to day administration is delegated to TGW Law. A student selection committee assesses applications for awards and grants.

There are no specific restrictions imposed by the governing document concerning the way the charity can operate. However, the donor of the expendable endowment fund expressed a wish, which is non-binding upon the trustees, that the income from these funds be directed towards the integration of the Russian Federation into the wider world, with the sponsorship of Russian students at schools and universities outside of Russia being specified as the most direct way of assisting such integration.

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

There are no specific investment powers. The trustees have delegated investment of the expendable endowment fund to professional investment managers. The investment managers have declared that their investment objectives are based on an active approach for asset allocation and have transitioned to segregated equities to keep costs down. They have adopted strategies to meet the target return over the long term whilst minimising volatility.

The scholarship sponsorship costs are paid to the Oxford and Cambridge Universities and further details are set out in the notes to the Accounts.

Promoting the success of the company

The trustees regard the current level of asset cover and cash reserves to be sufficient to meet future grant expenditure needs and will closely monitor this situation particularly as the student funding commitments to both Oxford and Cambridge University are likely to rise in 2023-24.

The total amount required for the new 2023-24 scholarship awards is projected to be £2.5m with 24 new scholarships awarded. (2022-23 : £2,178,207 - 24 awards). In addition there is an ongoing commitment to the Royal Academy of Music for £80,000 (2022-23: £80,000).

Auditor

Under section 487(2) of the Companies Act 2006, BKL Audit LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

D A Forsdick

.....
Mrs D Forsdick

Secretary

25/10/2023

Date:

THE HILL FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of The Hill Foundation for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HILL FOUNDATION

Opinion

We have audited the financial statements of The Hill Foundation (the 'charitable company') for the year ended 31 March 2023 set out on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure 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 *Auditor's 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HILL FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HILL FOUNDATION

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BKL Audit LLP

**Chartered Accountants
Statutory Auditor**

BKL Audit LLP

.....

26/10/2023

35 Ballards Lane
London
N3 1XW

BKL Audit LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HILL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Income from:</u>			
Investment income	2	314,204	486,435
<u>Expenditure on:</u>			
Raising funds	3	77,229	90,996
Charitable activities	4	2,435,500	2,522,465
Total expenditure		2,512,729	2,613,461
Net gains/(losses) on investments	10	(37,975)	1,465,043
Net movement in funds		(2,236,500)	(661,983)
Fund balances at 1 April 2022		22,956,525	23,618,508
Fund balances at 31 March 2023		20,720,025	22,956,525

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

All income and expenditure derives from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HILL FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2023

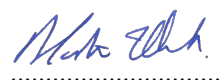
	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	11	20,725,153		22,899,638	
Current assets					
Debtors	12	30,822		41,025	
Cash at bank and in hand		-		51,474	
		30,822		92,499	
Creditors: amounts falling due within one year	13	(35,950)		(35,612)	
Net current (liabilities)/assets			(5,128)		56,887
Total assets less current liabilities		20,720,025		22,956,525	
Income funds					
Unrestricted funds		20,720,025		22,956,525	
		20,720,025		22,956,525	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

The financial statements were approved by the Trustees on 23/10/2023



Mr Alastair Tulloch
Trustee

Company registration number 04189311

THE HILL FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	15		(2,502,188)		(2,592,034)
Investing activities					
Purchase of investments		(3,249,731)		(14,918,341)	
Proceeds from disposal of investments		5,386,242		17,001,880	
Investment income received		314,204		486,435	
Net cash generated from investing activities			2,450,715		2,569,974
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(51,473)		(22,060)
Cash and cash equivalents at beginning of year			51,473		73,534
Cash and cash equivalents at end of year			-		51,474

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

The Hill Foundation meets the definition of a public benefit entity under FRS 102.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the reporting date, the charity held £20,135,571 in investments together with an additional £589,583 in liquid funds within the investment portfolio. All the assets are unrestricted and expendable. In the year under review, the charity had insufficient income from donations and investment income to meet the cost of its charitable activities. It also posted a revaluation loss of £118,219. Although the charity had net current liabilities of £5,128 at 31 December 2022, included within the investment portfolio held within fixed assets is cash at the stockbroker, as noted above, of £589,583.

Notwithstanding the above, the overall value of the investments is still about 8 times the cost of total resources expended in the year, which indicates that there are sufficient reserves to meet the charity's annual commitments.

The Trustees have reviewed the circumstances of the charity and consider that although resources continue to be available to fund the activities of the charity for the foreseeable future, there is a small residual uncertainty concerning the ongoing cover of net resources expended under the circumstances of the global pandemic fallout and geopolitical and economic events. The trustees have considered whether the impact could constrain the charity's ability to continue in its current operational set up, but believe this to be unlikely.

Were global economic headwinds to continue in the longer term, then the trustees would consider whether the number of Hill Foundation scholarships should be re-adjusted downwards to reflect the new reality.

Consequently the trustees believe that they should continue to prepare the Accounts on a going concern basis.

1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objective of the charity and which have not been designated for other purposes. The charity has no restricted funds.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

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

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of investments management.
- Expenditure on charitable activities includes the costs of student selection, secretarial support and other related activities undertaken to further the purposes of the charity and their associated support costs.
- Governance costs are costs relating to meeting the constitutional and statutory requirements of the charity.
- Other expenditure represents those items not falling into any other heading.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.10 Debtors

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

1.11 Creditors and provisions

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

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Investment income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from listed investments	275,042	434,429
UK Bonds interest	32,630	26,336
Overseas fund interest	1,689	25,392
Interest receivable	4,843	278
	<u>314,204</u>	<u>486,435</u>

3 Raising funds

	2023 £	2022 £
Other fundraising costs	3,222	2,880
Investment management costs	74,007	88,116
	<u>77,229</u>	<u>90,996</u>

In addition to the management fees incurred, there were underlying instrument costs of £32,392 (2022: £32,107). In line with MIFID II disclosure requirements, combined with transaction fees, the overall investment management costs were £131,718 or 0.62% of investment assets.

4 Charitable activities

	2023 £	2022 £
Student selection, secretarial support and dinner costs	18,294	7,650
Bank charges	-	5
Other expenses	554	502
General secretarial support	25,237	23,040
Website expenses	443	863
	<u>44,528</u>	<u>32,060</u>
Grant funding of activities (see note 5)	2,369,407	2,470,327
Share of governance costs (see note 6)	21,565	20,078
	<u>2,435,500</u>	<u>2,522,465</u>

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Grants payable

	2023 £	2022 £
Grants to institutions:		
University of Oxford	1,164,756	1,123,117
The Cambridge Commonwealth, European & International Trust	1,013,451	1,142,210
Royal Academy Of Music	80,000	55,000
Documentary film grant	-	150,000
Liverpool John Moores University	111,200	-
	<u>2,369,407</u>	<u>2,470,327</u>

6 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Audit fees	-	5,948	5,948	-	5,000	5,000
Accountancy	-	12,395	12,395	-	12,198	12,198
Legal and professional	-	3,222	3,222	-	2,880	2,880
	<u>-</u>	<u>21,565</u>	<u>21,565</u>	<u>-</u>	<u>20,078</u>	<u>20,078</u>
Analysed between						
Charitable activities	-	21,565	21,565	-	20,078	20,078
	<u>-</u>	<u>21,565</u>	<u>21,565</u>	<u>-</u>	<u>20,078</u>	<u>20,078</u>

For support costs see note 4.

7 Trustees

None of the trustees received any remuneration or reimbursement of expenses during the year. TGW Law Solicitors, a firm connected to Alastair Tulloch was paid £31,680 (2022- £28,800) inclusive of VAT and disbursements in respect of the administration under the provisions in the governing document.

8 Employees

There were no employees during the year.

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Revaluation of investments	(118,219)	922,660
Gain/(loss) on sale of investments	80,244	542,383
	<u>(37,975)</u>	<u>1,465,043</u>

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.

11 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 April 2022	20,836,723	2,062,915	22,899,638
Additions	3,249,731	10,499,445	13,749,176
Valuation changes	(118,218)	-	(118,218)
Disposals	(3,832,666)	(11,972,777)	(15,805,443)
At 31 March 2023	<u>20,135,570</u>	<u>589,583</u>	<u>20,725,153</u>
Carrying amount			
At 31 March 2023	<u>20,135,570</u>	<u>589,583</u>	<u>20,725,153</u>
At 31 March 2022	<u>20,836,723</u>	<u>2,062,915</u>	<u>22,899,638</u>

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Fixed asset investments

(Continued)

INVESTMENT RISK

All investments are listed on recognised stock exchanges. Day-to-day management of the investments was delegated by the trustees during the year to Cazenove Capital, a division of the Schroder Group.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance section of the Trustees' Annual report. The main risk to the charity from financial instrument lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all are traded investments and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity with high traded volumes.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	30,822	41,025

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	35,950	35,612

14 Related party transactions

There were no disclosable related party transactions during the year (2022- none) other than those disclosed in note 7.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15	Cash generated from operations	2023 £	2022 £
	Deficit for the year	(2,236,500)	(661,983)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(314,204)	(486,435)
	Gain on disposal of investments	(80,244)	(542,383)
	Fair value gains and losses on investments	118,219	(922,660)
	Movements in working capital:		
	Decrease in debtors	10,203	14,032
	Increase in creditors	338	7,395
	Cash absorbed by operations	(2,502,188)	(2,592,034)
16	Analysis of changes in net debt		
	The charity had no debt during the year.		

THE HILL FOUNDATION

England & Wales - Charity number 1086396

Accounts

Charity registration number 1086396

Company registration number 04189311 (England and Wales)

THE HILL FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE HILL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Alastair Tulloch Prof Catriona Kelly Prof John Nightingale	(Appointed 17 February 2022)
Secretary	Mrs D Forsdick	
Charlty number	1086396	
Company number	04189311	
Registered office	4 Hill Street Mayfair London W1J 5NE	
Auditor	BKL Audit LLP 35 Ballards Lane London N3 1XW	
Bankers	Schroder & Co 1 London Wall Place London EC2Y 5AU	
Investment advisors	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA	

THE HILL FOUNDATION

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THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

The trustees pay due regards to the guidance from the Charity Commission on public benefit in deciding which grants and activities to undertake.

Objectives and activities

The policies adopted in furtherance of these objects are primarily the provision of student scholarships at Oxford University and from this year Cambridge University, known as the Hill Foundation Scholarships. The awards are open to outstanding young citizens and nationals of the Russian Federation and who have a first degree from a Russian university. Applicants must intend to return to their homeland at the end of their studies, for at least one year, and to spend their lives in ways beneficial to their home society: whether in business, academic life, public service, the arts or the professions. The charity also supports cultural activities relating to the furtherance of its objectives, namely, to foster positive relations between the UK and the Russian Federation.

The following charitable distributions had been made or agreed on behalf of the Foundation during the year: the selection committee awarded 26 Hill Foundation scholarships in the 2021-22 academic year (15 in 2020-21 at Oxford only) to Russian Federation origin students, of which 13 were on courses at Oxford University and 13 on courses at Cambridge University to read for either post-graduate degrees or doctorates.

The charity's grant making policy includes support for specific one-off events such as cultural exchanges and conferences from time to time.

Achievements and performance

The charity's main achievements are reflected in the high academic success of its scholars and the prime objective of their return to Russia to take up prestigious positions and contribute to society in general and Anglo-Russian relations in particular. There is a thriving alumni group whose members promote the charity's core values of sharing the Oxbridge spirit and promoting international co-operation and togetherness.

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Financial review

The charity has continued to fund its regular commitments to the Hill Foundation Scholarships. The investment portfolio is set up to generate both income and investment gains to meet the costs of the charity's usual activities. The funds have been invested to satisfy the investment policy to increase their underlying value and to provide a minimum target long term investment return over 7 years of UK CPI+4.5% with at least 3% of the fund available for annual disbursement.

The portfolio is structured away from pooled funds for equities and into direct stocks, with the aim to keep costs down and to avoid pooled fund fees on the majority of the portfolio. The overall yield for the year was 1.26% (2021: 2.12%) and the overall return was 8.2% (benchmark 12%).

The portfolio is held in multiple currencies: 28.2% in GBP, 48.1% in USD, 4.9% in Euros and 18.7% for all others and held by class: 73.8% equities, 4.4% bonds, 12.9% alternatives and 9% cash.

Total realised and unrealised gains achieved were £1,465,043 (2021: Total realised and unrealised losses : £3,457,690).

As a result of the ongoing global pandemic and other events impacting global investment assets the charity expects to receive less income from its investments throughout the next financial year leading to a possible shortfall of income to meet its obligations towards committed student grants. There should be no impact on the charity's ability to continue as a going concern as explained at note 1.2 in the Statutory Accounts.

The fund managers continue to take an active approach for fixed income and absolute return. Going forward, they recognise that achieving CPI+4.5% will be challenging as they expect market volatility to continue. As the investments are held in multiple currency denominated direct stocks there is no longer a need to apply currency hedging strategies. The managers continue to use appropriate asset allocation strategies, benchmarking and performance management tools.

Having regard to the charity's investment based income; the reserves to cover fluctuations in donations are not required. Instead the charity's investment policy plans for fluctuations in income and capital growth and the need for funds to meet on-going commitments of the charity during periods of low dividend yield and nil or negative capital growth.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The trustees continue to take legal advice as appropriate.

Plans for future periods

The charity's future plans are to continue to provide scholarships for Russian students to study at Oxford and Cambridge Universities, and to make one-grants for cultural activities. The trustees intend to use the expendable endowment if income in the year is insufficient to meet the costs of the grants.

Structure, governance and management

The charity is a company limited by guarantee and is governed by the Memorandum of Association adopted 28th March 2001. The charity's objects are that of the advancement of education and the relief of poverty, and to promote such other purposes as are now or may hereafter be deemed by English law to be charitable.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Anthony Smith CBE (Deceased 28 November 2021)

Mr Alastair Tulloch

Prof Catriona Kelly

Prof John Nightingale (Appointed 17 February 2022)

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees board is sad to announce the untimely death of its long standing student selection Chairman, Dr Anthony Smith, who brought his talent and expertise to good effect for the benefit of the charity and its students. He will be sadly missed by all. The method of recruitment and appointment of trustees is carried out by the board of trustees and only individuals with the necessary expertise are invited to join the board.

None of the trustees has any beneficial interest in the company. The majority of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees conduct the overall supervision and monitoring of the financial position of the organisation. The day to day administration is delegated to Tulloch & Co. A student selection committee assesses applications for awards and grants.

There are no specific restrictions imposed by the governing document concerning the way the charity can operate. However, the donor of the expendable endowment fund has expressed a wish, which is non-binding upon the trustees, that the income from these funds is directed towards the integration of the Russian Federation into the wider world, with the sponsorship of Russian students at schools and universities outside of Russia being specified as the most direct way of assisting such integration.

There are no specific investment powers. The trustees have delegated investment of the expendable endowment fund to professional investment managers. The investment managers have declared that their investment objectives are based on an active approach for asset allocation and have transitioned to segregated equities to keep costs down. They have adopted strategies to meet the target return over the long term whilst minimising volatility.

Mr Anthony Smith was formerly President of Magdalen College, Oxford (1988 - 2005). The scholarship sponsorship costs are paid to the Oxford and Cambridge Universities and further details are set out in the notes to the Accounts.

Promoting the success of the company

The trustees regard the current level of asset cover and cash reserves to be sufficient to meet future grant expenditure needs and will closely monitor this situation particularly as the student funding commitments to both Oxford and Cambridge University are likely to rise in 2022-23.

The total amount required for the 2022-23 scholarship awards is projected to be £2,420,162 for a further 45 combined current and new awards (2021-22 : £2,265,327 - 26 awards). In addition there is an ongoing commitment to the Royal Academy of Music for £55,000 (2021-22: £55,000).

Auditor

In accordance with the company's articles, a resolution proposing that BKL Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

During the year, Berg Kaprow Lewis LLP acted as auditor to the charity until 31 March 2022. On 31 March 2022, Berg Kaprow Lewis LLP transferred its audit business to a new LLP, BKL Audit LLP. The trustees consented to treating the appointment of Berg Kaprow Lewis LLP as extending to BKL Audit LLP with effect from 1 April 2022.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2022***

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

Mrs D Forsdick
Trustee

5 December 2022

THE HILL FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of The Hill Foundation for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HILL FOUNDATION

Opinion

We have audited the financial statements of The Hill Foundation (the 'charitable company') for the year ended 31 March 2022 set out on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure 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 *Auditor's 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HILL FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HILL FOUNDATION

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BKL Audit LLP

12 December 2022

**Chartered Accountants
Statutory Auditor**

35 Ballards Lane
London
N3 1XW

BKL Audit LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HILL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Donations and legacies	2	-	564,000
Investment income	3	486,435	538,219
Total income		486,435	1,102,219
<u>Expenditure on:</u>			
Raising funds	4	90,996	82,576
Charitable activities	5	2,522,465	1,251,924
Total expenditure		2,613,461	1,334,500
Net gains/(losses) on investments	10	1,465,043	3,457,690
Net movement in funds		(661,983)	3,225,409
Fund balances at 1 April 2021		23,618,508	20,393,099
Fund balances at 31 March 2022		22,956,525	23,618,508

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

All income and expenditure derives from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HILL FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	11	22,899,638		23,518,134	
Current assets					
Debtors	12	41,025		55,057	
Cash at bank and in hand		51,474		73,534	
		92,499		128,591	
Creditors: amounts falling due within one year	13	(35,612)		(28,217)	
Net current assets		56,887		100,374	
Total assets less current liabilities		22,956,525		23,618,508	
Income funds					
Unrestricted funds		22,956,525		23,618,508	
		22,956,525		23,618,508	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

The financial statements were approved by the Trustees on 5 December 2022

Mr Alastair Tulloch
Trustee

Company registration number 04189311

THE HILL FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	15	(2,592,034)		(821,242)	
Investing activities					
Purchase of investments		(14,918,341)		(5,513,576)	
Proceeds from disposal of investments		17,001,880		5,792,041	
Investment income received		486,435		538,219	
Net cash generated from investing activities					
		2,569,974		816,684	
Net cash used in financing activities					
		-		-	
Net decrease in cash and cash equivalents		(22,060)		(4,558)	
Cash and cash equivalents at beginning of year		73,534		78,093	
Cash and cash equivalents at end of year		51,474		73,534	

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

The Hill Foundation meets the definition of a public benefit entity under FRS 102.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the reporting date the charity held £20,836,724 in investments with £2,062,915 in bank balances. All the assets are unrestricted and expendable. The charity usually has more than sufficient income from donations and investment income to meet the cost of its charitable activities irrespective of the performance of its investments. Given that the value of the investments is over 17 times the cost of total resources expended in any one year this indicates that there are sufficient reserves to meet the charity's annual commitments.

The Trustees have reviewed the circumstances of the charity and consider that although resources continue to be available to fund the activities of the charity for the foreseeable future, there is uncertainty over the value of the investments and the possibility that dividend and other income may be reduced whilst the global Covid-19 pandemic continues. The trustees consider that the impact could constrain the charity's ability to continue in its current operational set up but believe this to be unlikely.

Were the pandemic to continue for the long term, then the trustees would consider whether the number of scholarships should be adjusted to reflect such a situation.

Consequently the trustees believe that they should continue to prepare the accounts on a going concern basis.

1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objective of the charity and which have not been designated for other purposes. The charity has no restricted funds.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

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

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of investments management.
- Expenditure on charitable activities includes the costs of student selection, secretarial support and other related activities undertaken to further the purposes of the charity and their associated support costs.
- Governance costs are costs relating to meeting the constitutional and statutory requirements of the charity.
- Other expenditure represents those items not falling into any other heading.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.10 Debtors

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

1.11 Creditors and provisions

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

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Donations and legacies

	Total	Total
	2022	2021
	£	£
Grant received during the year	-	564,000
	<u> </u>	<u> </u>
Grants receivable for core activities		
Khodorkovsky Foundation	-	564,000
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	-	564,000
	<u> </u>	<u> </u>

3 Investment income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from listed investments	434,429	464,031
UK Bonds interest	26,336	73,048
Overseas fund interest	25,392	1,048
Interest receivable	278	92
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	486,435	538,219
	<u> </u>	<u> </u>

4 Raising funds

	2022	2021
	£	£
Other fundraising costs	2,880	2,880
	<u> </u>	<u> </u>
Investment management costs	88,116	79,696
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	90,996	82,576
	<u> </u>	<u> </u>

In addition to the management fees incurred, there were underlying instrument costs of £32,107 (2021: £33,263). In line with MIFID II disclosure requirements, combined with transaction fees, the overall investment management costs were £139,789 or 0.58% of investment assets.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Charitable activities

	2022 £	2021 £
Student selection, secretarial support and dinner costs	7,650	8,256
Bank charges	5	60
Other expenses	502	117
Secretarial support	23,040	23,040
Website expenses	863	132
	<u>32,060</u>	<u>31,605</u>
Grant funding of activities (see note 6)	2,470,327	1,203,019
Share of governance costs (see note 7)	20,078	17,300
	<u>2,522,465</u>	<u>1,251,924</u>

6 Grants payable

	2022 £	2021 £
Grants to institutions:		
University of Oxford	1,123,117	1,203,019
The Cambridge Commonwealth, European & International Trust	1,142,210	-
Royal Academy Of Music	55,000	-
Documentary film grant	150,000	-
	<u>2,470,327</u>	<u>1,203,019</u>

7 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Audit fees	-	5,000	5,000	-	4,500	4,500
Accountancy	-	12,198	12,198	-	9,920	9,920
Legal and professional	-	2,880	2,880	-	2,880	2,880
	<u>-</u>	<u>20,078</u>	<u>20,078</u>	<u>-</u>	<u>17,300</u>	<u>17,300</u>
Analysed between						
Charitable activities	-	20,078	20,078	-	17,300	17,300

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Trustees

None of the trustees received any remuneration or reimbursement of expenses during the year, but Dr Anthony Smith CBE (deceased 28th November 2021) was paid a total of £nil for his services as the chair of the student selection committee under the provisions in the governing document and Charity Commission consent (2021- £6,757) and Tulloch & Co, Solicitors, a firm connected to Alastair Tulloch was paid £28,800 (2021- £29,049) inclusive of VAT and disbursements in respect of the administration under the provisions in the governing document.

9 Employees

There were no employees during the year.

10 Net gains/(losses) on investments

	Total	Total
	2022	2021
	£	£
Revaluation of investments	922,660	2,837,776
Gain/(loss) on sale of investments	542,383	619,914
	<u>1,465,043</u>	<u>3,457,690</u>

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.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Fixed asset investments

	Listed Investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 April 2021	22,431,677	1,086,457	23,518,134
Additions	14,918,341	22,308,202	37,226,543
Valuation changes	922,660	-	922,660
Disposals	(17,435,955)	(21,331,744)	(38,767,699)
At 31 March 2022	20,836,723	2,062,915	22,899,638
Carrying amount			
At 31 March 2022	20,836,723	2,062,915	22,899,638
At 31 March 2021	22,431,677	1,086,457	23,518,134

INVESTMENT RISK

All investments are listed on recognised stock exchanges. Day-to-day management of the investments was delegated by the trustees during the year to Cazenove Capital, a division of the Schroder Group.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance section of the Trustees' Annual report. The main risk to the charity from financial instrument lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all are traded investments and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity with high traded volumes.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	41,025	55,057
	<u>41,025</u>	<u>55,057</u>

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	-	1,500
Accruals	35,612	26,717
	<u>35,612</u>	<u>28,217</u>

14 Related party transactions

There were no disclosable related party transactions during the year (2021- none) other than those disclosed in note 8.

15 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(661,983)	3,225,409
Adjustments for:		
Investment income recognised in statement of financial activities	(486,435)	(538,219)
Gain on disposal of investments	(542,383)	(619,914)
Fair value gains and losses on investments	(922,660)	(2,837,776)
Movements in working capital:		
Decrease/(increase) in debtors	14,032	(23,689)
Increase/(decrease) in creditors	7,395	(27,053)
Cash absorbed by operations	<u>(2,592,034)</u>	<u>(821,242)</u>

16 Analysis of changes in net funds

The charity had no debt during the year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

THE HILL FOUNDATION

England & Wales - Charity number 1086396

Accounts

Charity Registration No. 1086396

Company Registration No. 04189311 (England and Wales)

THE HILL FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE HILL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Anthony Smith CBE Mr Alastair Tulloch Prof Catriona Kelly
Secretary	Mrs D Forsdick
Charity number	1086396
Company number	04189311
Registered office	4 Hill Street Mayfair London W1J 5NE
Auditor	Berg Kaprow Lewis LLP 35 Ballards Lane London N3 1XW
Bankers	Santander UK plc Bootle Merseyside L30 4GB
Investment advisors	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA

THE HILL FOUNDATION

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THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

The trustees pay due regards to the guidance from the Charity Commission on public benefit in deciding which grants and activities to undertake.

Objectives and activities

The policies adopted in furtherance of these objects are primarily the provision of student scholarships at Oxford University, known as the Hill Foundation Scholarships. The awards are open to outstanding young citizens and nationals of the Russian Federation and who have a first degree from a Russian university. Applicants must intend to return to their homeland at the end of their studies, for at least one year, and to spend their lives in ways beneficial to their home society: whether in business, academic life, public service, the arts or the professions.

The following charitable distributions had been made or agreed on behalf of the Foundation during the year: the selection committee headed by Mr Anthony Smith CBE awarded 15 Hill Foundation scholarships in the 2020-21 academic year (12 in 2019-20) to Russian Federation students who had been offered a place at Oxford University to read for either post-graduate degrees or doctorates.

The charity's grant making policy includes support for specific one-off events such as cultural exchanges and conferences from time to time.

Achievements and performance

The charity's main achievements are reflected in the high academic success of its scholars and the prime objective of their return to Russia to take up prestigious positions and contribute to society in general and Anglo-Russian relations in particular. There is a thriving alumni group whose members promote the charity's core values of sharing the Oxford spirit and promoting international co-operation and togetherness.

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial review

The charity has continued to fund its regular commitments to the Hill Foundation Scholarships. The investment portfolio is set up to generate both income and investment gains to meet the costs of the charity's usual activities. The funds have been invested to satisfy the investment policy to increase their underlying value and to provide a minimum target long term investment return over 7 years of UK CPI+4.5% with at least 3% of the fund available for annual disbursement.

The portfolio is structured away from pooled funds for equities and into direct stocks, with the aim to keep costs down and to avoid pooled fund fees on the majority of the portfolio. The overall yield for the year was 2.12% (2020: 3.35%) and the overall return was 19.1% (benchmark 5.1%).

The portfolio is held in multiple currencies: 36.4% in GBP, 37.9% in USD, 7.4% in Euros and 18.3% for all others and held by class: 72.5% equities, 10.6% bonds, 4.3% multi-asset funds, 8% alternatives and 4.6% cash.

Total realised and unrealised gains achieved were £3,457,690 (2020 Total realised and unrealised losses : £2,209,884).

As a result of the global Covid-19 pandemic the charity expects to receive less income from its investments throughout the next financial year leading to a possible shortfall of income to meet its obligations towards committed student grants. There should be no impact on the charity's ability to continue as a going concern as explained at note 1.2 in the Statutory Accounts.

The fund managers continue to take an active approach for fixed income and absolute return. Going forward, they recognise that achieving CPI+4.5% will be challenging as they expect market volatility to continue. As the investments are held in multiple currency denominated direct stocks there is no longer a need to apply currency hedging strategies. The managers continue to use appropriate asset allocation strategies, benchmarking and performance management tools.

Having regard to the charity's investment based income; the reserves to cover fluctuations in donations are not required. Instead the charity's investment policy plans for fluctuations in income and capital growth and the need for funds to meet on-going commitments of the charity during periods of low dividend yield and nil or negative capital growth.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The trustees continue to take legal advice as appropriate.

The charity's future plans are to continue to provide scholarships for Russian students to study at Oxford University.

Structure, governance and management

The charity is a company limited by guarantee and is governed by the Memorandum of Association adopted 28th March 2001. The charity's objects are that of the advancement of education and the relief of poverty, and to promote such other purposes as are now or may hereafter be deemed by English law to be charitable.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Anthony Smith CBE

Mr Alastair Tulloch

Prof Catriona Kelly

THE HILL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

The method of recruitment and appointment of trustees is carried out by the board of trustees and only individuals with the necessary expertise are invited to join the board.

None of the trustees has any beneficial interest in the company. The majority of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees conduct the overall supervision and monitoring of the financial position of the organisation. The day to day administration is delegated to Tulloch & Co. A student selection committee assesses applications for awards and grants.

There are no specific restrictions imposed by the governing document concerning the way the charity can operate. However, the donor of the expendable endowment fund has expressed a wish, which is non-binding upon the trustees, that the income from these funds is directed towards the integration of the Russian Federation into the wider world, with the sponsorship of Russian students at schools and universities outside of Russia being specified as the most direct way of assisting such integration.

There are no specific investment powers. The trustees have delegated investment of the expendable endowment fund to professional investment managers. The investment managers have declared that their investment objectives are based on an active approach for asset allocation and have transitioned to segregated equities to keep costs down. They have adopted strategies to meet the target return over the long term whilst minimising volatility.

Mr Anthony Smith was formerly President of Magdalen College, Oxford (1988 - 2005) The scholarship sponsorship costs are paid to Oxford University and further details are set out in the notes to the Accounts.

Asset cover for funds

The trustees regard the current level of asset cover and cash reserves to be sufficient to meet future resource expenditure needs and will closely monitor this situation particularly as the student funding commitments to Oxford University are likely to rise in 2021-22. They expect a contribution of approximately 50% of those costs from the Khodorkovsky Foundation.

The total amount required for the 2021-22 scholarship awards is projected to be £1,010,279 spent in 2021-22 for a further 14 awards (2020-21 : £1,203,019 - 13 awards of which £564,000 was covered by the Khodorkovsky Foundation).

Auditor

A resolution proposing that Berg Kaprow Lewis LLP be reappointed as auditors of the company will be put to the members.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



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Mrs D Forsdick

Trustee

Dated: 20th October 2021

THE HILL FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of The Hill Foundation for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HILL FOUNDATION

Opinion

We have audited the financial statements of The Hill Foundation (the 'charitable company') for the year ended 31 March 2021 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure 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 Auditor's 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HILL FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

THE HILL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HILL FOUNDATION

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Berg Kaprow Lewis LLP

25/10/2021

Berg Kaprow Lewis LLP

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**Chartered Accountants
Statutory Auditor**

35 Ballards Lane
London
N3 1XW

Berg Kaprow Lewis LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006. 

THE HILL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Donations and legacies	2	564,000	564,000
Investment income	3	538,219	688,466
Total income		<u>1,102,219</u>	<u>1,252,466</u>
<u>Expenditure on:</u>			
Raising funds	4	<u>82,576</u>	<u>77,724</u>
Charitable activities	5	<u>1,251,924</u>	<u>819,040</u>
Total resources expended		<u>1,334,500</u>	<u>896,764</u>
Net gains/(losses) on investments	10	<u>3,457,690</u>	<u>(2,209,884)</u>
Net movement in funds		<u>3,225,409</u>	<u>(1,854,182)</u>
Fund balances at 1 April 2020		<u>20,393,099</u>	<u>22,247,281</u>
Fund balances at 31 March 2021		<u><u>23,618,508</u></u>	<u><u>20,393,099</u></u>

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

All income and expenditure derives from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HILL FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	11		23,518,134		20,338,908
Current assets					
Debtors	12	55,057		31,368	
Cash at bank and in hand		73,534		78,093	
		128,591		109,461	
Creditors: amounts falling due within one year	13	(28,217)		(55,270)	
Net current assets			100,374		54,191
Total assets less current liabilities			23,618,508		20,393,099
Income funds					
Unrestricted funds			23,618,508		20,393,099
			23,618,508		20,393,099

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

The financial statements were approved by the Trustees on 20th October 2021



Mr Alastair Tulloch
Trustee

Company Registration No. 04189311

THE HILL FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash absorbed by operating activities	15		(821,242)		(333,334)
Investing activities					
Purchase of investments		(5,513,576)		(3,603,038)	
Proceeds on disposal of investments		5,792,041		3,321,115	
Dividends interest & other income received		538,219		688,466	
Net cash generated from investing activities			816,684		406,543
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(4,558)		73,209
Cash and cash equivalents at beginning of year			78,093		4,884
Cash and cash equivalents at end of year			73,534		78,093

THE HILL FOUNDATION

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

1 Accounting policies

Charity information

The Hill Foundation meets the definition of a public benefit entity under FRS 102.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the reporting date the charity held £23,518,134 in investments with £73,534 in bank balances. All the assets are unrestricted and expendable. The charity usually has more than sufficient income from donations and investment income to meet the cost of its charitable activities irrespective of the performance of its investments. Given that the value of the investments is over 17 times the cost of total resources expended in any one year this indicates that there are sufficient reserves to meet the charity's annual commitments.

The Trustees have reviewed the circumstances of the charity and consider that although resources continue to be available to fund the activities of the charity for the foreseeable future, there is uncertainty over the value of the investments and the possibility that dividend and other income may be reduced whilst the global Covid-19 pandemic continues. The trustees consider that the impact could constrain the charity's ability to continue in its current operational set up but believe this to be unlikely.

Were the pandemic to continue for the long term, then the trustees would consider whether the number of scholarships should be adjusted to reflect such a situation.

Consequently the trustees believe that they should continue to prepare the accounts on a going concern basis.

1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objective of the charity and which have not been designated for other purposes. The charity has no restricted funds.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

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

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of investments management.
- Expenditure on charitable activities includes the costs of student selection, secretarial support and other related activities undertaken to further the purposes of the charity and their associated support costs.
- Governance costs are costs relating to meeting the constitutional and statutory requirements of the charity.
- Other expenditure represents those items not falling into any other heading.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.10 Debtors

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

1.11 Creditors and provisions

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

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

2 Donations and legacies

	Total	Total
	2021	2020
	£	£
Grant received during the year	564,000	564,000
Grants receivable for core activities		
Khodorkovsky Foundation	564,000	564,000
	<u>564,000</u>	<u>564,000</u>

3 Investment income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Income from listed investments	464,031	582,298
UK Bonds interest	73,048	88,296
Overseas fund interest	1,048	16,436
Interest receivable	92	1,436
	<u>538,219</u>	<u>688,466</u>

4 Raising funds

	2021	2020
	£	£
Other fundraising costs	2,880	-
Investment management costs	79,696	77,724
	<u>82,576</u>	<u>77,724</u>

In addition to the management fees incurred, there were underlying instrument costs of £33,263 (2020: £44,998). In line with MIFID II disclosure requirements, combined with transaction fees, the overall investment management costs were £84,413 or 0.37% of investment assets.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Charitable activities

	2021 £	2020 £
Student selection, secretarial support and dinner costs	8,256	14,099
Bank charges	60	65
Other expenses	117	366
Secretarial support	23,040	28,800
Website expenses	132	388
	<u>31,605</u>	<u>43,718</u>
Grant funding of activities (see note 6)	1,203,019	765,866
Share of governance costs (see note 7)	17,300	9,456
	<u>1,251,924</u>	<u>819,040</u>

6 Grants payable

	2021 £	2020 £
Grants to institutions:		
University of Oxford	<u>1,203,019</u>	<u>765,866</u>

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	4,500	4,500	-	3,300	3,300
Accountancy	-	9,920	9,920	-	6,156	6,156
Legal and professional	-	2,880	2,880	-	-	-
	<u>-</u>	<u>17,300</u>	<u>17,300</u>	<u>-</u>	<u>9,456</u>	<u>9,456</u>
Analysed between Charitable activities	-	17,300	17,300	-	9,456	9,456

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Trustees

None of the trustees received any remuneration or reimbursement of expenses during the year, but Mr Anthony Smith CBE was paid a total of £6,757 for his services as the chair of the student selection committee under the provisions in the governing document and Charity Commission consent (2020-£6,757) and Tulloch & Co, Solicitors, a firm connected to Alastair Tulloch was paid £29,049 (2020-£29,898) inclusive of VAT and disbursements in respect of the administration under the provisions in the governing document.

During the year the charity received a grant of £564,000 (2020 : £564,000) from the Khodorkovsky Foundation. The Khodorkovsky Foundation is a related party as the majority of its Trustees are also Trustees of The Hill Foundation.

9 Employees

There were no employees during the year.

10 Net gains/(losses) on investments

	Total	Total
	2021	2020
	£	£
Revaluation of investments	2,837,776	(2,027,102)
Gain/(loss) on sale of investments	619,914	(182,782)
	<u>3,457,690</u>	<u>(2,209,884)</u>

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.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 April 2020	19,136,580	1,202,328	20,338,908
Additions	5,513,576	9,263,224	14,776,800
Valuation changes	2,837,777	-	2,837,777
Disposals	(5,056,256)	(9,379,095)	(14,435,351)
At 31 March 2021	22,431,677	1,086,457	23,518,134
Carrying amount			
At 31 March 2021	22,431,677	1,086,457	23,518,134
At 31 March 2020	19,136,580	1,202,328	20,338,908

INVESTMENT RISK

All investments are listed on recognised stock exchanges. Day-to-day management of the investments was delegated by the trustees during the year to Cazenove Capital, a division of the Schroder Group.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance section of the Trustees' Annual report. The main risk to the charity from financial instrument lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all are traded investments and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity with high traded volumes.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

THE HILL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	55,057	31,368

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	1,500	30,798
Accruals	26,717	24,472
	28,217	55,270

14 Related party transactions

There were no disclosable related party transactions during the year (2020- none) other than those disclosed in note 8.

15 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	3,225,409	(1,854,182)
Adjustments for:		
Investment income recognised in statement of financial activities	(538,219)	(688,466)
(Gain)/loss on disposal of investments	(619,914)	182,782
Fair value gains and losses on investments	(2,837,776)	2,027,102
Movements in working capital:		
(Increase) in debtors	(23,689)	(26,372)
(Decrease)/increase in creditors	(27,053)	25,802
Cash absorbed by operations	(821,242)	(333,334)

16 Analysis of changes in net funds

The charity had no debt during the year.