

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**  
**UNAUDITED**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Fletcher & Partners**  
**Chartered Accountants**  
**Salisbury**

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
<b>Reference and administrative details of the Trust, its Trustees and advisers</b>	<b>1</b>
<b>Trustees' report</b>	<b>2 - 7</b>
<b>Independent examiner's report</b>	<b>8</b>
<b>Statement of financial activities</b>	<b>9</b>
<b>Balance sheet</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 21</b>

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Trustees**

Sir Nicholas Young, Chairman  
Ms Anne Bewicke-Copley  
Hon. Letitia Blake, Secretary  
Mr Omar Buccchioni  
Ms Nermina Delic (appointed 23 January 2020)  
Ms Christine English  
Mr Nicholas Gent  
Mr Ian Laing  
Ms Julia C G MacKenzie (appointed 23 January 2020)  
Mr Justin de Meo  
Mr Christopher Prentice  
Mr Miles Skinner  
Mr Christopher Woodhead, Treasurer (appointed 23 January 2020)

**Company registered number**

05604293

**Charity registered number**

1113897

**Registered office**

Crown Chambers, Bridge Street, Salisbury, Wiltshire, SP1 2LZ

**Correspondence address**

Hon. Letitia Blake, [info@msmtrust.org.uk](mailto:info@msmtrust.org.uk)

**Company secretary**

Hon. Letitia Blake

**Senior management team**

Mr John Simkins, Administrator

**Accountants**

Fletcher & Partners, Crown Chambers, Bridge Street, Salisbury, Wiltshire, SP1 2LZ

**Bankers**

Bank of Ireland, PO Box 2124, Belfast, BT1 9RS

**Portfolio Manager**

Rathbone Investment Management, 8 Finsbury Circus, London, EC2M 7AZ

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees present their annual report together with the financial statements of the Trust for the 1 January 2020 to 31 December 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Trust qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

**Objectives and activities**

**a. Policies and objectives**

The Trust was founded in 1989 as a small, but lasting, tribute to the Italian people, especially those living in the countryside. Their courage and generosity helped thousands of Allied prisoners of war escape from their prison camps after the Armistice was signed with the Allies in 1943. Despite their poverty, risks of being shot and of their houses being burnt down by German soldiers, these Italians provided food, shelter and clothing to the escapee soldiers.

In recognition of, and gratitude for, all the sacrifices made by these Italian families, the Trust was established by the late Keith Killby and a number of other Second World War veterans to grant bursaries in Britain to young Italians, often direct descendants of, or connected with, those Italians who gave such help. They mainly come from the Emilia-Romagna, Tuscany, Abruzzi and Marche areas as these were the main areas where the prison camps were located. Each bursary typically covers four weeks study at language school and board and accommodation. The cost to the Charity is approximately £2,350 per student. In recognition of his services to Anglo-Italian relations through the Monte San Martino Trust, Keith Killby was awarded an OBE in 2001 and has also subsequently been honoured by the Italian President by being made a Cavaliere Ufficiale.

In June 2013, the Trustees decided to broaden the purposes of the Charity to include the education of the public about the experience of Allied prisoners of war in Italy and the bravery of those who helped them. The Trustees are empowered to commemorate all this in whatever way they think fit. This widening of the objects of the Charity was "codified" by a special resolution, passed on 24th June 2013.

This broadening of the purposes of the Charity reinforces the ultimate aim of the Trust, which is to ensure we never forget the experiences of the Allied prisoners of war and the sacrifices and risks taken by so many Italians for the Allied soldiers, which have never been adequately recognised at an official level; the object is also to keep alive a memory of true courage and humanity, by which our and future generations can be inspired.

If you wish to make a donation, or require any further information, please send an email for the attention of Miss Letitia Blake at [info@msmstrust.org.uk](mailto:info@msmstrust.org.uk) or visit the Trust's website at [msmtrust.org.uk](http://msmtrust.org.uk).

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

**b. Main activities undertaken to further the Trust's purposes for the public benefit**

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. As students are provided with bursaries by the charity they can benefit irrespective of their own financial resources.

**MONTE SAN MARTINO TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Achievements and performance**

**a. Review of activities**

From March to December 2020 activities requiring social contact were severely affected by the coronavirus pandemic but work continued in other areas. Indeed, the use of Zoom opened up new opportunities and also enabled trustees and officers to hold meetings.

Tenna Valley Freedom Trail: The pandemic caused the annual trail in the Tenna Valley, le Marche, which is co-hosted with the WW2 Escape Lines Memorial Society, to be cancelled. Work in conjunction with ELMS installing a Memorial Rock at the National Memorial Arboretum, honouring the Italians who sheltered prisoners of war, was held up by the pandemic.

Research: In keeping with the Trust's long-term strategy to focus on research into the Allied presence in Italy during the Second World War, negotiations over a joint project continued with the Istituto Nazionale Ferruccio Parri, based in Milan, which co-ordinates a network of over 50 historical institutes in Italy. A five-year collaboration agreement between the institute and MSMT had been signed in 2019. It was proposed that the institute create a new online portal entitled "Italy and The Allies 1939-1947", the first section of which was to focus on prisoners of war and would be co-funded at a budget of 50,000 euros. The contract was expected to be signed in early 2021.

The new portal was intended to complement the Trust's own digital archive, [www.archives.msmtrust.org.uk](http://www.archives.msmtrust.org.uk), which stores memoirs of former PoWs and is accessible to the public. By December 2020 nearly 150 memoirs had been uploaded by the archive team and the site was attracting wide attention.

Discussions with the National Archives Research Center in Washington, DC, about digitalisation of documents there, were delayed by the pandemic.

Publications: After two years' work by volunteers, in September the Trust published Bugle Call to Freedom, a translation into English of L'Orizzonte del Campo by Marco Minardi, the story of the mass escape from Fontanellato PoW camp. Priced at £10, copies were sold through bookshops and Amazon. A Zoom webinar publicising the book was held in October, attracting nearly 100 attendees. The success of this Zoom webinar encouraged the Trust to plan further such presentations.

Early in 2020, Nick Young, the Trust chairman, was interviewed by Letitia Blake, Trust Secretary, at the National Army Museum about his book, Escaping with his Life, which had been published in 2019 and is about his own father, Leslie Young.

Annual newsletter: The annual 12-page newsletter was produced in June.

IT and technology: The profile of the Trust's main website, [www.msmtrust.org.uk](http://www.msmtrust.org.uk), and the Facebook page continued to grow. The Trust continued to employ George Mitchell as IT consultant and the IT firm, Bongo, to safeguard its database, websites and emailing.

Annual lunch: This was booked for November 2020 but, for the first time since the lunches were inaugurated, it could not be held due to the COVID19 pandemic.

Students: The programme of four-week English language study bursaries for young Italians was prevented from going ahead. 30 of the 32 students offered bursaries accepted the offer to take up their bursaries in 2021 should the pandemic permit. New applications were also received and, by the year-end, it was anticipated that 43 students might be welcomed in 2021, potentially the largest number to date.

Fund raising: in addition to other donations, Trust supporter Graham Jones raised £4,072 in July through a 72-hole golf marathon at Sudbury Golf Club. He had nominated MSMT as Captain's Charity for the year 2020.

**MONTE SAN MARTINO TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Achievements and performance (continued)**

**b. Investment policy and performance**

The investment portfolio managed by Rathbones was valued at £2,873,939 as at 31st December 2020, which was the Trust's financial year end. The comparable figure for the previous year was £2,348,794. During the twelve months to December 2020, £375,000 was added to the portfolio for investment and £52,512 (£52,053 in 2019) was withdrawn to meet planned expenditure.

The increase in the value of the portfolio during the year was due largely to the receipt of the final tranche of the legacy received from the Estate of the late Keith Kilby, Monte San Martino's founder.

Rathbones reported that the total return on the Monte San Martino Trust's investments for the year to 31st December 2020 was 2.11% (2019 10%). Over the same period, the most relevant comparator indices, the MSCI PMFA Balanced index and ARC Charity Steady Growth Index were up 1.95% and 3.5% respectively. The primary investment objective continues to be capital growth, subject to a medium degree of risk, which is considered to be an appropriate approach to support the ongoing costs of the annual bursaries to the Italian students and of running the Trust. The portfolio strategy, as agreed with the Trustees, has recently been updated to fulfil the objectives of the charity within its tolerance for risk. A change in investment manager at Rathbones provided the opportunity for this updated strategy to be implemented, leading to a higher level of turnover than normal over the period (which impacted performance). The addition of the Keith Kilby legacy also contributed to the relatively high turnover in the portfolio.

Of the assets within the portfolio at 31st December 2020, 76.6% (2019 75.5%) was invested in Equities with 13.34% (2019 15.6%) in Alternatives, which are lower to medium risk, and 7.33% (2019 7.1%) in fixed interest and 2.77% (2019 1.8%) in cash. The Investment portfolio remains well diversified to counter the volatility and fluctuations in the markets.

The fund produced income of £53,045 in 2020, an income yield of approximately 2.0% based on a value of £2,873,939 on December 31st 2020. In the previous year, the fund produced an income of £46,690, which also represents a yield of 2.0%.

In addition to the investments and cash at Rathbones, the Trust had a bank cash balance of £59,327 (2019 £119,006).

The net assets of the Trust stand at £2,929,083 with Investments at Rathbones of £2,873,939 cash at bank of £58,677 and cash due from Rathbones of £651, debtors and accrued income of £480, less liabilities due of £4,663.

**Financial review**

**a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**MONTE SAN MARTINO TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**b. Reserves policy**

Because they anticipate that fundraising will become increasingly difficult as the events of 1943 to 1945 become more distant, the Trustees' policy is to hold enough investments in the (expendable) Endowment Fund to generate a return sufficient to cover the Charity's running costs; and to retain a sufficient sum in the General Reserve to enable the charity to continue to operate, which is considered to be three months' expenditure. At the end of the previous year the General Reserve was below this level and the deficiency was made good during 2020 by transfers from the Endowment Fund. The market value of the Endowment Fund as at 31 December 2020 was £2,873,939 (2019 £2,348,794).

**c. Financial Review**

The Trust's total income for the year was £129,652 (2019 £870,059) including investment income of £53,045 and the balance of a legacy totalling £57,466, including a holding of £10,533 added to the Trust's endowed portfolio. Expenditure was £38,744 (2019 £124,630) of which the costs relating to bursaries to Italian students were £11,809 (2019 £75,182). The investment portfolio had unrealised gains and losses totaling a gain of £212,477 (2019 gains of £93,515) and realised losses of £55,697 (2019 gains of £58,785).

**Structure, governance and management**

**a. Constitution**

Monte San Martino Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Trust is constituted under a Memorandum of Association dated 26 October 2005, amended 12 October 2020, and is a registered charity number (1113897) in England and Wales. Prior to incorporation of the Charity, it was constituted by a Deed of Trust dated 18th September 1989, as amended on 15th April 1993 and bore the same name, Monte San Martino Trust. The then Trustees were advised to incorporate the Charity in order to mitigate the increasing risks faced by Trustees. The charity registered as a charitable company in England and Wales with the registered number 05604293.

**b. Methods of appointment or election of Trustees**

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The company (hereinafter referred to as the Trust or Charity) is operated by its Trustees who meet periodically. New Trustees are recruited from among people who have an interest in furthering the aims of the Charity with a view to ensuring that all the necessary competencies are represented within the trustee body.

**c. Organisational structure and decision-making policies**

The Trustees discuss and make any necessary decisions during the period for the achievement of the charity's objectives, and the promotion of its work both in the UK and Italy.

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Structure, governance and management (continued)**

**d. Financial risk management**

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

a. The performance of investments. Risks are mitigated by retaining expert investment managers and maintaining a diversified investment portfolio. The Trustees and Rathbones continue to maintain a careful approach to investments with the aim to achieve long-term capital growth.

b. Safeguarding the students. The Trustees have in place a formal safeguarding policy. The students have to be at least 18 years of age when they come to the UK and any further risks are mitigated by having a selection of Meeters well-known to the officers of the Trust, who will report any misgivings to the Trustees and to whom the students can turn to if they have any misgivings. The two schools the students attend are both respectable and have pastoral care policies in place. The Trust maintains a public liability insurance policy which covers any possible claims by students as a result of their participation in the bursary programme.

**Plans for future periods**

The Trustees expect to continue to offer between 30 and 40 bursaries every year to Italian students.

The long term objective remains to increase the investment income to a level so that the recurrent investment income is more aligned to the running expenses of the Trust. Despite the receipt of the recent generous legacy, there remains a significant shortfall between the levels of investment income and of the recurring commitments of the Trust, so significant donations are required to avoid large calls being made on capital. It remains a concern of the Trustees that, as memories of the Second World War fade, it will be increasingly difficult to rely on regular donations to finance the future outgoings of the Charity.

The Monte San Martino Trust remains dependent on the goodwill and generosity of its supporters and the Trustees would like to take the opportunity of thanking them all.

It is worth reminding supporters that it is very easy to alter a Will to include the Charity as a beneficiary. Such a move is not only advantageous from the point of view of inheritance tax but can easily and economically be arranged by means of a codicil. If you need any further information, please contact Mr Christopher Woodhead, the Treasurer, at [info@msmtrust.org.uk](mailto:info@msmtrust.org.uk).

**Funds held as custodian**

The Charity did not hold any assets as a custodian.

**MONTE SAN MARTINO TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the Trust for the purposes 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

**Sir Nicholas Young**  
(Chair of Trustees)  
Date: 31 August 2021

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Independent Examiner's Report to the Trustees of Monte San Martino Trust ('the Trust')**

I report to the charity Trustees on my examination of the accounts of the Trust for the year ended 31 December 2020.

**Responsibilities and Basis of Report**

As the Trustees of the Trust (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Trust are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Trust's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent Examiner's Statement**

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

1. accounting records were not kept in respect of the Trust as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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

This report is made solely to the Trust's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Trust's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Trust and the Trust's Trustees as a body, for my work or for this report.

Signed:

Dr J Fletcher

**Fletcher & Partners**

Chartered Accountants

Crown Chambers

Bridge Street

Salisbury

Wiltshire

SP1 2LZ

Dated: 2 September 2021

FCA

**MONTE SAN MARTINO TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
<b>Income and endowments from:</b>					
Donations and legacies	3	65,692	10,533	76,225	823,046
Other trading activities	4	382	-	382	323
Investments	5	53,045	-	53,045	46,690
		<u>119,119</u>	<u>10,533</u>	<u>129,652</u>	<u>870,059</u>
<b>Total income and endowments</b>					
<b>Expenditure on:</b>					
Raising funds:	6				
Investment management fees		-	17,168	17,168	13,888
Charitable activities	7	21,576	-	21,576	110,742
		<u>21,576</u>	<u>17,168</u>	<u>38,744</u>	<u>124,630</u>
<b>Total expenditure</b>					
<b>Net income/(expenditure) before net gains on investments</b>		97,543	(6,635)	90,908	745,429
Net gains on investments		-	156,780	156,780	152,300
		<u>97,543</u>	<u>150,145</u>	<u>247,688</u>	<u>897,729</u>
<b>Net income</b>					
Transfers between funds	15	(375,000)	375,000	-	-
		<u>(277,457)</u>	<u>525,145</u>	<u>247,688</u>	<u>897,729</u>
<b>Net movement in funds</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward		332,601	2,348,794	2,681,395	1,783,666
Net movement in funds		(277,457)	525,145	247,688	897,729
		<u>55,144</u>	<u>2,873,939</u>	<u>2,929,083</u>	<u>2,681,395</u>
<b>Total funds carried forward</b>					

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 11 to 21 form part of these financial statements.

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 05604293**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	11	2,873,939	2,348,794
		<u>2,873,939</u>	<u>2,348,794</u>
<b>Current assets</b>			
Debtors	12	479	215,646
Cash at bank and in hand		59,328	119,006
		<u>59,807</u>	<u>334,652</u>
Creditors: amounts falling due within one year	13	(4,663)	(2,051)
<b>Net current assets</b>		<u>55,144</u>	<u>332,601</u>
<b>Total net assets</b>		<u><u>2,929,083</u></u>	<u><u>2,681,395</u></u>
<b>Charity funds</b>			
Endowment funds	15	2,873,939	2,348,794
Unrestricted funds	15	55,144	332,601
<b>Total funds</b>		<u><u>2,929,083</u></u>	<u><u>2,681,395</u></u>

The Trust was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

**Sir Nicholas Young**

Date: 31 August 2021

The notes on pages 11 to 21 form part of these financial statements.

**MONTE SAN MARTINO TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. General information**

Monte San Martino Trust is a charitable company limited by guarantee, incorporated in England and Wales with the registered number 05604293, charity registered number 1113897. Its registered office is Crown Chambers, Bridge Street, Salisbury, Wiltshire, SP1 2LZ. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust. The members of the company are the Trustees named on page 1.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Monte San Martino Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

After making appropriate enquiries the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

**2.3 Income**

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Trust, can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Trust's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the 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 presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

**2.6 Debtors**

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

**2.7 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.8 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**2.9 Financial instruments**

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value, except for investments which are measured at market value (fair value) as per the investment managers' portfolio, with changes recognised in the Statement of financial activities.

**2.10 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

**MONTE SAN MARTINO TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3. Income from donations and legacies**

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Donations	18,759	-	18,759
Legacies	46,933	10,533	57,466
	<u>65,692</u>	<u>10,533</u>	<u>76,225</u>

	<i>Unrestricted funds 2019 £</i>	<i>Endowment funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	11,234	-	11,234
Legacies	322,500	489,312	811,812
	<u>333,734</u>	<u>489,312</u>	<u>823,046</u>

**4. Income from other trading activities**

**Income from fundraising events**

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Sale of books	382	382	323

**5. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £
Income from local listed investments	43,090	43,090
Investment income - foreign listed investments	9,955	9,955
	<u>53,045</u>	<u>53,045</u>

**MONTE SAN MARTINO TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. Investment income (continued)**

	<i>Unrestricted funds 2019 £</i>	<i>Endowment funds 2019 £</i>	<i>Total funds 2019 £</i>
Income from local listed investments	32,997	147	33,144
Investment income - foreign listed investments	12,174	1,372	13,546
	<u>45,171</u>	<u>1,519</u>	<u>46,690</u>

**6. Investment management costs**

	<i>Endowment funds 2020 £</i>	<i>Total funds 2020 £</i>	<i>Total funds 2019 £</i>
Investment management fees	17,168	17,168	13,888

**7. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>	<i>Total funds 2019 £</i>
Student bursaries	-	-	75,182
Student support costs	-	-	5,100
Donations to charitable causes	3,600	3,600	8,000
Digitalisation of archives	6,167	6,167	10,745
Support costs	11,809	11,809	11,715
<b>Total 2020</b>	<u>21,576</u>	<u>21,576</u>	<u>110,742</u>

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**7. Analysis of expenditure on charitable activities (continued)**

**Summary by fund type (continued)**

In 2019, 32 bursaries were given at an average cost of £2,350 each to Italian students in the year. Due to the COVID19 pandemic no bursaries were given in 2020. It is hoped that there will be a larger number of bursaries given in 2021, providing the pandemic restrictions are eased. These bursaries are for English Language courses and are a way of promoting the memory of the Italians that helped escaped prisoners of war during World War II.

The donations to charitable causes were made to charities promoting the memory of all those who helped escaped prisoners of war.

Support costs consists of office administration £9,199 (2019 £9,481) and governance costs incurred, these being accountancy and independent examination fees (see note 8).

All expenditure in 2019 and 2020 were from general funds.

**8. Independent examiner's remuneration**

The independent examiner's remuneration amounts to an independent examiner fee of £396 (2019 - £378), and accountancy of £2,214 (2019 - £1,856).

**9. Staff costs**

The average employee headcount during the year was nil (2019 nil).

No employee received remuneration amounting to more than £60,000 in either year.

The Trust considers its key management personnel comprise the trustees. The total employment benefits of the key management personnel was £NIL (2019 £NIL). The total fees paid to the key management personnel was £NIL (2019 £NIL).

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

**MONTE SAN MARTINO TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**11. Fixed asset investments**

	Listed investments £	Cash held in portfolio £	Total £
<b>Cost or valuation</b>			
At 1 January 2020	2,306,178	42,616	2,348,794
Additions	824,225	36,880	861,105
Disposals	(548,437)	-	(548,437)
Revaluations	212,477	-	212,477
	<hr/>	<hr/>	<hr/>
At 31 December 2020	2,794,443	79,496	2,873,939
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2020	2,794,443	79,496	2,873,939
	<hr/>	<hr/>	<hr/>
At 31 December 2019	2,306,178	42,616	2,348,794
	<hr/>	<hr/>	<hr/>

Investments at market value comprise:

Listed investments of £2,794,443 (2019 £2,306,178); comprised of UK investments £2,192,904 (2019 £1,681,776) and Overseas investments of £601,539 (2019 £624,402).

Cash held of £79,496 (2019 £42,616).

**12. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Other debtors	198	494
Prepayments and accrued income	281	152
Legacies receivable	-	215,000
	<hr/>	<hr/>
	479	215,646
	<hr/>	<hr/>

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

	2020 £	2019 £
Accruals and deferred income	4,663	2,051
	<hr/>	<hr/>

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**14. Financial instruments**

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	2,873,939	2,348,794

Financial assets measured at fair value through income and expenditure comprise investments held in a portfolio including cash held in Rathbones capital account.

**MONTE SAN MARTINO TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**15. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
<b>Unrestricted funds</b>						
General Funds	332,601	119,119	(21,576)	(375,000)	-	55,144
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Endowment funds</b>						
Revaluation reserve	251,344	-	-	-	228,337	479,681
Expendable reserves	2,097,450	10,533	(17,168)	375,000	(71,557)	2,394,258
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,348,794	10,533	(17,168)	375,000	156,780	2,873,939
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total of funds</b>	<hr/> <hr/> 2,681,395	<hr/> <hr/> 129,652	<hr/> <hr/> (38,744)	<hr/> <hr/> -	<hr/> <hr/> 156,780	<hr/> <hr/> 2,929,083

**Statement of funds - prior year**

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>						
General Funds	12,062	379,228	(110,742)	52,053	-	332,601
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Endowment funds</b>						
Revaluation reserve	395,793	-	-	-	(144,449)	251,344
Expendable reserves	1,375,811	490,831	(13,888)	(52,053)	296,749	2,097,450
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,771,604	490,831	(13,888)	(52,053)	152,300	2,348,794
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**MONTE SAN MARTINO TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**15. Statement of funds (continued)**

<b>Total of funds</b>	<u>1,783,666</u>	<u>870,059</u>	<u>(124,630)</u>	<u>-</u>	<u>152,300</u>	<u>2,681,395</u>
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**16. Summary of funds**

**Summary of funds - current year**

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
General funds	332,601	119,119	(21,576)	(375,000)	-	55,144
Endowment funds	2,348,794	10,533	(17,168)	375,000	156,780	2,873,939
	<u>2,681,395</u>	<u>129,652</u>	<u>(38,744)</u>	<u>-</u>	<u>156,780</u>	<u>2,929,083</u>

**Summary of funds - prior year**

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
General funds	12,062	379,228	(110,742)	52,053	-	332,601
Endowment funds	1,771,604	490,831	(13,888)	(52,053)	152,300	2,348,794
	<u>1,783,666</u>	<u>870,059</u>	<u>(124,630)</u>	<u>-</u>	<u>152,300</u>	<u>2,681,395</u>

**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Fixed asset investments	-	2,873,939	2,873,939
Current assets	59,807	-	59,807
Creditors due within one year	(4,663)	-	(4,663)
<b>Total</b>	<u>55,144</u>	<u>2,873,939</u>	<u>2,929,083</u>

**MONTE SAN MARTINO TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**17. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019 £</i>	<i>Endowment funds 2019 £</i>	<i>Total funds 2019 £</i>
Fixed asset investments	-	2,348,794	2,348,794
Current assets	334,652	-	334,652
Creditors due within one year	(2,051)	-	(2,051)
<b>Total</b>	<u>332,601</u>	<u>2,348,794</u>	<u>2,681,395</u>

**18. Indemnity insurance**

The Trust holds third party indemnity insurance to protect the Trustees and volunteers.

**19. Volunteers**

The Monte San Martino Trust normally has 21 volunteers who greet the Italian students as they arrive in the UK, either at the airport or a railway station, at the start of their four-week bursary at a language school. The volunteer accompanies the student to the homestay family's address. If a volunteer feels the student will benefit from further contact they will stay in touch with the student by phone or meet up. The students make their own way to the airport. However, in 2020 the Covid19 pandemic meant that no students took up the bursary in the year so the volunteers were not utilised during the year.

**20. Related party transactions**

There were no related party transactions during the year.