

MONTE SAN MARTINO TRUST
(A company limited by guarantee)
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Fletcher & Partners
Chartered Accountants
Salisbury

MONTE SAN MARTINO TRUST
(A company limited by guarantee)

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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 2021**

Trustees

Sir Nicholas Young, Chairman
Ms Anne Bewicke-Copley
Hon. Letitia Blake, Secretary
Mr Omar Buccchioni
Ms Nermina Delic
Ms Christine English
Mr Nicholas Gent (resigned 31 December 2021)
Mr Ian Laing
Ms Julia C G MacKenzie
Mr Justin de Meo
Mr Christopher Prentice
Mr Miles Skinner (resigned 31 December 2021)
Mr Christopher Woodhead, Treasurer

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

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 2021

The Trustees present their annual report together with the financial statements of the Trust for the 1 January 2021 to 31 December 2021. 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 or visit the Trust's website at 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 2021

Achievements and performance

a. Review of activities

AS we all emerge from the extraordinary hiatus of the pandemic, we have spent some time looking at the priorities for the Trust over the next five years. Thanks particularly to the generosity of the late Keith Killby, our founder, and the successful fundraising appeal led by Vanni Treves, we are in a strong position financially, with more than £3 million invested for our future work.

The Trustees want to ensure that the main work of providing bursaries continues for as long as our successors in the Trust consider it appropriate. But, at the same time, we are all enthusiastic both to continue with existing initiatives and to extend the work where we have the capacity to do so.

Strategy: The core trustees held meetings to shape strategic priorities for the five years from 2022 to 2027. Three key priorities were identified: to increase focus on research into the Allied presence in wartime Italy; to improve communications with stakeholders; and to enhance the Trust's presence in Italy and within the UK. The proposals were set to be put to the board of directors in January 2022.

Other activities in the year included:

Legacy: The Trust's fellow PoW organisation, ELMS, in a joint venture, led the way in commissioning Memorial Rock, paid for by the Trust, to honour the Italians who sheltered escaped prisoners of war. Although work was held up by the pandemic, the rock was transported to the proposed site at Eden Camp Modern History Museum near Malton, North Yorkshire. It was planned to unveil this in 2023.

Fundraising: In addition to other donations, the Trust received nearly £6,000 from sponsors of Trust supporter Graham Jones, Captain of Sudbury Golf Club, who had nominated the Trust as his preferred charity for his captaincy year.

Students: The programme of four-week English language study bursaries for young Italians was largely thwarted as the pandemic affected travel from Italy and imposed social restrictions within the UK. Although nearly 40 bursaries were awarded, only four of the recipients succeeded in coming to England in 2021. A fifth student was provided with a remote learning package. The remainder opted to postpone their bursaries until 2022. The Trust was preparing to accept 40 students in 2022, comprising postponed students and successful new applicants. The Trust made one significant change to its student arrangements. Partly on the grounds of cost, it was decided to no longer send students to a language school it had been using in central London. In 2022, students opting for the London area were to be sent to the Centre of English Studies in Wimbledon, a sister-school of CES-Oxford which will continue to be used.

Using legal advice, a thorough overhaul was conducted of student arrangements; a memorandum of understanding with language schools; and copyright documentation. The application process for student bursaries became digital.

Annual Lunch: This was held on 10th November 2021, the first such occasion since 2019. It was attended by 90 people, about a fifth of them being new members.

IT and technology: The profile of the Trust's main website, www.msmtrust.org.uk, and the Facebook page continued to grow. Technical work by a consultant was carried out in March to smooth operation by the website's browser. The Trust continued to employ George Mitchell as IT consultant, and the IT firm Bongo to safeguard its database, websites and emailing. An approach was made to a digital consultant with a view to implementing the communications improvements.

MONTE SAN MARTINO TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Publications and webinars: Following a successful webinar in 2020, a second event was broadcast on 31 October on the subject of Indian PoWs in Italy. It featured three speakers from three different time zones and was well attended, attracting listeners from 10 different countries.

A team of four Italian speakers among the trustees worked during the year on a translation into English of a book by an Italian historian containing interviews with Italians in the Marche who had aided prisoners on the run. It was intended to publish this as an e-book in 2022. One of this team was also working on a book about prisoners who were not officers but who served in Other Ranks.

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, a contract was signed with the Istituto Nazionale Ferruccio Parri, based in Milan, for the institute to create an online portal collating research on the subject of "Italy and The Allies 1939-1947"..

b. Investment policy and performance

The investment portfolio managed by Rathbones was valued at £3,282,452 as at 31st December 2021, which was the Trust's financial year end. The comparable figure for the previous year was £2,873,939. During the twelve months to December 2021, £30,000 was added to the portfolio for investment and £64,052 (£52,512 in 2020) was withdrawn to meet planned expenditure.

The Trust portfolio remains in good standing which gives the Trust plenty of scope to realise our ambition to fund the various research and other commitments even to the extent of drawing down on the total value of the fund whilst of course leaving sufficient funding for our core activity – the bursaries. The investment objective continues to be a balance between capital growth and income generation but following meetings of the Trustees the emphasis has changed somewhat to that of using more of the capital to fund relevant projects.

The Trust portfolio with Rathbones has done well with total return of +17.3% outperforming Index by over 5% (Index 13.1%) We also outperformed the other benchmarks against which we measure our portfolio rate: the MSCI PIMFA grew at +10.1% and the ARC Charity Steady Growth Index +11.7% for 2021. The fund generated £66,741 which when taken alongside the increase in portfolio value suggests a good balance of investments. We are also moving the fund into the Rathbones portfolio which will have a significant reduction in both Rathbones and third-party fees.

Of the assets within the portfolio at 31st December 2021, 76.9% (2020 76.6%) was invested in Equities with 12.3% (2020 13.34%) in Alternatives, which are lower to medium risk, and 7.1% (2020 7.33%) in fixed interest and 3.7% (2020 2.77%) in cash. The Investment portfolio remains well diversified to counter the volatility and fluctuations in the markets.

The fund produced income of £66,741 in 2021, an income yield of approximately 2.0% based on a value of £3,282,452 on December 31st 2021. In the previous year, the fund produced an income of £53,045, 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 £80,531 (2020 £59,328).

The net assets of the Trust stand at £3,360,833 with Investments at Rathbones of £3,282,452 cash at bank of £79,564 and cash due from Rathbones of £967, debtors and accrued income of £190, less liabilities due of £2,340.

MONTE SAN MARTINO TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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 above this level. The market value of the Endowment Fund as at 31 December 2021 was £3,282,452 (2020 £2,873,939).

c. Financial Review

The Trust's total income for the year was £101,484 (2020 £129,652) including investment income of £66,741 and Donations of £34,305. Expenditure was £67,325 (2020 £38,744) of which the costs relating to bursaries to Italian students were £19,428 (2020 £11,809). The investment portfolio had unrealised gains and losses totaling a gain of £370,959 (2020 gains of £212,477) and realised gains of £26,632 (2020 losses of £55,697).

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
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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 2021

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: 26 October 2022

MONTE SAN MARTINO TRUST
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021.

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

Dated: 27 October 2022

FCA

Fletcher & Partners

Chartered Accountants
Crown Chambers
Bridge Street
Salisbury
Wiltshire
SP1 2LZ

MONTE SAN MARTINO TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Income and endowments from:					
Donations and legacies	3	34,305	-	34,305	76,225
Other trading activities	4	438	-	438	382
Investments	5	64,086	2,655	66,741	53,045
Total income and endowments		98,829	2,655	101,484	129,652
Expenditure on:					
Raising funds:	6				
Investment management fees		-	21,733	21,733	17,168
Charitable activities	7	45,592	-	45,592	21,576
Total expenditure		45,592	21,733	67,325	38,744
Net income/(expenditure) before net gains on investments		53,237	(19,078)	34,159	90,908
Net gains on investments		-	397,591	397,591	156,780
Net income		53,237	378,513	431,750	247,688
Transfers between funds	15	(30,000)	30,000	-	-
Net movement in funds		23,237	408,513	431,750	247,688
Reconciliation of funds:					
Total funds brought forward		55,144	2,873,939	2,929,083	2,681,395
Net movement in funds		23,237	408,513	431,750	247,688
Total funds carried forward		78,381	3,282,452	3,360,833	2,929,083

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 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	11	3,282,452	2,873,939
		<u>3,282,452</u>	<u>2,873,939</u>
Current assets			
Debtors	12	190	479
Cash at bank and in hand		80,531	59,328
		<u>80,721</u>	<u>59,807</u>
Creditors: amounts falling due within one year	13	(2,340)	(4,663)
Net current assets		<u>78,381</u>	<u>55,144</u>
Total net assets		<u><u>3,360,833</u></u>	<u><u>2,929,083</u></u>
Charity funds			
Endowment funds	15	3,282,452	2,873,939
Unrestricted funds	15	78,381	55,144
Total funds		<u><u>3,360,833</u></u>	<u><u>2,929,083</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
 (Chair of Trustees)
 Date: 26 October 2022

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 2021

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

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

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

3. Income from donations and legacies

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Donations	34,305	-	34,305

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

4. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Sale of books	438	438	382

5. Investment income

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Income from local listed investments	49,998	-	49,998
Investment income - foreign listed investments	14,088	2,655	16,743
	<u>64,086</u>	<u>2,655</u>	<u>66,741</u>

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

5. Investment income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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>

6. Investment management costs

	<i>Endowment funds 2021 £</i>	<i>Total funds 2021 £</i>	<i>Total funds 2020 £</i>
Investment management fees	21,733	21,733	17,168
	<u>21,733</u>	<u>21,733</u>	<u>17,168</u>

7. Analysis of expenditure on charitable activities

Summary by fund type

	<i>Unrestricted funds 2021 £</i>	<i>Total 2021 £</i>	<i>Total 2020 £</i>
Student bursaries	7,791	7,791	-
Student support costs	2,400	2,400	-
Donations to charitable causes	3,000	3,000	3,600
Digitalisation of archives	4,019	4,019	6,167
Support costs	19,428	19,428	11,809
Grants to institutions	8,954	8,954	-
Total 2021	<u>45,592</u>	<u>45,592</u>	<u>21,576</u>

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

7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

In 2020, no bursaries due to the COVID19 pandemic, only 4 bursaries were given in 2021. It is hoped that there will be a larger number of bursaries given in 2022 now that 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. The grant was to the Parri Institute in Italy towards the costs of research into prisoners of war and those that helped them, and the digitalisation of the findings.

Support costs consists of office administration £17,290 (2020 £9,199) and governance costs incurred, these being accountancy and independent examination fees (see note 8).

All expenditure in 2020 and 2021 were from general funds.

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £414 (2020 - £396), and accountancy of £1,724 (2020 - £2,214).

9. Staff costs

The average employee headcount during the year was nil (2020 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 (2020 £NIL). The total fees paid to the key management personnel was £NIL (2020 £NIL).

10. Trustees' remuneration and expenses

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

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

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

11. Fixed asset investments

	Listed investments £	Cash held in portfolio £	Total £
Cost or valuation			
At 1 January 2021	2,794,443	79,496	2,873,939
Additions	580,503	40,212	620,715
Disposals	(583,163)	-	(583,163)
Revaluations	370,961	-	370,961
	<u>3,162,744</u>	<u>119,708</u>	<u>3,282,452</u>
At 31 December 2021	<u>3,162,744</u>	<u>119,708</u>	<u>3,282,452</u>
Net book value			
At 31 December 2021	<u>3,162,744</u>	<u>119,708</u>	<u>3,282,452</u>
At 31 December 2020	<u>2,794,443</u>	<u>79,496</u>	<u>2,873,939</u>

Investments at market value comprise:

Listed investments of £3,162,744 (2020 £2,794,443); comprised of UK investments £2,226,361 (2020 £2,192,904) and Overseas investments of £936,383 (2020 £601,539).

Cash held of £119,708 (2020 £79,496).

12. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	190	198
Prepayments and accrued income	-	281
	<u>190</u>	<u>479</u>

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	185	-
Accruals and deferred income	2,155	4,663
	<u>2,340</u>	<u>4,663</u>

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

14. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	3,282,452	2,873,939

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

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
General Funds	55,144	98,829	(45,592)	(30,000)	-	78,381
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Endowment funds						
Revaluation reserve	479,681	-	-	-	233,079	712,760
Expendable reserves	2,394,258	2,655	(21,733)	30,000	164,512	2,569,692
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,873,939	2,655	(21,733)	30,000	397,591	3,282,452
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<u>2,929,083</u>	<u>101,484</u>	<u>(67,325)</u>	<u>-</u>	<u>397,591</u>	<u>3,360,833</u>

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
General Funds	332,601	119,119	(21,576)	(375,000)	-	55,144
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Endowment funds						
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/>

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

15. Statement of funds (continued)

Total of funds	<u>2,681,395</u>	<u>129,652</u>	<u>(38,744)</u>	<u>-</u>	<u>156,780</u>	<u>2,929,083</u>
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16. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
General funds	55,144	98,829	(45,592)	(30,000)	-	78,381
Endowment funds	2,873,939	2,655	(21,733)	30,000	397,591	3,282,452
	<u>2,929,083</u>	<u>101,484</u>	<u>(67,325)</u>	<u>-</u>	<u>397,591</u>	<u>3,360,833</u>

Summary of funds - prior 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>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Fixed asset investments	-	3,282,452	3,282,452
Current assets	80,721	-	80,721
Creditors due within one year	(2,340)	-	(2,340)
Total	<u>78,381</u>	<u>3,282,452</u>	<u>3,360,833</u>

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

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

18. Indemnity insurance

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

19. Volunteers

In 2020 and 2021 Monte San Martino Trust did not utilise any volunteers during these years to meet and greet the students. In future the students will be given travel instructions and the telephone number of a volunteer in case they have problems.

20. Related party transactions

There were no related party transactions during the year.