

MONTE SAN MARTINO TRUST
(A company limited by guarantee)
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
For The Year Ended 31 December 2022

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 2022**

Trustees

Sir Nicholas Young, Chairman
Ms Anne Bewicke-Copley
Hon. Letitia Blake, Secretary
Mr Omar Buccchioni
Ms Nermina Delic
Ms Christine English
Mr Ian Laing
Ms Julia C G MacKenzie
Mr Justin de Meo
Mr Christopher Prentice
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 2022

The Trustees present their annual report together with the financial statements of the Trust for the 1 January 2022 to 31 December 2022. 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 2022

Achievements and performance

a. Review of activities

Much of 2022 was spent in preparation for the celebrations and activities which will mark the 80th anniversary of the Armistice in Italy. In addition to our main work of providing bursaries, 2022 saw the Trust continuing to drive towards our 4 areas identified as our strategic goals. These are: to increase focus on research, improve our communication with all stakeholders, increase our presence in Italy and invest substantial sums in these areas to provide a lasting memorial.

Students: The Trust hosted 34 students with 8 choosing to study in Oxford and 26 in London. The intake was a combination of applicants from 2021 (those affected by Covid) and 2022. The students came mostly from the Emilia-Romagna and Marche regions of Italy. The new CES school in Wimbledon has been a success with feedback forms mostly reading excellent. A new procedure for volunteers and points of contacts worked relatively well and some more information may be required to make it smoothly. The Trust also hosted a picnic for the students in a London Park which was so successful it will probably become an annual event

Legacy: The commemorative memorial commissioned jointly by our fellow organization Escape Lines Memorial Society and the Trust is being prepared for unveiling at a ceremony in May 2023 at the Eden Camp WW2 Museum near York and suitable wording for the inscription was agreed.

Research: Good progress has been made with US National Archives and Records Administration (NARA) with plans to digitize the Allied Screening Commission archive held in Washington. The cost for the Trust is likely to be up to \$250,000; it is hoped that NARA will cover the (substantial) balance. A visit by the Chairman and trustee Anne Copley is planned for March 2023.

The Parri Institute in Italy has achieved the main goals set out in the grant agreement signed in March 2021 which was to create a website covering two aspects of the allied presence in wartime Italy, namely a census of Prisoner of War camps and a collection of stories and testimonies of those Prisoners of War who escaped from the camps after the 8th September 1943.

Annual Lunch: The annual lunch was held in the RAF Club for the first time. A new venue following a move from the Royal Overseas League; the food and venue was considered to be an improvement. There were 138 participants (up from 90 the year before) and there were donations of £2,290.

MONTE SAN MARTINO TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance (continued)

Publications: A People's Courage was published in 2022. Translated from the Italian by members of the Trust Fiippo Ierano's book tells the story from the point of view of the brave farming families that helped the escapees.

Communication review: A review of the Trust's communications strategy was undertaken in the Summer by consultants Third Sector. This far ranging review arrived at key recommendations which will be implemented over the next year by David Kettle the Trust's administrator and George Mitchell the IT consultant. Bearing in mind the Trust resources these included increased social media activity limited to Facebook and the website to enhance the Trust's profile and fundraising, regular online and donation process, increased engagement with students and Italy and moving the sites to Google analytics monitoring.

b. Investment policy and performance

The investment portfolio managed by Rathbones was valued at £2,899,957 as at 31st December 2022, which was the Trust's financial year end. The Comparable figure for the previous year was £3,282,452. During the twelve months to December 2022, £58,138 (£64,052) in 2021 was withdrawn to meet planned expenditure

Our success in not dipping into our core funds was not echoed by the markets and the continued world economic problems caused considerable erosion in the Trust's portfolio value.

The move to include our funds in the Rathbones charity portfolio was completed in April and the commensurate reduction in charges was most welcome given the other challenges faced. This move means that our receipts from Rathbones are now quarterly rather than monthly but we had sufficient cash in our current account to ensure we could cover all our costs.

Our portfolio with Rathbones has, for reasons mentioned above, not done well with total return of -9.5% underperforming the Charity Total Return Strategy Benchmark by 2.3% (benchmark -7.2%) We were also well down against our other target of CPI +3% ie 14%.

Of the assets within the portfolio at 31st December 2022, 70.2% (75.4% in 2021) was invested in equities, split 35.4% in UK equities (35.8% in 2021) and 34.8% in overseas equities (39.6% in 2021). Outside of equities, 15.1% (13.9% in 2021) was invested in alternatives, which are lower to medium risk, and 9.9% (7.1% in 2021) in fixed interest and 4.8% (3.6% in 2021) in cash. The investment portfolio remains well diversified to counter the volatility and fluctuations in the markets.

The fund produced income of £59,469 in 2022, an income yield of approximately 2.1% based on a value of £2,899,957 on December 31st 2022. In the previous year, the fund produced an income of £66,741, which represented a yield of 2.0%.

In addition to the investments and cash at Rathbones, the Trust had a bank cash balance of £84,869 (2021 £80,531).

The net assets of the Trust stand at £2,983,647 with Investments at Rathbones of £2,899,957 cash at bank of £84,869 and debtors and accrued income of £1,144, less liabilities due of £2,323.

MONTE SAN MARTINO TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 was £2,899,957 (2021 £3,282,452).

c. Financial Review

The Trust's total income for the year was £102,130 (2021 £101,484) including investment income of £59,469 and Donations of £42,616. Expenditure was £110,285 (2021 £67,325) of which the costs relating to bursaries to Italian students were £60,887 (2021 £7,791). The investment portfolio had unrealised gains and losses totaling a loss of £187,669 (2021 gains of £370,959) and realised losses of £181,362 (2021 gains of £26,632).

Donations: We have again received a large donation from the Swire Trust, £25,000 this year on top of the £20,000 in 2021 and the Moynitrust which gave another £1,000. The lunch raised nearly £1,000 in donations on top of the payments for the meal. We moved back to Just Giving from Virgin early in the year but donations via the site remain quite low at £1,142 including Gift Aid for the year.

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.

MONTE SAN MARTINO TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management (continued)

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.

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 per year to Italian students.

Although there is no sign of diminishing interest in the work of the Trust the Trustees are aware that as the events of 1943 become more remote then memories will fade. The Trustees are therefore looking at ways to provide a lasting legacy. This includes discussion of a permanent memorial stone at Eden Camp in Yorkshire, work digitizing the archive held at NARA in Washington and with Cambridge University.

The Trust is also looking at ways to get regular donations from the supporters many of whom only engage with the Trust once a year at the lunch.

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 2022

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

Date: 21 September 2023

MONTE SAN MARTINO TRUST
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022.

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: 25 September 2023

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 2022**

	Note	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Income and endowments from:					
Donations and legacies	3	42,616	-	42,616	34,305
Other trading activities	4	45	-	45	438
Investments	5	57,972	1,497	59,469	66,741
Total income and endowments		100,633	1,497	102,130	101,484
Expenditure on:					
Raising funds:	6				
Investment management fees		-	14,961	14,961	21,733
Charitable activities	7	95,324	-	95,324	45,592
Total expenditure		95,324	14,961	110,285	67,325
Net income/(expenditure) before net (losses)/gains on investments		5,309	(13,464)	(8,155)	34,159
Net (losses)/gains on investments		-	(369,031)	(369,031)	397,591
Net movement in funds		5,309	(382,495)	(377,186)	431,750
Reconciliation of funds:					
Total funds brought forward		78,381	3,282,452	3,360,833	2,929,083
Net movement in funds		5,309	(382,495)	(377,186)	431,750
Total funds carried forward		83,690	2,899,957	2,983,647	3,360,833

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

The notes on pages 11 to 20 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	11	2,899,957	3,282,452
		<u>2,899,957</u>	<u>3,282,452</u>
Current assets			
Debtors	12	1,144	190
Cash at bank and in hand		84,869	80,531
		<u>86,013</u>	<u>80,721</u>
Creditors: amounts falling due within one year	13	(2,323)	(2,340)
		<u>83,690</u>	<u>78,381</u>
Net current assets		<u>83,690</u>	<u>78,381</u>
Total net assets		<u><u>2,983,647</u></u>	<u><u>3,360,833</u></u>
Charity funds			
Endowment funds	15	2,899,957	3,282,452
Unrestricted funds	15	83,690	78,381
		<u>2,983,647</u>	<u>3,360,833</u>
Total funds		<u><u>2,983,647</u></u>	<u><u>3,360,833</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: 21 September 2023

The notes on pages 11 to 20 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 2022

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 2022

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 2022

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 2022**

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	35,035	35,035	34,305
Legacies	7,581	7,581	-
	<u>42,616</u>	<u>42,616</u>	<u>34,305</u>

4. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Sale of books	45	45	438
	<u>45</u>	<u>45</u>	<u>438</u>

5. Investment income

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Income from local listed investments	52,511	-	52,511
Investment income - foreign listed investments	5,461	1,497	6,958
	<u>57,972</u>	<u>1,497</u>	<u>59,469</u>

	<i>Unrestricted funds 2021 £</i>	<i>Endowment funds 2021 £</i>	<i>Total funds 2021 £</i>
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 2022**

5. Investment income (continued)

6. Investment management costs

	Endowment funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Investment management fees	14,961	14,961	21,733

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	<i>Total 2021 £</i>
Student bursaries	60,887	60,887	7,791
Student support costs	8,807	8,807	2,400
Donations to charitable causes	-	-	3,000
Digitalisation of archives	1,025	1,025	4,019
Support costs	11,430	11,430	19,428
Grants to institutions	13,175	13,175	8,954
Total 2022	95,324	95,324	45,592

2022 saw the number of bursaries back to pre-pandemic levels and the Trust welcomed 34 students. These bursaries are for English language courses and are a way of promoting the memory of the Italians that helped escaped prisoners during World War 11 and they remain the core purpose of the Trust. The rise in the number of students saw a commensurate rise in the support fees. £8,807 (2022 £2,400)

The grant to the Parri Institute in Italy of £13,175 were the final parts of payments towards the costs of research into prisoners of war, those that helped them and the digitization of the findings.

All expenditure in 2022 was met from general funds.

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £450 (2021 - £414), and accountancy of £1,873 (2021 - £1,724).

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9. Staff costs

The average employee headcount during the year was nil (2021 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 (2021 £NIL). The total fees paid to the key management personnel was £NIL (2021 £NIL).

10. Trustees' remuneration and expenses

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

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

11. Fixed asset investments

	Listed investments £	Cash held in portfolio £	Total £
Cost or valuation			
At 1 January 2022	3,162,744	119,708	3,282,452
Additions	3,145,284	-	3,145,284
Disposals	(3,220,545)	(119,565)	(3,340,110)
Revaluations	(187,669)	-	(187,669)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	2,899,814	143	2,899,957
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2022	2,899,814	143	2,899,957
	<hr/>	<hr/>	<hr/>
At 31 December 2021	3,162,744	119,708	3,282,452
	<hr/>	<hr/>	<hr/>

Investments at market value comprise:

Listed investments of £2,899,814 are now held in Rathbone units only. In 2021 the listed investments of (2021 £3,162,744); comprised of UK investments (2021 £2,226,361) and Overseas investments of (2021 £936,383).

Cash held of £143 (2021 £119,708).

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12. Debtors

	2022 £	2021 £
Due within one year		
Other debtors	343	190
Prepayments and accrued income	801	-
	<u>1,144</u>	<u>190</u>

13. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	185
Accruals and deferred income	2,323	2,155
	<u>2,323</u>	<u>2,340</u>

14. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>2,899,957</u>	<u>3,282,452</u>

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 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds						
General Funds	78,381	100,633	(95,324)	-	-	83,690
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Endowment funds						
Revaluation reserve	712,760	-	-	(712,760)	(187,669)	(187,669)
Expendable reserves	2,569,692	1,497	(14,961)	712,760	(181,362)	3,087,626
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,282,452	1,497	(14,961)	-	(369,031)	2,899,957
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<u>3,360,833</u>	<u>102,130</u>	<u>(110,285)</u>	<u>-</u>	<u>(369,031)</u>	<u>2,983,647</u>

Statement of funds - prior 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/>

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

15. Statement of funds (continued)

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>
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16. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
General funds	78,381	100,633	(95,324)	-	-	83,690
Endowment funds	3,282,452	1,497	(14,961)	-	(369,031)	2,899,957
	<u>3,360,833</u>	<u>102,130</u>	<u>(110,285)</u>	<u>-</u>	<u>(369,031)</u>	<u>2,983,647</u>

Summary of funds - prior 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>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Fixed asset investments	-	2,899,957	2,899,957
Current assets	86,013	-	86,013
Creditors due within one year	(2,323)	-	(2,323)
Total	<u>83,690</u>	<u>2,899,957</u>	<u>2,983,647</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

18. Indemnity insurance

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

19. Volunteers

In 2021 and 2022 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.