



LADY HARRIET BENTINCK TRUST FUND

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL
STATEMENTS AS AT 31 DECEMBER 2023**



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Lady Harriet Bentinck Trust Fund

Opinion

We have audited the accompanying Financial Statements of Lady Harriet Bentinck Trust Fund from page 4 to 10, which comprise the balance sheet, the income statement and related notes for the year ended 31 December 2023. The Financial Statements are prepared by the Trustees in compliance with the accounting policies set out on page 7.

In our opinion, the Financial Statements of Lady Harriet Bentinck Trust Fund for the year ended 31 December 2023 are prepared, in all material respects, in accordance with the criteria set out in the explanatory notes set out on page 7.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Trust Fund pursuant to the regulations and standards on ethics and independence of the Code of Ethics for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants that are relevant to our audit of the Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of Preparation and Restriction on distribution

We draw attention to the notes to the accounting policies set out on page 7 which describe the basis of accounting. The Financial Statements have been prepared for the sole use of the Board of Trustees of Lady Harriet Bentinck Trust Fund. As a result, the Financial Statements may not be suitable for another purpose. Our report is intended solely for your information and may not be used for another purpose or distributed, in whole or in part, to third parties. Our opinion is not qualified for this matter.

Responsibilities of the Board of Trustees for the Financial Statements

Trustees are responsible for the preparation of the Financial Statements in accordance with the accounting policies set out on page 7, and, in the terms prescribed by law, for such internal control as trustees determine is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers SpA

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

Trustees are responsible for assessing the Trust Fund's ability to continue as a going concern and, in preparing the Financial Statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the Financial Statements the Trustees use the going concern basis of accounting unless they either intend to liquidate the Trust Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of Financial Statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercised professional judgement and maintain professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees;
- We concluded on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Fund to cease to continue as a going concern.



We communicated with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Naples, 29 October 2024

PricewaterhouseCoopers SpA

A handwritten signature in black ink, appearing to read "Pier Luigi Vitelli".

Pier Luigi Vitelli
(Partner)

Lady Harriet Bentinck Trust Fund
Registered Charity no. 255932
Founded 1881

LADY HARRIET BENTINCK TRUST FUND

LEGAL AND ADMINISTRATIVE DETAILS

- 1) The LHBTF is governed by a Scheme sealed by the Charity Commissioners in London on 21 March 1986. It is recognised by the Charity Commissioners for England and Wales as a registered Charity, with registration number 255932.
- 2) The Board of Trustees is composed of six British citizens, of whom five residing in Southern Italy and 1 residing in United Kingdom. The names of the trustees current at the present day are:

Jean Anderson Lazzara BEM
Royston James Boardman MBE
Carmen Linda Rotolo
Catherine Emma Shaw
Sharon Elizabeth Gleave
Michael Burgoyne MBE
- 3) The address of the Charity is:
For UK - Pennington Manches Cooper LLP, Da Vinci House, Basing View, Basingstoke, Hampshire RG21 4EQ
For Italy - c/o Consolato Britannico Onorario, Largo del Vasto a Chiaia, 82, 80122 Naples, Italy.
- 4)
 - (a) Italy Bank: Intesa Sanpaolo SpA – Intesa Sanpaolo Private Banking SpA , Via Toledo 185, 80132 Naples.
 - (b) UK Investment Management Bank: Coutts & Co., 44o Strand, London WC2R OQS, United Kingdom.
- 5)
 - (a) The Trustees shall not apply income of the Charity directly to relief of rates, taxes or other public funds but may apply income to supplementing relief or assistance provided out of public funds.
 - (b) No Trustee shall receive remuneration or be interested in the supply of work or goods, at the cost of the Charity.
- 6) As a registered Charity, the Trust Fund is exempt from taxation in the United Kingdom.



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Lady Harriet Bentinck Trust Fund
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LADY HARRIET BENTINCK TRUST FUND

TRUSTEES' REPORT - 2023

- 1 The trustees have two principal objectives.
 - (a) The first is set out in paragraph 20 of the Scheme as follows:

“...the Trustees shall apply the income of the Charity for the purpose of relieving in cases of need British nationals and their dependents who are resident or located in the region of Campania, Basilicata, Apulia, Calabria and Sicily in the said Republic of Italy, who are sick convalescent, disabled, handicapped or infirm by providing or paying for items, services or facilities which are calculated to alleviate the suffering or assist the recovery of such persons in such cases but are not readily available to them from other sources, or by paying or assisting in the payment of the funeral expenses of such persons on their death.”
 - (b) The second is to maintain the level of reinvestment of income in line with the level of inflation in Italy, in order to prevent depreciation in real terms of the capital value of the Trust Fund.
- 2 The Trustees have circulated details of the Charity to British institutions and to members of the British communities throughout Southern Italy. Where appropriate, local Italian authorities have also been made aware of the existence of the Charity. The existence of the Trust Fund is now well known amongst the British communities in southern Italy.
- 3 The expenditure on assistance in 2023 was Euro 3,900. The Trust Fund presently supports one long-term beneficiary who receives regular monthly payments. The trustees are open to considering applications for one-off financial support from British nationals present in Italy, but not resident, as an alternative to long-term expenditure in Italy.
- 4 The trustees consider that their objectives have been achieved and that the aims of public benefit of the charity were met in the year 2023.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives.
- 5 Future performance. The trustees foresee a similar level of assistance for the year 2024 but the decision on reciprocal health assistance after the UK has left the EU will be crucial as regards future claims on the trust.

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Lady Harriet Bentinck Trust Fund
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- 6 Risks. The Trust Fund's assets, substantially all financial, are exposed to the fluctuations in market fundamentals (currency risk, long-term investments market value risk). The conservative policy so far applied, together with the Trust's financial counterparts, let the Board of Trustees deem substantially mitigated such risks and thus the related financial and economic effects are reduced to an acceptable level.

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Lady Harriet Bentinck Trust Fund
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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023				
€				
2023				
	Permanent Endowment	Unrestricted Funds	Total	2022
Incoming resources				
Income from UK Investments portfolio		2,883	2,883	10,032
Interest on long term investments in Italy		2,124	2,214	2,516
Gains on investments		256,282	256,282	-
Other incoming resources				-
- -				-
Total Incoming resources		261,289	261,289	12,548
Resources expended				
Charitable activities		(3,900)	(3,900)	(4,000)
Governance costs		(4,311)	(4,311)	(5,662)
Losses on investments		(13,655)	(13,655)	(461,526)
Other resource expended		(4,950)	(4,950)	(4,950)
Total resources expended		(26,816)	(26,816)	(476,138)
Net incoming/outgoing resources		234,473	234,473	(463,590)
Other recognised gains/losses				
Other recognised gains/losses				-
Net movement in funds		234,473	234,473	(463,590)
Reconciliation of Funds				
Total funds brought forward	641,269	1,826,814	2,468,083	2,931,673
Total funds carried forward	641,269	2,061,287	2,702,556	2,468,083

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BALANCE SHEET AS OF 31 DECEMBER 2023

	€	€
	2023	2022
Long term investments		
UK Investments portfolio	2,043,319	1,829,265
Italy Investments portfolio	651,130	634,662
Total long-term investments	2,694,449	2,463,927
Bank and cash	13,057	9,106
Accrued interest		
Total assets	2,707,506	2,473,033
Accrued expenses	(4,950)	(4,950)
Net assets	2,702,556	2,468,083
<i>Represented by:</i>		
<i>Permanent Endowment</i>	641,269	641,269
<i>Unrestricted Funds</i>	2,061,287	1,826,814
Institutional Trust Fund	2,702,556	2,468,083

The "UK investments portfolio" and the "Italy investments portfolio" have increased thanks to several factors as global economic recovery post-pandemic and inflation coming under control. These elements boosted market confidence, improved corporate profitability and led to higher stock prices. The combination of these economic conditions helped the rise in asset values throughout the year.



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Lady Harriet Bentinck Trust Fund
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
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	€	€	€
	2023	2022	Change
Net income/loss for the year	234,472	(463,590)	698,062
<i>Adjustment for:</i>			
- Movements in receivables and payables			
Decrease/(increase) in accrued interest	-	-	-
Increase/(decrease) in accrued expenses	-	-	-
Net cash generated by operations	234,472	(463,590)	698,063
(Gains)/losses on investments	(236,627)	375,199	(611,826)
(Purchase)/Sale on long term investment	6,105	86,295	(80,190)
Total net cash inflow/(outflow)	3,951	(2,096)	6,047
Cash at 1 January	9,106	11,202	(2,096)
Cash at 31 December	13,057	9,106	3,951

The notes from page 7 to 10 form a part of these financial statements,



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements give a true and fair view in compliance with generally accepted accounting principles in the United Kingdom, and in particular comply with the provisions of Statement of Recommended Practice, "Accounting and Reporting by Charities" as revised in October 2019 (i.e. CHARITIES SORP). The Trustees are responsible for the preparation of the financial statements. These financial statements are the responsibility of the trustees. In preparing the financial statements the trustees use the going concern basis of accounting.

Foreign exchange

The accounts are presented in Euro (truncated of decimal figures).

Income arising in Sterling has been translated at the average exchange rate ruling in the year (€ 1 = £ 0.86979).

Assets denominated in Sterling have been translated at the exchange rate ruling at the year-end (€ 1 = £ 0.86905).

Long-term investments

Long term investments are valued initially at cost and subsequently at fair value (their market value) at the reporting date. Differences arising on the revaluation of such assets, which represent unrealized gains or losses for the Trust Fund, are reported in the Statement of Financial Activities.

2 U.K. INVESTMENT PORTFOLIO

The balance represents monies invested in a Fund managed by Coutts & Co. The fund is invested in U.K. equities (in the form of Unit Trusts) and U.K. bonds. All gains and losses on investment assets are included under the gains and losses on the revaluation and disposal of investment assets. All income arising is re-invested in accordance with the fund managers' policy. As of 31 December 2023 the fund balance was made up as follows:

	Euro	
	2023	2022
Cash	21,249	50,295
Bond	753,735	807,276
Equities	1,166,665	971,694
Property	101,670	-
Alternative	-	-
Total	2,043,319	1,829,265

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The following figure shows the net movement in UK portfolio for the year ending 31 December 2023:


UK Portfolio		€
Carrying value as of 31.12.2022:		1,829,265
Additions/capitalised interests:		41,624
Transfer:		
Gains on disposals:		172,430
Losses on investments:		
Carrying value as of 31.12.2023:		2,043,319

The “UK investments portfolio” has increased thanks to several factors as global economic recovery post-pandemic and inflation coming under control. As described in the previous reports, the Charity was requested by its UK Bankers, Coutts Bank Ltd, to establish a registered address in the United Kingdom in order to continue using their banking facilities after 1 January 2021 and the exit of the United Kingdom from the European Union. This process was completed on 17 November 2020 and the registered office of the Charity in the UK is Pennington Manches Cooper LLP, Da Vinci House, Basing View, Basingstoke, Hampshire RG21 4EQ. The registered and the operational address for the Charity in Italy remains the same.

3 ITALIAN INVESTMENT PORTFOLIO

The balance as of 31 December 2023 is made up as follows:

ITALIAN PORTFOLIO	EURO		
	2023	2022	Change
Eurizon Profilo Difesa II	291,359	66,924	224,435
Eurizon Difesa Flessibile 12/22	-	41,377	-41,377
Eurizon Flex Equilibrio 07/24A	109,184	103,341	5,843
Eurizon Top Selection Crescita 06/24A	-	106,566	-106,566
Eurizon E DEF TOP SEL 07/24	89,231	87,177	2,054
Eurizon Flex Crescita 07/24A	30,234	27,520	2,714
Eurizon Top Select 03/23A	-	94,132	-94,132
Eurizon Top select 12/22A	-	75,371	-75,371
Eurizon Thematic Opp. ESG50 07/26A	36,401	32,254	4,147
Eurizon diversified	94,722	-	94,722
Total	651,130	634,662	16,468


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The following figure shows the net movement in Italian portfolio for the year ending 31 December 2023:

Italian Portfolio		€
Carrying value as of 31.12.2023:		634,662
Additions:		311,897
Disposals:		(317,724)
Loss on disposals:		
Revaluation (Impairment):		22,295
Carrying value as of 31.12.2023:		651,130

The market value as of 31 December 2023 of the Italian Portfolio is approximately Euro 651 thousand, with an increase compared to the previous year.

It is the intention of the Trustees to immediately reinvest monies becoming due when these bonds mature or when it is possibly profitable to sell them. Consequently, the Italian investment portfolio has been classified as long-term investments irrespective of the securities' maturity dates.

4 INCOMING RESOURCES

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Euro	2023	2022
Income from U.K. investments portfolio	2,883	10,032
Interest on long term investments in Italy	2,124	2,516
Other incoming resources	-	-
Gains on investments	256,282	-
Total incoming resources	261,289	12,548

The incoming resources at 31 December 2023 are to be attributed to investments from the UK portfolio and the Italian portfolio.

5 RESOURCES EXPENDED

Please refer to the Trustees' Report for explanations on the expenditure on assistance comprised in the balance of the charitable activities.

The balance of the other resources expended mainly represents the accrued fees of the annual audit of the financial statements as of 31 December 2023 and non-recoverable VAT thereof.


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Euro	2023	2022
Charitable activities	3,900	4,000
Audit fees	4,057	4,057
Non-recoverable VAT	893	893
Losses on investments	13,655	461,526
Governance costs	4,311	5,662
Total resources expended	26,816	476,138

The governance costs as of 31 December 2023 mainly refer to bank charges and stamp duties.

The trustees did not receive any remuneration as of 31 December 2023.

The lower investment losses as of 31 December 2023 compared to last year mainly reflect the effects of the favorable market conditions, related to the macroeconomic context that characterized the financial year 2023, on the assets in portfolio and of the exchange rate's movements at the end of the year.

6 TRUST FUNDS

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objectives.

Permanent endowment comprises the endowment fund which the Trustees may not spend as if it were income. It must be held permanently, sometimes it is to be used in furthering the charity's purposes, sometimes to produce an income for the charity. Permanent endowment comprises the proceeds of sale of land situated at Naples in the Republic of Italy with the building thereon known as the International Hospital, Via Tasso 38, under a contract for sale dated the 16th October 1985. The net amount of the permanent endowment as of 31 December 2023 is Euro 641,269.

The Board of Trustees still considers adequate the amount of the funds for its institutional purposes. The income and non-endowment capital are available and sufficient to meet the stated aims and objectives of the Trust Fund.

Jean Anderson Simpson in Lazzara