

Trustees' Annual Report and Accounts

For the year ended 30 June 2021



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Administration

Trustees

Members of the Governing Body

Elected

Christopher Prentice*	Chairman
Beatrice Bargagli Stoffi^	Vice Chair (from May 2021)
Maria Grazia Antoci	
Giacomo Cortese	From May 2021
Morgan Fiume	
Loyd Grossman	
Isobel McGregor	
Agnese Mazzei	Until November 2020
Lady Hannah Lowy Mitchell	From May 2021
David Nightingale	Universities UK nominee
James Stewart*	Treasurer
Luke Syson	British Academy nominee (from May 2021)

^ Elected Vice Chair in May 2021

Ex officio

Luigi Dei	Rector, University of Florence
Rachel Launay*	Director, British Council, Italy
HMA Jill Morris	President

Honorary Governor

Michael Griffiths

Senior Management Team 2020-2021

Simon Gammell*	Director
Amanda Lowe*	Deputy Director, Head of Courses
Penny Walsh*	Head of Finance and Resources
Jeremy Boudreau	Head of History of Art
Annette Cooper	Young Learner Coordinator
Giulia Galeazzi	Library coordinator
Louise Barker	Schools Coordinator
Diletta Melani	Exams Coordinator, Head of Reception

* denotes member of Management Committee

Bankers:

Barclays Bank plc
21 Hanover Square
London W1S 1JW

Banca Intesa Sanpaolo (formerly Cassa di Risparmio Firenze)
Filiale Firenze 62
Via dei Pescioni ang Via dei Corsi
50123 Florence
Italy

Italian lawyers:

Avv. Lorenzo Contri
Via Pico della Mirandola 9
50132 Florence
Italy

Avv. Roberto Borlè Gioppi
Via Calabria, n. 56
00187 Roma
Italy

Auditor:

WMT
Chartered Accountants & Statutory Auditor
Verulam Point
Station Way
St Albans
Herts
AL1 5HE

Accountant:

Studio Pignatelli
Dr Elena Pignatelli
Via Ruggero Ruggeri,3,
50135 Firenze (FI)

Trustees' Report for the year ended 30 June 2021

The British Institute of Florence is a charity registered with the Charity Commission of England and Wales under charity number 290647 and operates from the following addresses.

Palazzo Lanfredini, Lungarno Guicciardini 9, 50125 Florence, Italy.

The British Institute of Florence at The British Academy, 10 Carlton House Terrace, London SW1, United Kingdom.

<http://www.britishinstitute.it/en>

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the requirements of the Charities Act 2011, 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 published on 16 July 2014 and the Royal Charter.

1. Governance

Structure, Governance and Management

The Institute was founded in 1917 and granted a Royal Charter in 1923. The Charter of Incorporation was confirmed by warrant on 14 May 1923. Amendments were undertaken to the Charter and Statutes on 3 June 1958, 14 December 1994 and 7 June 2006.

In 1953 the British Institute was formally appointed by Her Majesty's Government as one of three agencies for the execution of the provisions of the Anglo-Italian Cultural Convention of 28 November 1953, the other two being The British Council and the British School of Rome.

This was recorded in an official exchange of letters dated 1 July 1953 between the UK Ambassador to Italy at the time, Sir Victor Mallet and the then Italian Minister of Foreign Affairs, Alcide De Gasperi. The British Institute of Florence is thus recognised as representing and promoting UK culture in Italy.

The British Institute is directed by a Board of Governors which meets twice a year. A sub-committee of the Board of Governors, the Management Committee, meets more frequently both in person and by remote conferencing. The Director of the British Institute sits on the Management Committee. Working groups of Governors are appointed as required to assume specific responsibilities. The day-to-day operation of the British Institute is delegated to the Director.

Governors act as charitable Trustees and are appointed through nomination and election by the Board of Governors. The number of Governors was set at a minimum of 10 and maximum of 18 in an amendment to the Statutes of the British Institute of Florence in June 2006. New Governors receive induction which provides full briefing on the role and responsibilities of Governors and on procedural matters.

The Board of Governors is responsible for the aims, strategy and governance of the British Institute. It considers and approves strategic direction, budgeting and financial management, and quality assurance and improvement measures. It appoints the Director.

The pay and remuneration of the Director and key management personnel is set by the Management Committee.

The current Director, Mr Simon Gammell, took up office on 22 October 2018.

2. Objectives

2.1 Charitable Objects

The objects of the Institute as set out in its Charter (as amended) are as follows.

- The promotion of the study in Italy of the English language and of British literature, art, history, philosophy and institutions.
- The promotion of the study of the Italian language and of Italian literature, art, history, philosophy, and institutions; and of a greater knowledge and appreciation of Italian culture.
- The promotion of understanding between the citizens of Italy and those pursuing studies described above.
- The maintenance of a Library in Florence to support the other objects.

2.2 Aims

To meet its objects, the Institute has the following aims.

- To provide educational programmes of the highest quality, making a difference to the lives of those taught.
- To maintain and develop its unique Library and Archive and ensure its accessibility to students, researchers, scholars, and the general public, and to raise financial resources to this end.
- To be at the centre of Florence's rich cultural life through the organisation of and participation in a wide range of cultural events and programmes.

Strategic aims for the year to June 2021

1. Control costs and retain income to ensure that the Institute survives the COVID pandemic without damaging losses in financial year 2020-2021
2. Provide teaching and learning programmes recognised as being of the highest quality, to ensure that the British Institute of Florence is the natural first choice for those wishing to study English and History of Art in Florence, and sit Cambridge English language exams. Further develop the quality and reach of our online and hybrid delivery of courses.
3. When possible, restart the new strategy for the Cultural Programme and partner events at Palazzo Lanfredini, designed to significantly increase and diversify the number of visitors and customers, whilst building significant new revenue streams.
4. Build up our partnerships with educational, cultural, governmental, and corporate organisations in Florence and throughout the world, encouraging them to engage with the Institute both in support of our programmes and as a venue for running other events that contribute to the Institute's Aims and Objects.
5. Further develop all-Institute marketing and communications, by improving the website and building stronger digital channels, to build profile, attract more partners and patrons and drive increased revenue from donations and sales
6. Further develop our fundraising capacity and introduce innovative approaches to achieving steady growth in the value of funds raised.
7. Overall Management and Governance of the British Institute of Florence continues to meet Charity Commission requirements and demonstrates best practice in relation to staff and

staffing, financial management and control, product development and delivery, customer satisfaction, estate and resource management, staff development and quality assurance.

We complied with the duty in section 17 of the Charities Act 2011 to refer to guidance published by the Charity Commission on public benefit when reviewing our aims and objectives and planning our future activities.

3. Review of the year

2020-2021 was a full year of the COVID pandemic, which made normal business operations for the Institute very difficult, as there were frequent periods when we were obliged to close our premises and operate exclusively online. The learning and experience we gained round online programme development and delivery during the first months of the pandemic in the financial year 2019-2020 was extremely valuable, helping us to achieve considerable success with a mixture of online, hybrid and in presence delivery for English, Exams, History of Art and Wednesday lectures. Library Services continued where possible, but with limited take up. Italian had very few customers, as there were few international visitors to Florence during the year and there was no demand for online learning. Leveraging the experience of online Wednesday Lectures, we delivered two successful and profitable courses for people drawn to study the *Divine Comedy* in the 700th Anniversary of Dante's death. Another innovation was *Firenze NOW!*, a programme designed to look at contemporary issues in Florence and position the Institute as valuable partner for the city. The first series of *Firenze NOW!*, events, which produced a well-received Report, looked at the *Future of Florence*, as the city was planning recovery from the pandemic.

The teams all worked with high levels of commitment and resilience through a very demanding year and delivered trading results that were better than budget. We also benefited from a full year of the Italian government furlough scheme (FIS) and were able to extend our reduced rental agreement for Palazzo Strozzi. But the outstanding financial successes of the year were some extraordinary fundraising results. Taken together, these produced a surplus of €283K in the 2020-2021 financial year of which €178K are unrestricted funds, increasing the financial reserves from €249K to €427K on 30 June 2021. The Institute has now exceeded the target of having reserves equal to the value of three months running costs (currently €391K) for the first time for several years.

4. Performance

Performance is managed on a weekly basis by the leadership team comprising Director, Deputy Director and Head of Finance and Resources, and at meetings of the Senior Management Team every six weeks. Both the Governing Body and Management Committee review overall performance, management accounts and progress against budget.

4.1 Departmental Performance

All English

English ended the year with total income from sales of courses of €743K, 19% lower than 2019-2020 when only four months were affected by the pandemic. However the costs of the department were 18% lower than the previous year thanks to the furlough scheme and a reduction in rental costs. The English Language business is divided into three departments: Adult English, Young Learners Onsite, State Schools and Exams

Adult English was deeply affected by the pandemic. In the uncertainty of the autumn 2020 less than half of the normal number of adults decided to enrol on group courses. Most were returning students with very few new customers. After one month in the classroom, government restrictions moved all adult group courses online only. While we managed to retain most of the participants the situation made it almost impossible to attract new customers

Online options saw a surge in requests from January 2021 and these courses sold well up until the summer.

The strategy implemented in 2020-2021 was to offer the maximum flexibility to adults in terms of length of enrolments, type of courses, and hybrid delivery models. We will continue with this strategy.

Young Learners Onsite experienced a difficult start to the year with low uptake for places on the July and September 2020 summer schools, but academic year course (October 2020 to May 2021) take up was good considering the circumstances. The full year results were lower than the previous year, which was much less affected by the pandemic, however indications are that the demand for Young Learner courses will recover well as we start to transition to the new normal in autumn 2021. Customer loyalty has been very good, with a high level of returning students signing up despite the uncertainty of conditions. Feedback from parents of students regarding the quality, organisation and swift responses maintained throughout the crisis have been excellent.

For **State Schools** we ran 63 courses in 2020-2021 compared to 71 in 2019-20, working with seven schools compared to ten the previous year. We won all the public tenders we participated in. However, we struggled to start middle school courses during the year as parents were reluctant for their children to spend more time online. Despite this, income was only €2k less than the previous year.

We started a brand-new *English for Work* course for high school students from a state school in Florence. The course took place in the library and involved ten teachers, eighteen groups of students and six weeks of courses. The feedback was excellent and the school involved has already expressed interest in doing the same again next year. It was good publicity for the library too as the students were very enthusiastic about the location.

Exams achieved excellent results despite disruption caused by government covid restrictions at various times throughout the year, with €370K income at the end of the financial year. This compares to €206K for the previous year and €394K for 2018-2019.. Flexible arrangements sanctioned by Cambridge Exams has meant that we were able to deliver most of the exams in our Strozzi premises which improved profitability significantly. However, it is likely that exams will return to the previous format as Cambridge is withdrawing the flexible delivery model.

Italian Department

It was not possible to hold Italian courses due to international travel for leisure being difficult during the pandemic. Some individual online lessons ran generating income of €16K from customers resident in Florence. Realistically, we are unable to compete with the large Chinese and American companies offering much cheaper online lessons. During the year one of our long serving teachers retired, and another took unpaid leave to work in a state school, the other two teachers were mainly on furlough, teaching only two or three hours per week.

History of Art

It was an extraordinary year for our History of Art department. After one month of teaching in the classroom in Florence in October, for the rest of the year we delivered courses online only. In 2019-20 the total income for the department was €96K, of which €17K was earned from online delivery; in 2020-21 the total income was €76K, with €60K coming from online delivery. This was the result of a lot of hard work, generating a series of brand-new online courses for our global audience. It will stand us in good stead going forward as we experiment with hybrid formats to draw larger audiences to Florence.

Library

2020-21 was particularly challenging for the library. While government regulations allowed libraries to stay open some of the time, we witnessed a strong decline in participation. The general perception that public spaces might be dangerous, led most of our members to refrain from visiting us. Moreover, part of the English-speaking community deserted the city leaving a gap in our audience. There was a 60% decline in membership producing just €3K, against €21K earned in 2018-19, the last normal year.

We took advantage of the months of public closure to finish the large weeding project that we started in 2019. We removed 13,545 books from the collection, with a 27% decrease from the 48,867 total recorded in 2019. Most of the books were donated, as reported last year, while a few hundred books were kept apart for the next Christmas fair, and only a small number of severely damaged volumes were recycled.

Cultural Programme

Apart from a handful of live events in the Sala Ferragamo in September and October, the Cultural Programme has been limited to online events by zoom only. These have done quite well, finding a good audience, and earning steady income. There have been three strands of online events:

The long tradition of Wednesday Lectures continued, with a series of lectures delivered via zoom throughout the year. The programming policy was to focus all lectures on *the history, art and life of Florence*, and we worked hard to engage consistently high-quality speakers. Audiences averaged around 100 people per session, with a further 400+ watching the recordings of the sessions on our YouTube channel. This is a much greater reach than we ever achieved with the classic live events in the library – which averaged 50-60 participants. The zoom audience donated on average €450 for each session, and the series will have earned around €16,000 by the end of the year. These figures are much higher than achieved by the traditional live only lecture series; we will retain simultaneous zoom broadcasting of the lectures.

We launched *Firenze NOW!* our new strand of events focussed on contemporary issues in Florence in autumn 2020, with a series of panel discussions on the *Future of Florence*. This programme connected us with many new leaders and influencers in the city and helped build our profile as a significant Florentine institution. We produced a report synthesising the findings of the *Future of Florence* sessions, which was distributed widely and well received in the city.

Marking the 700th Anniversary of Dante's death we ran a programme of two linked courses on the *Divine Comedy* - a six-part guided reading of the whole *Comedy* delivered by Alexandra Lawrence, followed by a deeper study of selected cantos delivered by Jason Houston – both American Dante specialists living in Florence. These programmes were available by registration and subscription (as for the History of Art courses), and were well attended, and so profitable. 60 people subscribed to the first part and 30 for the second, and they yielded a combined surplus of around € 5,000 on direct

costs. These courses represented an important example of our developing new strategy of hosting programmes that are developed and built by trusted partners. They provide the content, whilst we promote it as part of our programme, arrange the logistics and handle the registrations and split the income earned with the partner.

Other elements of the cultural programme – *Music al British*, *Thursday Tea*, *SOTTO al British* and *Lungarno Chats* had to be suspended for the entire year – because of the pandemic;

Partner Events

As a result of the pandemic, it was not possible to host many partner events in Palazzo Lanfredini this year. One of the few exceptions was a seminar presented by the British Chamber of Commerce in Italy.

Fundraising

It was an exceptional year for fundraising.

The standout donation was made by John Hoenig, a resident of Florence and long-term friend of the Institute, who gave more than €250K (of which circa €100K was restricted funding to support the development of the new *SOTTO al British* programme). The Sala Lungarno at Palazzo Lanfredini will be renamed Sala Hoenig in recognition of this exceptional gift.

Another notable contribution came from the John R Murray Charitable Trust, who donated a further £70K – a larger than usual gift in recognition of the exceptional challenges we have been facing during the pandemic.

Contributions from other donors continued through the multi-year grants from The Gloriette Fund (£2.5K), The Adrian Swire Charitable Trust (£25K) and others.

We are grateful to Jane Roberts, John Hoenig, Wayne McArdle, and Margie McKinnon who took up life memberships (€5,000) of the library. There was one platinum sponsorship for the Cultural Programme, from Lauri Thorndyke, matched by a donation from the Michael Griffiths Trust.

Volunteers and work placements

Volunteers and university interns normally make an important contribution to running the library and other programmes. Because of the uncertainties of the pandemic, we were unable to welcome any volunteers or interns this year. We expect to revive the programme in the coming year.

Marketing and Sales

The work on improving the effectiveness of our Marketing continued, concentrating mostly on developing our digital channels, with differentiated messages for our Italian and international audiences. Work was started on a complete revision of our website, which will be completed by early 2022. This has been complemented by improvements in the online customer experience for online sales and registrations.

4.2 Financial

The financial year 2020-21 finished with a surplus of €283K. In 2020-21 the Institute received donations, legacies and endowments totalling €458K.

Fundraising Policy

Fundraising activity is carried out by Governors, staff and volunteers (who are also library members). A professional fundraiser was not engaged in any fundraising activities nor did a commercial participator carry out any fundraising activities.

The Director and the Senior Management team supervise fundraising activities carried out by staff and volunteers. A member of staff is present during fundraising activities that take place on the premises of the British Institute in Florence. The Management Committee receives regular reports on fundraising activity.

A Fundraising sub-committee of the Board of Governors has been set up, chaired by the Chair of the Board of Governors, and reporting to the Governors. The Governors, Director and Senior Management team constantly monitor fundraising activities to ensure that there is no unreasonable intrusion on a person's privacy, and that requests for donations are not unreasonably persistent.

Reserves Policy

The policy of Trustees is that the British Institute should hold financial reserves to enable it to continue operating its charitable activities in the event of a failure of income. The target level of reserves is set at the equivalent of three months operating costs. As of 30 June 2021, the level of reserves was €427K against a target of three months operating costs of €391K. This is the first time in many years that we have held reserves at the target level.

Restricted assets of €3,020K comprise € 2,713K as the value of Palazzo Lanfredini which is restricted to use as a library and €307K representing donations restricted to funding the Library and Cultural Programme. The Institute also owns a bronze statue, created by Henry Moore, known as "Warrior with Shield", received as a gift in 1987 from Mrs. Moore (widow of Henry Spencer Moore). This heritage asset has been valued for insurance purposes at € 3,000K.

Grant-making policy

The British Institute does not make grants and therefore does not have a grant-making policy.

Investment policy and objectives

The British Institute set up an endowment fund in 2012-13 which is able to invest in long term assets to generate income to fund charitable purposes. Other funds are held in cash or short-term liquid assets.

ISO accreditation

The Institute successfully obtained the new ISO 9001 standard, which was reconfirmed at an interim review in January 2020.

Risk Assessment

A formal risk assessment is carried out each year and a Risk Assessment Report is approved by the Board of Governors at its spring meeting. It identifies the main risks to which the charity is exposed, the current level of risk and its likely impact, the procedures in place to mitigate the effects of identified risks and the level of residual risk, using a traffic light system. Any unanticipated risk emerging during the year is brought to the Management Committee of the Board of Governors for further consideration.

There are two legal cases currently unresolved. The claim by the descendants of Sig.ra Beacci for a share of our property at Palazzo Lanfredini is longstanding and remains some time from any final resolution. A former employee raised a case the Institute relating to her contracts and social security entitlements.

5. The Future

Exceptional fundraisings results, together with tenacious trading during the chronic phase of the pandemic, have put the Institute into a relatively strong financial position at the end of financial year

2020-2021. It is likely that the 2021-2022 year will see a transition from the pandemic to a New Normal. And this creates the context for an ambitious relaunch of the Institute, building on the successes we were starting to see before the pandemic, and incorporating the important new online capabilities that we have learned over the last eighteen months. We are developing a three year business plan designed to set the Institute firmly on a sustainable financial footing for the long term. The aim is to generate the revenues needed to balance the books, whilst reducing the dependence on annual fundraising and also enabling judicious investments for future innovation and growth.

6. Statement of Trustee Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted

Accounting Practice (United Kingdom Accounting Standards and applicable 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- a) select suitable accounting policies and apply them consistently.
- b) observe the methods and principles in the Charities SORP.
- c) make judgments and accounting estimates that are reasonable and prudent.
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Governing Body and signed on its behalf by

Christopher Prentice
Chairman

17 February 2022





INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BRITISH INSTITUTE OF FLORENCE

Opinion

We have audited the financial statements of the British Institute of Florence (the 'charity') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, regional law, employment law, safeguarding, data protection, health & safety legislation, fire safety and disability regulations.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

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

We communicate with those charged with governance regarding, 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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



WMT

Chartered Accountants
Statutory Auditor
Verulam Point
Station Way
St Albans
Hertfordshire
AL1 5HE

Date: 1 March 2022

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

Balance Sheet
30 June 2021

	Note	2021 (€)	2020 (€)
Fixed assets			
Tangible assets	3	4,220,550	4,259,850
Heritage assets	3	3,000,000	3,000,000
Total fixed assets		7,220,550	7,259,850
Current assets			
Debtors	4	79,278	113,553
Investments	4	56,068	47,176
Cash at bank and in hand		931,575	610,878
Total current assets		1,066,921	771,607
Liabilities			
Creditors: amounts falling due within one year	5	(323,332)	(312,167)
Net current assets		743,589	459,440
Total assets less current liabilities		7,964,139	7,719,290
Provisions for liabilities	6	(1,466,452)	(1,504,800)
Net assets		6,497,687	6,214,490
Total funds of the charity			
Endowment funds	14	50,858	42,129
Restricted funds	14	3,020,291	2,923,848
Unrestricted funds	14	426,538	248,513
Revaluation Reserve	14	3,000,000	3,000,000
Total charity funds	14	6,497,687	6,214,490

The financial statements of The British Institute of Florence were approved by the Trustees on 17/02/2022

Signed on behalf of the Board of Trustees, Chairman

Christopher Prentice

Statement of financial activities incorporating income and expenditure account for the year ended 30 June 2021

		2021 (€)	2021 (€)	2021 (€)	2021 (€)	2020 (€)
	Note	Unrestricted Funds	Restricted Funds	Endow-ment Funds	Total Funds	Total Funds
Income from:						
Donations and legacies	7	308,134	150,169	6,638	464,941	231,917
Charitable activities	8	1,210,727	-	-	1,210,727	1,365,798
Grant from Italian Government		89,631	-	-	89,631	64,153
Total		1,608,492	150,169	6,638	1,765,299	1,661,868
Expenditure on:						
Charitable activities	9	(1,430,393)	(53,726)	-	(1,484,119)	(1,612,115)
Exchange rate gain (loss)		(74)		2091	2,017	3,034
Total		(1,430,467)	(53,726)	2091	(1,482,102)	(1,609,081)
Net income/ (expenditure)		178,025	96,443	8,729	283,197	52,787
Other recognised gains/ (losses):		-	-	-	-	-
Gain in revaluation of fixed assets		-	-	-	-	3,000,000
Net movement in funds	14	178,025	96,443	8,729	283,197	3,052,787
Reconciliation of Funds						
Total funds brought forward		3,248,513	2,923,848	42,129	6,214,490	3,161,703
Total funds carried forward		3,426,538	3,020,291	50,858	6,497,687	6,214,490

The notes on pages 21 to 35 form part of the financial statements.

Statement of cash flows for the year ended 30 June 2021

		2021 (€)	2020 (€)
Net income / (expenditure) for the reporting period		283,197	52,787
Adjustments for:			
Depreciation charges		46,220	44,747
Net movements in provisions		(38,348)	(103,527)
Increase/ (decrease) in creditors: current liabilities		11,166	(77,812)
Decrease/ (increase) in debtors: current assets		34,275	(6,896)
Foreign exchange (gains) and losses		(2,017)	(3,034)
Net cash provided by/ (used in) operating activities		334,493	(93,735)
Cash flows from investing activity			
Purchase of tangible fixed assets		(6,920)	(70,026)
Movement in Investment portfolio		(8,893)	2,032
Disposal of Investment Portfolio		-	-
Purchase of Investments		-	(44,820)
Net cash provided by / (used in) investing activity		(15,813)	(112,814)
Change in cash and cash equivalents in the year		316,680	(206,549)
Cash and cash equivalents at the beginning of the year		610,878	814,393
Change in cash and cash equivalents due to exchange rate movements		2,017	3,034
Cash and cash equivalents at the end of the year		931,575	610,878
Cash and cash equivalents at the end of the year comprise:			
Cash at bank and in hand		931,575	610,878

Changes in net debt	At 1 July 2020	Cash flows	At 30 June 2021
Cash at bank and in hand	610,878	320,697	931,575

Notes to the financial statement for the year ended 30 June 2021

1. Basis of preparation of financial statements

The British Institute of Florence meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) (Second Edition) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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 United Kingdom and the Republic of Ireland (FRS 102) (Second Edition) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The preparation of financial statements in compliance with SORP 2015 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the accounting policies (see note 2).

The following principal accounting policies have been applied:

a) Incoming resources

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

All income is gross without deduction for related expenditure.

Incoming resources from charitable activities represent fees for services (library services; history of art, English and Italian language and cultural courses and activities) provided for the benefit of the charity's beneficiaries.

Grants and donations are accounted for when receivable.

b) Resources expended

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

Charitable activities include the direct costs of the activities and depreciation of related assets.

Support costs, including governance costs, which cannot be directly attributed to the activities have been allocated on a basis consistent with the use of resources.

Irrecoverable VAT or IVA is charged as a cost against the expenditure heading for which it was incurred.

c) Tangible fixed assets

Tangible fixed assets are stated at valuation (library and Lanfredini property) or at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Lanfredini refurbishing	– 3 to 20% straight line
Computers and other equipment	– 20 to 33.33% straight line
Strozzi refurbishing	– 15% straight line

Additions to fixed assets with a value below £1,000 are written off directly to the Statement of Financial Activities (SoFA).

No depreciation is charged on the Lanfredini Building, the Library or donated furniture as any charge would be immaterial due to the indefinite useful life and high residual values of the assets.

Heritage assets relate to art works which are owned by the charity. Heritage assets are held at historical cost, where purchased, valuation at acquisition, where donated or formal valuation. No depreciation is charged as the assets are considered to have an indefinite life

d) Valuation of investments

Securities are stated at market value.

e) Debtors

Short-term debtors are measured at transaction price, less any impairment losses.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks.

g) Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as debtors and creditors.

Financial instruments are initially measured at transaction value. They are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the SoFA.

h) Creditors

Short term creditors are measured at the transaction price.

i) Foreign currency translation

The financial statements are presented in Euros, which is the functional currency of the Institute.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the SoFA.

Foreign exchange gains and losses that relate to monetary assets and liabilities are presented separately on the face of the SoFA within income or expenditure.

j) Holiday pay accrual

A liability is recognised to the extent of any unused pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the Balance sheet date.

k) Provisions for liabilities

Provisions are made where an event has taken place that gives the Institute a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the SoFA in the year that the Institute becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When settlements are eventually made, they are charged to the provision carried in the Balance sheet.

Included within provisions is an amount relating to an unfunded severance plan liability.

In accordance with Italian law, the Charity has an unfunded severance plan under which all Italian employees are entitled to receive severance indemnities (Trattamento di Fine Rapporto or "TFR") upon termination of their employment. The amounts payable are based on salary paid and increases in cost of living. The severance indemnities accrue approximately at the rate of 1/13.5 of the gross salaries paid during the year, and are revalued applying a cost of living factor established by the Italian Government. The amounts accrued become payable upon termination of the individual employee, for any reason, e.g., resignation, retirement, dismissal or reduction in staff. The full amount of the potential liability is provided for when it is incurred.

l) Funds

Unrestricted funds are funds which the Trustees are free to use for any purpose in furtherance of the charities objectives.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Their restriction may apply to the use of income or capital or both.

Endowment funds comprise amounts donated to the Institute as a permanent endowment. Gains and losses on the investment capital are recognised within the endowment fund and related investment management costs are charged to the fund.

The revaluation reserves relates to gains or losses on the revaluation of fixed assets.

m) Operating leases

Rentals under operating leases are charged to the Statement of Financial Activity on a straight line basis over the period of the lease.

n) Going concern

The Trustees are of the opinion that there are no material uncertainties regarding going concern.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means the actual outcomes could differ from those estimates.

The key source of estimation uncertainty that could have an impact on the financial statements relates to the valuation of the Lanfredini property and the “Warrior with Shield” statue and the provision for liabilities and charges relating to the Beacci claim. Further information is provided in note 3 to the accounts.

3. Fixed assets

	Donated Furniture	Library	Lanfredini refurbishing	Lanfredini Building	Computers & equipment	Total
Cost						
At 1 July 2020	41,196	105,354	1,061,802	3,713,205	908,224	5,829,781
Additions	-	-	-	-	6,920	6,920
At 30 June 2021	41,196	105,354	1,061,802	3,713,205	915,144	5,836,701
Accumulated depreciation At 1 July 2020	-	(17,858)	(710,157)	-	(841,916)	(1,569,931)
Charge for the year	-	-	(35,987)	-	(10,233)	(46,220)
At 30 June 2021	-	(17,858)	(746,144)	-	(852,149)	(1,616,151)
Net book value at 30 June 2020	41,196	87,496	351,645	3,713,205	66,308	4,259,850
Net book value at 30 June 2021	41,196	87,496	315,658	3,713,205	62,995	4,220,550

The donated furniture includes some old and historic furniture valued at €41,196 with an indefinite useful life and high residual value resulting in any depreciation charge being immaterial.

The ground and first floor apartments in Palazzo Lanfredini (housing the Director's flat, library and cultural centre of the British Institute of Florence) were bequeathed by Sir Harold Acton (who passed away in 1994) to the Institute under a will under Italian law dated 15 April 1993. Under a later will written in the US dated 13 December 1993, Sir Harold Acton revoked all previous testamentary dispositions. The Lanfredini apartments were treated as falling within his residuary estate.

The residuary Trustees have provided written confirmation recognising Sir Harold Acton's bequest to the Institute under his Italian will and stating that they would not interpose any claim to the assets bequeathed to the Institute under the Italian will. The Institute's title to the Lanfredini apartments has been registered.

Proceedings initiated in 1995 against New York University (as beneficiaries of the residuary estate) and the British Institute of Florence by the children of an Italian citizen, Mrs. Beacci, for recognition that their mother was the natural daughter of Sir Arthur Acton (Harold Acton's father) in order to claim a share of Harold Acton's estate in accordance with Italian

succession law were dismissed in September 2009 by the Tribunal of Florence. Following a series of appeals and hearings, in May 2014 the Supreme Court annulled the previous judgements and upheld the right of the heirs of Mrs Beacci to bring a claim. The case continues.

The full value of Lanfredini has been included on the balance sheet at €4 million following a valuation in December 2010 by Knight Frank. An associated provision of €1 million against what is calculated as a 25% risk of loss of title is recognised within provisions.

In 1987, the Institute received as a gift from Mrs. Moore (widow of Henry Spencer Moore) a bronze statue, created by Henry Moore, known as "Warrior with Shield". This statue is on public display in the cloister of Santa Croce in Florence. A professional valuation was undertaken in 2020 by Christies and this valuation has been included since June 2020 in the financial statements. The basis of valuation is insurance value.

Heritage asset at valuation

At 1 July 2020	3,000,000
Revaluation in period	-
At 30 June 2021	3,000,000

4. Current assets

Debtors

	2021 (€)	2020 (€)
Debtors for courses	38,288	89,200
Prepayments	31,620	12,014
Other debtors	9,370	12,339
Total	79,278	113,553

The cash and bank balances reflect the situation as shown in the cash flow statement.

Investments

As at 30 June 2021 investments are represented by security investment trusts (Eurizon) and COIF Charity Investment Fund Income Units as follows:

	2021 (€)	2020 (€)
Eurizon	4,456	4,422
COIF Charity Investment Funds Income Units	51,612	42,754
Total	56,068	47,176

The Institute invests temporary liquidity in financial instruments and adopts a “mark to market” valuation approach in relation to its investment portfolio.

Analysis of Movement of investments

	2021 (€)	2020 (€)
Carrying value (market value) at 1 July	47,176	4,388
Disposal of Eurizon		
Purchase of COIF Charity Investment Funds Income Units	-	44,820
Change in market value	8,892	(2,032)
Carrying value (market value) at 30 June	56,068	47,176

5. Liabilities

Creditors: amounts falling due within one year

	2021 (€)	2020 (€)
Trade creditors	39,407	18,696
Accruals	145,322	136,187
Other creditors	138,603	157,284
Total	323,332	312,167

Trade creditors comprise services received from suppliers in the normal course of the Institute’s activities.

Accruals are mainly composed of accruals for services received from suppliers, staff salaries to be paid and fees received in advance for courses in 2021-2022.

Other creditors are composed of staff holidays, social security charges, taxes and pension charges, credit vouchers issued for courses and deposits to be refunds to Library users and deposits for courses that had to be postponed to 2021-2022 due to the Covid 19 pandemic.

6. Provisions for liabilities and charges 2021

	Beacci claim	TFR	Total
At 1 July 2020	1,000,000	504,800	1,504,800
Expense in the year	-	55,873	55,873
Utilisation	-	(94,221)	(94,221)
At 30 June 2021	1,000,000	466,452	1,466,452

Previous reporting year:

	Beacci claim	TFR	Total
At 1 July 2019	1,000,000	608,327	1,608,327
Expense in the year	-	58,168	58,168
Utilisation	-	(161,695)	(161,695)
At 30 June 2020	1,000,000	504,800	1,504,800

The Institute accounts for staff leaving indemnity (TFR) in accordance with Italian law. This is payable to employees upon termination of employment for whatever reason. The Institute has retained a provision of €1,000,000 in the event that the Beacci claim were to succeed. See note 3 above. The Institute's legal advisors are currently assessing a claim made by a former employee relating to Italian labour law. It is not possible to assess the financial impact, if any, of this claim until comprehensive legal advice has been received.

7. Donations and legacy

Amounts included in donations and legacies comprise donations receivable. There have been no material costs associated with the generation of donations.

8. Income from charitable activities.

The Institute's resources from charitable activities are as follows:

Income from charitable activities. The Institute's resources from charitable activities are as follows:	2021 (€)	2020 (€)
Activity or programme		
English courses	743,196	919,295
Italian courses	15,803	112,537
History of art courses	75,780	96,383
Exams fees	369,784	205,867
Library	3,388	12,091
Other	2,776	19,625
Total	1,210,727	1,365,798

9. Breakdown of cost of charitable activities

	2021 (€) Activities undertaken directly	2021 (€) Support Costs	2021 (€) Total	2020 (€) Activities undertaken directly	2020 (€) Support Costs	2020 (€) Total
Activity or programme						
English courses	528,106	248,458	776,564	614,650	343,933	958,583
Italian courses	64,303	5,800	70,103	119,941	41,881	161,822
History of art courses	61,213	21,244	82,457	69,402	20,173	89,575
Exams fees	266,571	110,490	377,061	129,538	49,224	178,762
Library	71,677	76,019	147,696	86,676	99,896	186,572
Other	-	-	-	-	-	-
Governance costs		30,238	30,238	-	36,801	36,801
Total	991,870	492,249	1,484,119	1,020,207	591,908	1,612,115

Governance costs includes 30% of the costs of the Director, expenses reimbursed to Governors and audit costs.

Overheads	2021 (€)	2020 (€)
Stationery and telecommunications	17,864	20,888
Pay costs for administrative support staff and director	201,909	209,756
Premises costs (rent, utilities, upkeep) (minus depreciation)	106,920	207,661
Other administration expenditure (professional fees, payroll administration, insurance, audit, equipment, staff training)	118,116	105,256
Depreciation	46,220	44,747
Other	-	1,248
Marketing (Website and general marketing)	1,220	2,352
Total	492,249	591,908

10. Trustees' expenses

	2021 (€)	2020 (€)
Governors expenses	-	2,461

The Governor's meetings in November 2020 and May 2021 were held by teleconference. No governors were remunerated for their activities as governors.

In 2019/2020 expenses were met for travel and hotel costs for four Governors attendance at the November 2019 Governors meeting. The May 2020 Governor's meeting was held by teleconference.

11. Indemnity insurance

Trustee indemnity insurance cover with a maximum limit of €2 million is in place at a cost of €1,815.

12. Net incoming resources

Net incoming resources is stated after charging:

	2021 (€)	2020 (€)
Depreciation of fixed assets (owned)	46,220	44,747
Amounts payable under operating leases	136,755	69,600
Audit fee	11,589	14,059

13. Staff costs, emoluments and numbers

Staff costs

	2021 (€)	2020 (€)
Gross salaries (UK and IT)	736,069	811,796
National Insurance and Pension (UK)	3,541	5,381
INPS (IT)	171,407	197,483
INAIL (IT)	1,663	933
IRAP (IT)	20,113	18,139
Trattamento di Fine Rapporto (TFR-IT)	55,873	58,168
Total	988,666	1,091,900

Staff costs and emoluments are included under “charitable activities” in the attached Statement of Financial Activities. One employee earned between £60,000 and £70,000 (including benefits) in this year and in the previous year.

Staff numbers

	2021 (No.)	2020 (No.)
English Teaching and Administration staff	23	25
Italian Teaching and Administration staff	4	5
Library, History of Art, Exams & Support staff	20	14
Total	47	44

Average number of full time equivalent (FTE) employees (excluding freelance teachers who teach the History of Art Department):

	2021 (No. of FTE)	2020 (No. of FTE)
English Teaching and Administration staff	17.7	17.4
Italian Teaching and Administration staff	2.6	3.6
Library, History of Art, Exams, & Support staff	8.7	8.9
Total	29.0	29.9

Key management costs total Euro 302,786 (previous year Euro 297,125 and are made up of the salary costs of the Director and the Senior Management Team (the Director and eight staff – four of whom work part time).

14. Movement of funds

Restricted Fund	At 1 July 2020 (€)	Incoming Resource (€)	Spend (€)	Revaluation (€)	Carried Forward (€)
Palazzo Lanfredini Building	2,713,205	-	-		2,713,205
Restricted Funds	210,643	150,169	(53,726)		307,086
Total	2,923,848	150,169	(53,726)		3,020,291
Unrestricted funds					
General	248,513	1,608,492	(1,430,467)	-	426,538
Revaluation reserve	3,000,000	-	-	-	3,000,000
Total	3,248,513	1,608,492	(1,430,467)	-	3,426,538
Endowment fund	42,129	6,638	2,091	-	50,858
Total funds	6,214,490	1,765,299	(1,482,102)	-	6,497,687

Restricted Fund	At 1 July 2019 (€)	Incoming Resource (€)	Spend (€)	Revaluation (€)	Carried Forward (€)
Palazzo Lanfredini Building	2,713,205	-	-		2,713,205
Restricted Funds	215,402	85,809	(90,568)		210,643
Total	2,928,607	85,809	(90,568)		2,923,848
Unrestricted funds					
General	188,931	1,575,866	(1,516,284)	-	248,513
Revaluation reserve	-	-	-	3,000,000	3,000,000
Total	188,931	1,575,866	(1,516,284)	3,000,000	3,248,513
Endowment fund	44,165	193	(2,229)	-	42,129
Total funds	3,161,703	1,661,868	(1,609,081)	3,000,000	6,214,490

Restricted funds at 30 June 2021 consisted of Euro 197,797 to meet future depreciation charges for infrastructure works that were undertaken in Palazzo Lanfredini from 2018-2020, Euro 102,695 for new Sotto Al British Cultural Programme activities, Euro 5,791 for the Autumn 2021 season of the Wednesday Cultural Programme and Euro 803 for the restoration of books.

15. Analysis of net assets

	2021 (€) (Tangible fixed assets	2021 (€) Net current assets	2021 (€) Provisions	2021 (€) Total
Un-restricted funds	507,345	385,645	(466,452)	426,538
Revaluation reserve – unrestricted	3,000,000	-	-	3,000,000
Restricted funds	3,713,205	307,086	(1,000,000)	3,020,291
Endowment funds	-	50,858	-	50,858
Total funds	7,220,550	743,589	(1,466,452)	6,497,687

	2020 (€) (Tangible fixed assets	2020 (€) Net current assets	2020 (€) Provisions	2020 (€) Total
Un-restricted funds	546,644	206,667	(504,800)	248,511
Revaluation reserve - unrestricted	3,000,000	-	-	3,000,000
Restricted funds	3,713,205	210,645	(1,000,000)	2,923,850
Endowment funds	-	42,129	-	42,129
Total funds	7,259,849	459,441	(1,504,800)	6,214,490

The Institute's revaluation reserve funds are the value of a bronze statue, created by Henry Moore, known as "Warrior with Shield the Institute, which was received as a gift from Mrs. Moore (widow of Henry Spencer Moore) in 1987. The restricted funds represent the interest held in Lanfredini Building €2,713,205 (2019 €2,713,205). Other restricted funds include donations restricted to the Library and Cultural Programme. The endowment fund represents a permanent endowment set up for the Library.

16. Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 2021 (€)	Land and buildings 2020 (€)
Expiry date		
-within one year	143,622	75,950
- between one and five years	11,905	166,663
Total	155,527	242,613

17. Financial Instruments

	2021 (€)	2020 (€)
Financial assets measured at fair value through profit or loss	56,068	49,242

Financial assets measured at fair value through profit or loss comprise of investments.

18. Fiscal status of the institute

The Institute is a registered charity in accordance with the 2011 Charities Act of England and Wales (Registered Charity no. 290647) and is recognised by a Presidential Decree of the Italian Republic dated 25 February 1953.

The Corte di Cassazione (Supreme Court) recognised The British Institute of Florence as an *“Ente di Diritto Pubblico”* in a ruling dated 1 October 1998.

19. Donations From Trustees

There were no donations from Trustees in 2020-2021. In 2020 donations totaling €4,012 were received from one Trustee.

20. Related Party Transactions

There were no related party transactions in the current or prior period.

21. Statement of financial activities incorporating income and expenditure account for the year ended 30 June 2020

		2020 (€)	2020 (€)	2020 (€)	2020 (€)	2019 (€)
	Note	Unrestricted Funds	Restricted Funds	Endow-ment Funds	Total Funds	Total Funds
Income from:						
Donations and legacies	7	145,915	85,809	193	231,917	322,930
Charitable activities	8	1,365,798			1,365,798	1,639,378
Grant from Italian Government		64,153			64,153	-
Total		1,575,866	85,809	193	1,661,868	1,962,308
Expenditure on:						
Charitable activities	9	(1,521,547)	(90,568)		(1,612,115)	(1,843,549)
Exchange rate gain (loss)		5,263		(2,229)	3,034	(5,638)
Total		(1,516,284)	(90,568)	(2,229)	(1,609,081)	(1,849,187)
Net income/ (expenditure)		59,582	(4,759)	(2,036)	52,787	113,121
Other recognised gains/ (losses):						
Gain in revaluation of fixed assets		3,000,000	-	-	3,000,000	-
Net movement in funds	14	3,059,582	(4,759)	(2,036)	3,052,787	113,121
Reconciliation of Funds						
Total funds brought forward		188,931	2,928,607	44,165	3,161,703	3,048,582
Total funds carried forward		3,248,513	2,923,848	42,129	6,214,490	3,161,703

