

Trustees' Annual Report and Accounts

For the year ended 30 June 2022



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Administration

Trustees

Members of the Governing Body

Elected

Christopher Prentice*	Chairman
Beatrice Bargagli Stoffi	Deputy Chair
Maria Grazia Antoci*	
Giacomo Cortese	
Morgan Fiume	
Loyd Grossman	
Lady Hannah Lowy Mitchell	
Isobel McGregor	
David Nightingale	Universities UK nominee
James Stewart*	Treasurer
Luke Syson	British Academy nominee

Ex officio

Luigi Dei	Rector, University of Florence (to 31 August 2021)
Alessandra Petrucci	Rector, University of Florence (to 31 2021)
Rachel Launay*	Director, British Council, Italy
HMA Jill Morris	President (to 16 January 2022)
HMA Ed Llewelyn	President (from 01 February 2022)

Honorary Governor

Michael Griffiths

Senior Management Team 2021-2022

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

* denotes member of Management Committee

+ attends Management Committee

Bankers:

Barclays Bank plc
21 Hanover Square
London W1S 1JW

Banca Intesa Sanpaolo
Filiale Firenze 62
Via Bufalini, 4
50122 Florence
Italy

Italian lawyers:

Avv. Lorenzo Contri
Via Lorenzo Il Magnifico, 78
50129 Firenze
Italy

Avv. Roberto Borlè Gioppi
Via Calabria, 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
Italy

Trustees' Report for the year ended 30 June 2022

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 2022

1. Control costs and retain income to ensure that the Institute survives the continuing COVID pandemic without damaging losses in financial year 2021-2022
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, Italian 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. Further develop 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

2021-2022 was the second year to be significantly affected by the COVID pandemic, with continuing tough trading conditions and operational challenges. The Institute continued to weather the storm and closed the year with a break-even financial result. The strategy for the year was to prepare for a strong re-emergence in autumn 2022, by when it was expected that the worst of the pandemic would be over. So a new three year Business Plan 22-25 was developed and approved by the Board of Governors in May 2022. The aim of the Business Plan is to build on recent financial successes (which by end of financial year 21-22 had fully restored the charity's reserves) to develop a business structure and operations that will deliver stable financial sustainability for years to come.

A first step for the new business plan was to reorganise the Institute into two customer facing operational groups: the Florentine group which will deliver English language courses and exams to Florentine customers; and the International Group, which will deliver History of Art and Italian language courses, together with a rich programme of cultural and social events and library services for international residents and visitors to Florence, from our heritage premises at Palazzo Lanfredini.

The major change for the Florentine Group was the relocation of the school to new premises at Viale Mazzini, completed in time for launch with the 2022 academic year. This provides much improved classrooms with greater amenity than our long-term base at Palazzo Strozzi, together with more convenient access for our customers. The new premises provide the opportunity for a fresh new chapter for our long-standing English teaching operation. The Florentine Group continued to recover from the pandemic with a small year-end deficit (better than budget).

The International Group made a steady recovery, with most programmes once more delivered live in the Library, whilst continuing to offer hybrid access via zoom. Italian language teaching recovered well from the total collapse of demand in the previous year, and posted a surplus way ahead of budget. A substantial restricted donation from John Hoenig was used to do a major refurbishment of the ground floor room at Lanfredini, and experiment with a new programme of contemporary cultural events, targeting a younger demographic than our traditional offering in the Library. Named *SOTTO al British*, this new programme made significant impact.

An important highlight of the drive to improve marketing for the Institute was the design and implementation of a completely new website.

The overall financial result for the Institute in 2021-22 was a net deficit of Euro 2K.

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

Florentine Group

All English and Exams

Income received in 2021-22 totalled €1,193K, 7% up on the previous year. The Florentine Group ended the year with a €51K loss against budget set, however if the costs (€14.5K) of the move to new premises in Viale Mazzini are not taken into account then overall the Group came in on budget (loss of €35K).

Adult English

Adult English was still deeply affected by the pandemic and enrolments remained low, despite changes to reduce course fees and offer an online option.

Young Learners Onsite

Our main Young Learner annual courses were steady this academic year, with a similar number of students overall compared to 20/21.

We still have a way to go to reach pre-pandemic overall income, mainly due to the ongoing effect of the pandemic on summer courses.

State Schools

We ran 56 courses this year compared to 63 in 20/21 and have again worked with 7 schools including 2 middle schools. Income was up, as we negotiated longer courses with two of the schools.

State schools total income this year was above the budget of €222K - at €242K compared to €211K last year.

The *English for Work Skills* project (PCTO) we started last year continued to grow, with 33 groups of students generating more than €40K this year.

Exams

Exams continued to grow back towards pre-pandemic levels, and was the most successful product for the Group in financial terms, yielding a €17K net surplus. This excellent performance was enabled in part by the continuing practice of delivering most of the exams in house.

International Group

History of Art

Income came in below budget, but was matched by a reduction in costs, resulting in a small net loss.

Though for the first time since the start of the pandemic onsite registrations are beginning to outnumber online registrations, and it was possible to resume the visits to sites round Florence (an integral part of the normal programme), numbers of enrolments remain somewhat depressed. Improving this is a priority focus for our continuing efforts to improve marketing for the Institute's products and services.

The Italian Department

After a year of near collapse due to the pandemic, Italian saw a strong return of demand, led by individuals and University groups. The University of Cambridge returned for their usual 10 day course with double the amount of students because there had been no course last year. And James Madison University returned, albeit with smaller groups. Individuals have started returning for private lessons in significant numbers. And in May we restarted Group Courses, and got enough enrolments to cover costs. All Italian lessons are now delivered in the Lanfredini rooms, which gives our customers a richer cultural experience, and allows for more effective cross-selling with other International Group products.

The department staffing has been reduced to two part-time teachers on 12 hours a week, which enables trading at surplus; the financial result for Italian in 21/22 was a €6K net surplus on €75K income – an encouraging result.

Cultural Programme

In September 2021 it was possible to resume running the Cultural Programme in the Library, and this continued throughout the year. We continued to deliver most events in hybrid form, with audiences joining on zoom alongside those in the room – and this worked well. Income received for the events was around €30K

The Cultural Programme featured four event strands:

Wednesday Lectures. The classic flagship programme presents a lecture each week on a theme related to the *History, Art and Life of Florence*.

Music al British. We are partnering with the Keyboard Trust (UK) and the Mascarade Opera Studio (Florence) to programme very talented young musicians, giving us consistently high quality for this series of piano and chamber music in the Library.

Meet the Author. This is a new strand where we present writers and their work in the Library. We have presented five writers so far

Wine tasting. Another new strand, where we invite wine producers to give us a detailed wine tasting with the full story of their Winery.

In all, we presented over 50 events, with an average live audience around 35 people (with a further 50 joining by zoom for hybrid events). With better marketing, it should be possible to grow these audiences, and the associated income, significantly.

The new *SOTTO al British* programme started in April in the beautifully refurbished Sala Hoenig. The programming so far has been a mixture of community art making events (such as Life Drawing classes), some experimental performance pieces, and a couple of art exhibitions. The project is getting some attention in the city, and bringing in some new people, but is not yet generating much income.

We also partnered with the AWA Legacy fund to present a project called *Oltrarno Gaze*, which delivers a number of workshops and events looking at the dialogue between contemporary creative women and the historical legacy of Florence. This project came to us fully funded, with a project manager attached and a management fee.

Lanfredini Partnerships

The use of our rooms by partners for their events began slowly to recover as the pandemic started to recede. By the end of the year some 25 partner events generating donations amounting to around €5K, with low direct costs. Partners include a number of local cultural associations, the British Embassy in Rome and the British Chamber of Commerce, American and British Universities.

Library Services

After a difficult two-year period of partial closures and re-openings, the Library and the Archive definitively re-opened with regular access from 1st September 2021, in the afternoon only (14.30-18.30). From that date the Library Coordinator, working part-time, has been the only person coordinating the basic library and archive services.

The library had over 350 members, but the number of loans has seen a notable and constant decrease, a situation which is common to other libraries in the world, which has only been accelerated by the pandemic.

There is still keen interest in the Archive materials. We receive many e-mail enquiries and visits from serious students, scholars and University professors, and there were 10 scholarly visits during the year.

Fundraising

It was another good year for fundraising, which continues to be essential for the maintenance of the Institute's financial stability. To memorialise our great supporter and long-time Governor, the late Lady Jane Roberts, we established the Jane Roberts Memorial Fund to raise funds for the Library that was her passion. Launched at her memorial service at St George's Chapel, Windsor, by year end the Fund stood at €64K. Other highlights included a legacy from another long serving Governor, Anthony Smith (€58K), and a Grant for the Library from the Foyle Foundation (€23K). And we were delighted to secure a new three year Grant totalling €165K for the years 2022 to 2024. A fundraising dinner at Palazzo Lanfredini realised €5K net of costs.

In May 2022 Lady Hannah Lowy Mitchell joined the Board of Governors. Lady Mitchell brings extensive fundraising experience and has taken over as Chair of the Fundraising Committee. This will give our Fundraising programme a welcome boost in the coming years.

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. A full revision of our website was completed by Easter 2022. This has been complemented by improvements in the online customer experience for online sales and registrations.

4.2 Financial

The financial year 2021-22 finished with a net loss of €1,725. In 2021-22 the Institute received donations, and legacies totalling €311,277.

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.

The Fundraising sub-committee of the Board of Governors got a new Chair in May 2022 when Lady Hannah Lowy Mitchell joined the Board. 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 2022, the level of reserves was €426K 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 €3,022K comprise € 2,713K as the value of Palazzo Lanfredini which is restricted to use as a library and €309K 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 continuing pandemic, have put the Institute into a relatively strong financial position at the end of financial year 2021-2022. In the 2022-2023 year the impact of the pandemic will likely recede, to be replaced by the challenges posed by rising inflation. We have adopted a three year business plan designed to capitalise on our current financial stability and 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, to provide funding for judicious investments for future innovation and growth, and eventually reduce the dependence on annual fundraising.

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

5 February 2023

Chairman.

**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 2022 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 2022 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

23 February 2023

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 2022

	Not e	2022 (€)	2021 (€)
Fixed assets			
Tangible assets	3	4,187,537	4,220,550
Heritage assets	3	3,000,000	3,000,000
Total fixed assets		7,187,537	7,220,550
Current assets			
Debtors	4	147,769	79,278
Investments	4	48,743	56,068
Cash at bank and in hand		915,866	931,575
Total current assets		1,112,378	1,066,921
Liabilities			
Creditors: amounts falling due within one year	5	(302,517)	(323,332)
Net current assets		809,862	743,589
Total assets less current liabilities		7,997,398	7,964,139
Provisions for liabilities	6	(1,501,436)	(1,466,452)
Net assets		6,495,962	6,497,687
Total funds of the charity			
Endowment funds	14	48,031	50,858
Restricted funds	14	3,021,858	3,020,291
Unrestricted funds	14	426,073	426,538
Revaluation Reserve	14	3,000,000	3,000,000
Total charity funds	14	6,495,962	6,497,687

The financial statements of The British Institute of Florence were approved by the Trustees on 05/02/2023

Christopher Prentice

Signed on behalf of the Board of Trustees, Chairman

Statement of financial activities incorporating income and expenditure account for the year ended 30 June 2022

		2022 (€)	2022 (€)	2022 (€)	2022 (€)	2021 (€)
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
Income from:						
Donations and legacies	7	68,758	242,519	-	311,277	464,941
Charitable activities	8	1,349,343	-	-	1,349,343	1,210,727
Grant from Italian Government		25,775	-	-	25,775	89,631
Total		1,443,876	242,519	-	1,686,395	1,765,299
Expenditure on:						
Charitable activities	9	(1,442,053)	(240,952)	-	(1,683,005)	(1,484,119)
Exchange rate gain (loss)		(2,097)		(175)	(2,272)	2,017
Total		(1,444,150)	(240,952)	(175)	(1,685,277)	(1,482,102)
						-
Net income/ (expenditure)		(274)	1,567	(175)	1,118	283,197
Other recognised gains/ (losses):						
Loss on investment fund		(191)	-	(2,652)	(2,843)	-
						-
Net movement in funds	14	(465)	1,567	(2,827)	(1,725)	283,197
						-
Reconciliation of Funds						-
Total funds brought forward		3,426,538	3,020,291	50,858	6,497,687	6,214,490
						-
Total funds carried forward		3,426,073	3,021,858	48,031	6,495,962	6,497,687

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

Statement of cash flows for the year ended 30 June 2022

		2022 (€)	2021 (€)
Net income / (expenditure) for the reporting period		(1,725)	283,197
Adjustments for:			
Depreciation charges		45,327	46,220
Net movements in provisions		34,984	(38,348)
Increase/ (decrease) in creditors: current liabilities		(9,290)	11,166
Decrease/ (increase) in debtors: current assets		(80,016)	34,275
Foreign exchange (gains) and losses		2,272	(2,017)
Net cash provided by/ (used in) operating activities		(8,448)	334,493
Cash flows from investing activity			
Purchase of tangible fixed assets		(12,314)	(6,920)
Movement in Investment portfolio		2,869	(8,893)
Disposal of Investment Portfolio		4,456	-
Purchase of Investments		-	-
Net cash provided by / (used in) investing activity		(4,989)	(15,813)
Change in cash and cash equivalents in the year		(13,437)	316,680
Cash and cash equivalents at the beginning of the year		931,575	610,878
Change in cash & cash equivalents due to exchange rate movements		(2,272)	2,017
Cash and cash equivalents at the end of the year		915,866	931,575
Cash and cash equivalents at the end of the year comprise:			
Cash at bank and in hand		915,866	931,575

Changes in net debt		At 1 July 2021	Cash flows	At 30 June 2022
Cash at bank and in hand		931,575	(15,709)	915,866

Notes to the financial statement for the year ended 30 June 2022

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
Strozzino 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 & equipment	Lanfredini Building	Computers & equipment	Total
Cost						
At 1 July 2021	41,196	105,354	1,061,802	3,713,205	915,144	5,836,701
Additions	-	-	14,150	-	8,364	22,314
Disposals	(10,200)					(10,200)
At 30 June 2022	30,996	105,354	1,075,952	3,713,205	923,508	5,849,015
Accumulated depreciation At 1 July 2021	-	(17,858)	(746,144)	-	(852,148)	(1,616,151)
Charge for the year	-	-	(36,093)	-	(9,234)	(45,327)
At 30 June 2022	-	(17,858)	(782,238)	-	(861,383)	(1,661,478)
Net book value at 30 June 2021	41,196	87,496	315,658	3,713,205	62,995	4,220,550
Net book value at 30 June 2022	30,996	87,496	293,715	3,713,205	62,125	4,187,537

The donated furniture includes some old and historic furniture valued at €30,996 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 2021 (€)	3,000,000
Revaluation in period	-
At 30 June 2022 (€)	3,000,000

4. Current assets

Debtors

	2022 (€)	2021 (€)
Debtors for courses	96,730	38,288
Prepayments	23,955	31,620
Other debtors	27,084	9,370
Total	147,769	79,278

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

Investments

As at 30 June 2022 investments are represented COIF Charity Investment Fund Income Units as follows:

	2022 (€)	2021 (€)
Eurizon	-	4,456
COIF Charity Investment Funds Income Units	48,743	51,612
Total	48,743	56,068

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

	2022 (€)	2021 (€)
Carrying value (market value) at 1 July	56,068	47,176
Disposal	(4,456)	-
Change in market value	(2,869)	8,892
Carrying value (market value) at 30 June	48,743	56,068

5. Liabilities

Creditors: amounts falling due within one year

	2022 (€)	2021 (€)
Trade creditors	23,336	39,407
Accruals	134,963	145,322
Other creditors	144,218	138,603
Total	302,517	323,332

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 2022-2023.

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 due to the Covid 19 pandemic.

6. Provisions for liabilities and charges 2022

	Beacci claim	TFR	Total
At 1 July 2021 (€)	1,000,000.00	466,452	1,466,452
Expense in the year (€)	-	69,941	69,941
Utilisation (€)	-	(34,957)	(34,957)
At 30 June 2022 (€)	1,000,000.00	501,436	1,501,436

Previous reporting year:

	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

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:

	2022 (€)	2021 (€)
Activity or programme		
English courses	813,105	743,196
Italian courses	75,602	15,803
History of art courses	63,842	75,780
Exams fees	379,956	369,784
Library	9,250	3,388
Other	7,589	2,776
Total	1,349,343	1,210,727

9. Breakdown of cost of charitable activities

	2022 (€) Activities undertaken directly	2022 (€) Support Costs	2022 (€) Total	2021 (€) Activities undertaken directly	2021 (€) Support Costs	2021 (€) Total
Activity or programme						
English courses	589,666	286,510	876,176	528,106	248,458	776,564
Italian courses	47,189	21,860	69,049	64,303	5,800	70,103
History of art courses	60,183	19,470	79,653	61,213	21,244	82,457
Exams fees	229,860	116,871	346,731	266,571	110,490	377,061
Library	166,927	105,234	272,161	71,677	76,019	147,696
Governance costs		39,236	39,236		30,238	30,238
Total	1,093,825	589,181	1,683,005	991,870	492,249	1,484,119

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

Overheads	2022 (€)	2021 (€)
Stationery and telecommunications	18,137	17,864
Pay costs for administrative support staff and director	197,169	201,909
Premises costs (rent, utilities, upkeep) (minus depreciation)	186,754	106,920
Other administration expenditure (professional fees, payroll administration, insurance, audit, equipment, staff training)	130,991	118,116
Depreciation	45,327	46,220
Other	1,735	-
Marketing (Website and general marketing)	10,803	1,220
Total	589,181	492,249

10. Trustees' expenses

	2022 (€)	2021 (€)
Governors expenses	4,341	-

The Governor's meetings in November 2021 and May 2022 were held in Florence and some governors were reimbursed for travels costs. No governors were remunerated for their activities as governors.

In 2020/2021 there were no governors expenses as the meetings in November 2020 and May 2021 were held by teleconference.

11. Indemnity insurance

Trustee indemnity insurance cover with a maximum limit of €500,000 is in place at a cost of €1,815.

12. Net incoming resources

Net incoming resources is stated after charging:

	2022 (€)	2021 (€)
Depreciation of fixed assets (owned)	45,327	46,220
Amounts payable under operating leases	59,780	136,755
Audit fee	13,292	11,589

13. Staff costs, emoluments and numbers

Staff costs

	2022 (€)	2021 (€)
Gross salaries (UK and IT)	705,935	736,069
National Insurance and Pension (UK)	4,330	3,541
INPS (IT)	186,107	171,407
INAIL (IT)	1,964	1,663
IRAP (IT)	20,181	20,113
Trattamento di Fine Rapporto (TFR-IT)	69,941	55,873
Total	988,458	988,666

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

	2022 (No.)	2021 (No.)
English Teaching and Administration staff	21	23
Italian Teaching and Administration staff	2	4
Library, History of Art, Exams & Support staff	17	20
Total	40	47

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

	2022 (No. of FTE)	2021 (No. of FTE)
English Teaching and Administration staff	17.2	17.7
Italian Teaching and Administration staff	2.0	2.6
Library, History of Art, Exams, & Support staff	8.7	8.7
Total	27.9	29.0

Key management costs total € 327,733 (previous year € 302,786) 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 Funds	At 1 July 2021 (€)	Incoming Resource (€)	Spend (€)	Investment Gain (Loss) (€)	Exchange Rate Gain (Loss)	Carried Forward (€)
Palazzo Lanfredini Building	2,713,205	-	-	-	-	2,713,205
Restricted Funds	307,085	242,519	(240,952)	-	-	308,652
Total	3,020,290	242,519	(240,952)	-	-	3,021,857
Unrestricted Funds						
General	426,538	1,443,876	(1442,053)	(191)	(2,097)	426,074
Revaluation reserve	3,000,000	-	-	-	-	3,000,000
Total	3,426,538	1,443,876	(1442,053)	(191)	(2,097)	3426,074
Endowment Funds	50,858	-	-	(2,652)	(175)	48,031
Total Funds	6,497,687	1,686,395	(1,683,005)	(2,843)	(2,272)	6495,962

Restricted Funds	At 1 July 2020 (€)	Incoming Resource (€)	Spend (€)	Investment Gain (Loss) (€)	Exchange Rate Gain (Loss)	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	(1,430,393)	-	(74)	426,538
Revaluation reserve	3,000,000	-	-	-	-	3,000,000
Total	3,248,513	1,608,492	(1,430,467)	-	-	3,426,538
Endowment Funds	42,129	-	-	6,638	2,091	50,858
Total Funds	6,214,490	1,758,661	(1,484,194)	6,638	2,091	6,497,687

Restricted funds at 30 June 2022 totalled € 308,652 of which € 182,554 are for future depreciation charges for infrastructure works undertaken in Palazzo Lanfredini from 2018-2020, € 17,930 for future depreciation charges for equipment purchased for Palazzo Lanfredini in 2019 and 2022, € 100,245 to cover Library direct costs and overheads not covered by membership fees, € 5,249 for History of Arts programmes, € 669 for the restoration of library books and € 2,005 for Advancing Women in Arts projects.

15. Analysis of net assets

	2022 (€) Tangible fixed assets	2022 (€) Net current assets	2022 (€) Provisions	2022 (€) Total
Un-restricted funds	474,332	453,179	(501,436)	426,074
Revaluation reserve – unrestricted	3,000,000	-	-	3,000,000
Restricted funds	3,713,205	308,652	(1,000,000)	3,021,857
Endowment funds	-	48,031	-	48,031
Total funds	7,187,537	809,862	(1,501,436)	6,495,962

	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

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 (previous year €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 2022 (€)	Land and buildings 2021 (€)
Expiry date		
-within one year	83,818	143,622
- between one and five years	310,183	11,905
- more than five years	61,000	-
Total	455,001	155,527

17. Financial Instruments

	2022 (€)	2021 (€)
Financial assets measured at fair value through profit or loss	48,743	56,068

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 2022-2023 and 2021-2022.

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 2021

		2021 (€)	2021 (€)	2021 (€)	2021 (€)	2020 (€)
	Not e	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		1,608,493	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)		2,091	2,017	3,034
Total		(1,430,467)	(53,726)	2,091	(1,482,102)	(1,609,081)
						-
Net income/ (expenditure)		178,026	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	178,026	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		3,426,539	3,020,291	50,858	6,497,687	6,214,490

