

Trustees' Annual Report and Accounts

For the year ended 30 June 2023



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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	
Lady Hannah Lowy Mitchell	
Isobel McGregor	
James Stewart*	Treasurer
Luke Syson	British Academy nominee

Ex officio

Alessandra Petrucci	Rector, University of Florence
Rachel Launay*	Director, British Council, Italy
HMA Ed Llewelyn	Hon. President

Honorary Governor

Michael Griffiths

Senior Management Team 2022-2023

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 2023

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 2023

2022-23 was the second year of the Business Plan 2021–24, approved at the November 2021 Governors' Meeting, designed to develop an Institute which is properly sustainable for the future. The agreed focus for 22-23 was:

1. Continuously improve our offer to our Florentine and International customers

2. Significantly upgrade our marketing, communications and customer service to steadily increase the number of people who buy our products and services
3. Continue to seek ways to control our costs, whilst investing in our existing staff and steadily increasing our capacity to manage a growing business
4. Further develop our fundraising capacity and introduce innovative approaches to achieving steady growth in the value of funds raised.
5. 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

In the 2022-23 year the damage caused by the COVID pandemic was replaced by the new challenge of persistent high levels of inflation, creating significant head winds. It was also the first year of operations in our new premises for the School at Viale Mazzini which was always likely to involve a disruption in business. And this was the year we implemented an overdue pay rise for staff, which saw a significant increase in our payroll costs. These factors combined to produce a net loss of €90K which will result in an €90K reduction in Reserves.

But paradoxically it has been a successful year for our businesses in many ways. The move to Mazzini has been successfully achieved, and it is certainly a much better base for our English Language school going forward; the International Group has made encouraging progress; and we have some good new impetus in our fundraising. So there is much to build on as we plan for 23/24.

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

Total income for the Florentine group stood at €1,102K at end June 2023. This is 8% less than the same time last year.

Lower than expected enrolments for English courses and Exams are probably due to a change in location and also an autumn of worry about spiralling prices and inflation just when people usually enrol on courses. With lower enrolments and higher costs plus the move it has been a difficult year for the Florentine Group resulting in a loss of €227K. This includes €76K as a one-off cost for the move.

Reduced income and enrolments have concentrated mainly in three areas: Cambridge Exam enrolments, the Young Learner onsite courses, the online courses for Adults and Companies. However adults are starting to return to the classroom.

Young Learners Onsite

Young Learner onsite total income for the financial year end 2023 was €303K. This is -8% against the budget of €329K. Direct costs are also higher than budget.

The move to Mazzini was a big change for many families but we managed to bring the large majority of existing students with us to the new location. In the 23-24 academic year we need to build on this good base and attract more new students from the local area.

State Schools

We ran 57 courses in 8 schools this year compared to 56 in 7 schools last year, earning €235K against budget of €243K.

We won all the public tenders we competed for, but the economic situation meant that families were more careful with their finances. Classes weren't all as full as we would like them to be – and class-fill is always a key factor for profitability.

Exams

Income from Cambridge Exam enrolments was affected by ferocious competition from other Cambridge centres and also the providers of other exams, especially in the middle school age range. Income achieved was €337 against budget of €412K.

Advantage English

This was the first year of a new programme offering the opportunity to learn English for employability to young people from Florence's most disadvantaged communities. Advantage English is funded by a donor for three years (€25K pa), with the intention of developing a programme with demonstrably good results that can be scaled up with the financial support of corporate Florence going forward. The first year was successful, with many valuable lessons learned for the second year of the programme.

International Group

History of Art

2022-23 Financial results Income: 87K Costs: 60K - so gross surplus of 27K (32%). Enrolments improved, getting closer to pre-pandemic levels. This year we discontinued the Modern Florence course, replacing it with shorter flexible modules covering the period after the Renaissance through to modern times.

Italian

The total income for the Italian Department for 22-23 was €116K, up €40K on 21-22. This was powered by an encouraging increase in demand, with the Group Courses performing particularly well. There was also an increase in school groups from UK.

Cultural Programme

The Cultural Programme has settled into a steady rhythm with an average of 2-3 events per week. The audience numbers are steadily growing, and more people are taking up sponsorship packages.

Wine partnerships have ensured that we always serve good wine at the events, which are highly social. The Cultural Programme is central to the strong sense of community engagement in the Library. Feedback from participants is excellent.

The Cultural Programme achieved income of €74K, with a gross surplus of €45K in 22/23. This compares to €45K income with €4K gross surplus last year.

Lanfredini Partnerships

From July 2022 to June 2023 we saw an increase in room use compared to last year. We hosted **22 events** in 2021/2022 and **39 events** in 2022/2023. In the past years we had an average of 20 events in the fiscal year. A new programme for ACA (**American Collegiate Adventures**) contributed substantially to Partnerships income.

Library Services

In September 2022 we launched new Membership categories resulting in a total of 125 new members - about 20 fewer than the last year but with income increased by about €1K.

Demand for Library Services remains low.

Fundraising

It was another successful year for Fundraising, achieving €179K net of costs. The particular innovation was the delivery of special fundraising tours for our patrons to London and Florence. These were well subscribed and earned €48K surplus between them. Significant unrestricted donations were made by the Murray Charitable Trust (Euro 57K) and Christian Levett (Euro 20K).

Volunteers and work placements

Volunteers and university interns make an important contribution to running the library and other programmes. It was a pleasure to welcome back a number of volunteers and interns this year, following the suspension of the programme during COVID.

Marketing and Sales

The work on improving the effectiveness of our marketing continued, concentrating mostly on promoting the new location of the language school at Viale Mazzini. We continue to work on consistently excellent customer service and improving the efficiency of the systems underpinning our marketing efforts

4.2 Financial

The financial year 2022-23 finished with a net loss of €89K. In 2022-23 the Institute received donations, and legacies totalling €337K.

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 supervises 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 2023, the level of reserves was €336K against a target of three months operating costs of €441K.

Restricted assets of €2,991K comprise € 2,713K as the value of Palazzo Lanfredini which is restricted to use as a library and €278K representing donations restricted to funding the Library and Cultural Programme. The Institute also owns a bronze sculpture, created by Henry Moore, known as "Warrior with Shield", received as a gift in 1987 from Mrs. Irina 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 permitted to invest in long term assets to generate income to fund charitable purposes. At present the funds held by the Endowment are only €49K, which is too small to make a significant contribution. Other funds are held in cash or short-term liquid assets, and Italian government bonds.

ISO accreditation

The Institute successfully obtained the new ISO 9001 standard, which was reconfirmed at an interim review in January 2023.

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.

5. The Future

Business Plan and building up reserves

The 2022-2023 year produced a disappointing financial result, leading to a reduction in Reserves of €89K. This was caused partly by the first year of teaching English in our new premises at Viale Mazzini (a risk that was anticipated) plus unforeseen increases in Italian TFR benefit caused by inflation. The 2023-2024 budget is designed to recoup some of these losses and return to build up Reserves in the final year of the current three-year Business Plan. A new Business Plan for 2024-2027 will be written, focussing on improving the stability and financial sustainability of the Institute, by addressing the main risks that we face in a challenging market. This will include enhanced capabilities in Fundraising.

Going concern

The Trustees assess that the Institute is a going concern but there is a material uncertainty related to the Beacci case. The legal claim by the descendants of Sig.ra Beacci for a share of the property at Palazzo Lanfredini, a case that has been running for 29 years, will reach an important Judgement of First Instance in spring 2024. What the value of any award to the Beacci might be is very hard to predict, but an adverse judgement could have serious repercussions for the Institute. It is possible that an adverse judgement could award the Beacci a 50% share of the title to Palazzo Lanfredini, together with a significant sum in damages. The provision in the accounts has been increased to €2M representing 50% of the estimated value of the building. The amount of damages cannot be reliably established at

this time and therefore no provision has been recognised this year. A Working Group has also been set up to analyse the various possible scenarios and ensure that the Institute is well prepared to manage the consequences of an adverse Judgement - see note 6 for more detail.

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

22 March 2024

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 2023 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 2023 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.

Material uncertainty relating to going concern

We draw attention to Note 1a (going concern) in the financial statements, which indicates there is an outstanding legal case against the charity that is due to pass judgement in the foreseeable future, the outcome of which cannot be reliably estimated. As stated in Note 1a, these events or conditions, along with other matters as set forth in Note 1a, indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 11 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

WMT.

Chartered Accountants
Statutory Auditor
4 Beaconsfield Road
St Albans
Hertfordshire, AL1 3RD
Date: 25 March 2024

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 2023

	Note	2023 (€)	2022 (€)
Fixed assets			
Tangible assets	3	4,212,756	4,187,537
Heritage assets	3	3,000,000	3,000,000
Total fixed assets		7,212,756	7,187,537
Current assets			
Debtors	4	208,486	147,769
Investments	4	554,189	48,743
Cash at bank and in hand		269,519	915,866
Total current assets		1,032,194	1,112,378
Liabilities			
Creditors: amounts falling due within one year	5	(310,620)	(302,517)
Net current assets		721,574	809,862
Total assets less current liabilities		7,934,330	7,997,398
Provisions for liabilities	6	(2,558,112)	(1,501,436)
Net assets		5,376,218	6,495,962
Total funds of the charity			
Endowment funds	14	49,458	48,031
Restricted funds	14	1,990,632	3,021,858
Unrestricted funds	14	336,128	426,073
Revaluation Reserve	14	3,000,000	3,000,000
Total charity funds	14	5,376,218	6,495,962

The financial statements of The British Institute of Florence were approved by the Trustees on 22/03/2024

Signed on behalf of the Board of Trustees, Chairman

Christopher Pringle

Statement of financial activities incorporating income and expenditure account for the year ended 30 June 2023

		2023 (€)	2023 (€)	2023 (€)	2023 (€)	2022 (€)
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
Income from:						
Donations and legacies	7	206,795	130,122	-	336,917	311,277
Charitable activities	8	1,337,734	-		1,337,734	1,349,343
Grant from Italian Government		-	-		-	25,775
Total		1,544,529	130,122	-	1,674,651	1,686,395
Expenditure on:						
Charitable activities	9	(1,636,296)	(161,348)	-	(1,797,644)	(1,683,005)
Exchange rate gain (loss)		(2,180)		(17)	(2,197)	(2,272)
Total		(1,638,476)	(161,348)	(17)	(1,799,841)	(1,685,277)
Net income/ (expenditure)		(93,947)	(31,226)	(17)	(125,190)	1,118
Other recognised gains/ (losses):						
Increase in liability for Beacci claim			(1,000,000)		(1,000,000)	
Loss on investment fund		4,002		1,444	5,446	(2,843)
Net movement in funds	14	(89,945)	(1,031,226)	1,427	(1,119,744)	(1,725)
Reconciliation of Funds						
Total funds brought forward		3,426,074	3,021,857	48,031	6,495,962	6,497,687
Total funds carried forward		3,336,129	1,990,631	49,458	5,376,218	6,495,962

The notes on pages 20 to 34 form part of the financial statements.

Statement of cash flows for the year ended 30 June 2023

		2023 (€)	2022 (€)
Net income / (expenditure) for the reporting period		(1,119,744)	(1,725)
Adjustments for:			
Depreciation charges		64,799	45,327
Net movements in provisions		1,056,676	34,984
Increase/ (decrease) in creditors: current liabilities		8,105	(9,290)
Decrease/ (increase) in debtors: current assets		(60,717)	(80,016)
Foreign exchange (gains) and losses		2,197	2,272
Net cash provided by/ (used in) operating activities		(48,685)	(8,448)
Cash flows from investing activity			
Purchase of tangible fixed assets		(90,019)	(12,314)
Movement in Investment portfolio		(5,446)	2,869
Disposal of Investment Portfolio		-	4,456
Purchase of Investments		(500,000)	-
Net cash provided by / (used in) investing activity		(404,535)	(4,989)
Change in cash and cash equivalents in the year		(644,150)	(13,437)
Cash and cash equivalents at the beginning of the year		915,866	931,575
Change in cash & cash equivalents due to exchange rate movements		(2,197)	(2,272)
Cash and cash equivalents at the end of the year		269,519	915,866
Cash and cash equivalents at the end of the year comprise:			
Cash at bank and in hand		269,519	915,866

Changes in net debt		At 1 July 2022	Cash flows	At 30 June 2023
Cash at bank and in hand		915,866	(646,347)	269,519

Notes to the financial statement for the year ended 30 June 2023

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) Going concern – The Trustees assess that the Institute is a going concern but there is a material uncertainty related to the Beacci case.

The legal claim by the descendants of Sig.ra Beacci for a share of the property at Palazzo Lanfredini, a case that has been running for 29 years, will reach an important Judgement of First Instance in spring 2024. What the value of any award to the Beacci might be is very hard to predict, but an adverse judgement could have serious repercussions for the Institute. It is possible that an adverse judgement could award the Beacci a 50% share of the title to Palazzo Lanfredini, together with a significant sum in damages. The provision in the accounts has been increased to €2M, and a Working Group has also been set up to analyse the various possible scenarios and ensure that the Institute is well prepared to manage the consequences of an adverse Judgement - see note 6 for more detail.

b) 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.

c) 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.

d) 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
Mazzini 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

e) Valuation of investments

Securities are stated at market value.

f) Debtors

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

g) Cash and cash equivalents

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

h) 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.

i) Creditors

Short term creditors are measured at the transaction price.

j) 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.

k) 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.

l) 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.

m) Funds

Unrestricted funds are funds which the Trustees are free to use for any purpose in furtherance of the charity's 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.

n) 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.

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 6 to the accounts.

3. Fixed assets

	Donated Furniture and Art	Library	Lanfredini Refurbishing & equipment	Lanfredini Building	Computers & equipment	Total
Cost						
At 1 July 2022	30,996	105,354	1,075,952	3,713,205	923,508	5,849,015
Additions	10,000	-	39,198	-	40,821	90,019
Disposals	-	-	-	-	-	-
At 30 June 2023	40,996	105,354	1,075,952	3,713,205	964,329	5,939,034
Accumulated depreciation At 1 July 2022	-	(17,858)	(782,238)	-	(861,383)	(1,661,479)
Charge for the year	-	-	(39,128)	-	(25,671)	(64,799)
At 30 June 2023	-	(17,858)	(821,366)	-	(887,054)	(1,726,278)
Net book value at 30 June 2022	30,996	87,496	293,715	3,713,205	62,125	4,187,537
Net book value at 30 June 2023	40,996	87,496	293,784	3,713,205	77,275	4,212,756

The donated furniture includes some old and historic furniture valued at €40,996 with an indefinite useful life and high residual value resulting in any depreciation charge being immaterial. In July 2022 a bronze statue ‘Wild Honey’ with a market value of €10,000 was donated to the Institute.

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. The value of the building is estimated at €3,713.205 (valuation decided by the Trustees based on advice and current property market in Florence) and refurbishment at €286,975. An associated provision of €2 million against what is calculated as a 50% risk of loss of title is recognised within provisions (see note 6).

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 has been moved to Palazzo Signoria. 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 2022 (€)	3,000,000
Revaluation in period	-
At 30 June 2023 (€)	3,000,000

4. Current assets

Debtors

	2023 (€)	2022 (€)
Debtors for courses	169,735	96,730
Prepayments	22,460	23,955
Other debtors	16,291	27,084
Total	208,486	147,769

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

Investments

As at 30 June 2023 investments are represented COIF Charity Investment Fund Income Units and Italian Government Bonds (BTP) purchased in March 2023 as follows:

	2023 (€)	2022 (€)
COIF Charity Investment Funds Income Units	50,192	48,743
Italian Government bonds (BTP)	503,997	-
Total	554,189	48,743

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

	2023 (€)	2022 (€)
Carrying value (market value) at 1 July	48,743	56,068
Disposal		(4,456)
Purchase	500,000	
Change in market value	5,446	(2,869)
Carrying value (market value) at 30 June	554,189	48,743

5. Liabilities

Creditors: amounts falling due within one year

	2023 (€)	2022 (€)
Trade creditors	29,921	23,336
Accruals	133,124	134,963
Other creditors	147,576	144,218
Total	310,621	302,517

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 2023-2024.

Other creditors are composed of the accounting value staff holidays, social security charges, taxes and pension charges, credit vouchers issued for courses and deposits to be refunded to Library users.

6. Provisions for liabilities and charges 2023

	Beacci claim	TFR	Total
At 1 July 2022 (€)	1,000,000	501,436	1,501,436
Expense in the year (€)	-	91,996	91,996
Increase in liability for year (€)	1,000,000	-	1,000,000
Utilisation (€)	-	(35,320)	(35,320)
At 30 June 2023 (€)	2,000,000	558,112	2,558,112

Previous reporting year:

	Beacci claim	TFR	Total
At 1 July 2021 (€)	1,000,000	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	501,436	1,501,436

Beacci claim

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. The value of the building is estimated at €3,713,205 (valuation decided by the Trustees based on advice and current property market in Florence) and refurbishment at €286,795. An associated provision of €2 million against what is calculated as a 50% risk of loss of title is recognised within provisions. A claim for damages has also been made by the heirs of Mrs Beacci however the amount cannot be reliably established at this time and therefore no provision has been recognised this year.

Terminal Gratuity Benefit (TFR)

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.

Other

The Institute's is defending claim a case made by a former employee in relational to employment contracts egal 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 final judgement is made by the Florence labour tribunal therefore no provision has been recognised this year.

7. Donations and legacy

Amounts included in donations and legacies comprise donations receivable. The cost associated with fundraising was €23,718 for arrangements, venue hire and other costs associated with two fundraising visits organised during the year, as well as a small charge for subscription to the services of Justgiving.

8. Income from charitable activities.

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

Activity or programme	2022-2023 (€) Income	2021-2022 (€) Income
English Adult	216,625	254,826
English Young Learners	302,696	315,632
English State Schools	212,118	242,648
Exams	371,022	380,116
Italian	116,046	75,602
History Of Art	87,041	63,174
Library	26,782	9,250
Other	5,404	8,097
Total	1,337,734	1,349,343

9. Breakdown of cost of charitable activities

Activity or programme	2022-2023 (€) Activities undertaken directly	2022-2023 (€) Support Costs	2022-2023 (€) Total	2021-2022 (€) Activities undertaken directly	2021-2022 (€) Support Costs	2021-2022 (€) Total
English Adult On Site	126,852	67,247	194,099	88,385	67,027	155,412
English Adult Off-Site	73,454	18,519	91,973	97,143	27,277	124,420
English Young Learners	237,957	154,774	392,731	224,436	156,016	380,452
English State Schools	222,941	48,007	270,948	179,702	60,516	240,218
Exams	289,492	119,298	408,790	229,860	128,284	358,144
Italian	68,607	45,290	113,897	47,189	21,361	68,549
History Of Art	59,729	37,768	97,497	60,183	20,323	80,506
Library	15,431	31,221	46,652	18,128	43,719	61,847
Cultural Programmes	28,110	58,587	86,696	70,918	40,188	111,106
Partnership Activities	25,882	33,356	59,238	71,303	24,470	95,773
Fundraising	23,718	11,404	35,122	6,578	-	6,578
Total	1,172,173	625,471	1,797,644	1,093,825	589,181	1,683,005

Governance costs of 30% of the costs of the Director, expenses reimbursed to Governors and audit costs were € 38,797 in 2022-2023 (2021-2022 €39,236)

Overheads	2022-2023	2021-2022
Marketing Pay costs	28,707	22,560
Administration Pay Costs	172,768	161,739
Cleaning Pay costs	13,041	12,870
Marketing and Communications	2,204	10,803
Administrations Costs	139,250	130,991
Moving and Inauguration Costs New Premises	76,201	14,695
Florentine Group Premises	102,563	141,931
International Group Premises	90,737	93,591
Subtotal Overheads	625,471	589,181

10. Trustees' expenses

	2023 (€)	2022 (€)
Governors' expenses	5,757	4,341

Governor's meetings are held in Florence each year in November and May and governors can be asked to be reimbursed their travel costs. No governors were remunerated for their activities as governors.

11. Indemnity insurance

Trustee indemnity insurance cover with a maximum limit of €500,000 is in place at a cost of € 1,834.

12. Net incoming resources

Net incoming resources is stated after charging:

	2023 (€)	2022 (€)
Depreciation of fixed assets (owned)	64,799	45,327
Amounts payable under operating leases	72,971	59,780
Audit fee	14,438	13,292

13. Staff costs, emoluments and numbers

Staff costs

	2023 (€)	2022 (€)
Gross salaries (UK and IT)	675,500	705,935
National Insurance and Pension (UK)	3,639	4,330
INPS (IT)	203,561	186,107
INAIL (IT)	5,346	1,964
IRAP (IT)	29,527	20,181
Trattamento di Fine Rapporto (TFR-IT)	91,996	69,941
Total	1,009,569	988,458

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

	2023 (No.)	2023 (FTE)
English Teaching, Exams and Administration staff	27	19.1
Italian, History of Art Teaching and Administration staff	4	1.9
Library staff	1	0.5
Cultural Programmes staff	3	1.1
Administration, Marketing, Building Management, Cleaning and Support Staff	6	5.4
Total	41	28.0

Staff numbers previous year

	2022 (No.)	2022 (FTE)
English Teaching and Administration staff	21.0	17.2
Italian Teaching and Administration staff	2.0	2.0
Library, History of Art, Exams & Support staff	17.0	8.7
Total	40.0	27.9

The average number of full time equivalent (FTE) employees does not include the freelance teachers who teach the History of Art Department.

Key management costs total € 289,762 (previous year € 327,733) and are made up of the salary costs of the Director and the Senior Management Team (the Director and six staff – three of whom work part time).

14. Movement of funds

	At 1 July 2022 (€)	Incoming Resource (€)	Spend /Increase in liability (€)	Investment Gain (Loss) (€)	Exchange Rate Gain (Loss)	Carried Forward (€) at 30 June 2023
Restricted Funds						
Palazzo Lanfredini Building	2,713,205	-	(1,000,000)	-	-	1,713,205
Restricted Funds	308,652	130,122	(161,348)	-	-	277,426
Total	3,021,857	130,122	(1,161,348)	-	-	1,990,631
Unrestricted funds						
General	426,074	1,544,529	(1,636,296)	4,002	(2,180)	336,129
Revaluation reserve	3,000,000	-	-	-	-	3,000,000
Total	3,426,074	1,544,529	(1,636,296)	4,002	(2,180)	3,336,129
Endowment Funds	48,031	-	-	1,444	(17)	49,458
Total Funds	6,495,962	1,674,651	(2,797,644)	5,446	(2,197)	5,376,218

	At 1 July 2021 (€)	Incoming Resource (€)	Spend (€)	Investment Gain (Loss) (€)	Exchange Rate Gain (Loss)	Carried Forward (€) at 30 June 2022
Restricted Fund						
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	(1,442,053)	(191)	(2,097)	426,074
Revaluation reserve	3,000,000	-	-	-	-	3,000,000
Total	3,426,538	1,443,876	(1,442,053)	(191)	(2,097)	3,426,074
Endowment Funds	50,858	-	-	(2,652)	(175)	48,031
Total Funds	6,497,687	1,686,395	(1,683,005)	(2,843)	(2,272)	6,495,962

Restricted funds at 30 June 2023 totalled €277,425 of which € 174,634 are for future depreciation charges for infrastructure works undertaken in Palazzo Lanfredini from 2018-2020, € 13,143. for future depreciation charges for equipment purchased for Palazzo Lanfredini in 2019 and 2022, € 69,962 to cover Library direct costs and overheads not covered by membership fees, €669 for the restoration of library books, €1,395 for Advancing Women in Arts projects, € 12,000 for marketing activities, and €5,622 for Advantage Foundation English language courses.

15. Analysis of net assets

	2023 (€) (Tangible fixed assets)	2023 (€) Net current assets	2023 (€) Provisions	2023 (€) Total
Un-restricted funds	412,055	425,510	(501,436)	336,129
Revaluation reserve - unrestricted	3,000,000	-	-	3,000,000
Restricted funds	3,713,205	277,426	(2,000,000)	1,990,631
Endowment funds	-	49,458	-	49,458
Total funds	7,125,260	752,394	(2,501,436)	5,376,218

	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

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 €3,713,205 (previous year €3,713,205) – see note 6. 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 2023 (€)	Land and buildings 2022 (€)
Expiry date		
-within one year	72,971	83,818
- between one and five years	103,501	175,983
- more than five years	-	489
Total	176,472	260,290

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

Donations from Trustees in 2022-2023 totalled € 11,468. There were no donations from Trustees in 2021-2022.

20. Related Party Transactions

One Trustee and a family member of one Trustee took part in a fundraising visit for which they made donations.

21. 2021-2022 - Statement of financial activities incorporating income and expenditure account for the year

		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

