

Trustees' Annual Report and Accounts

For the year ended 30 June 2024



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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 (to 24/02/2024)	
Morgan Fiume (to 14/02/2024)	
Lady Hannah Lowy Mitchell*	
Professor Robin Mason (from 10/11/2023)	Universities UK nominee
Isobel McGregor (to 10/11/2023)	
James Stewart^	Treasurer
Luke Syson	British Academy nominee

Ex officio

Alessandra Petrucci	Rector, University of Florence
Rachel Launay* (to 23/05/2023)	Director, British Council, Italy
Brian Young* (from 10/11/2023)	Director, British Council, Italy
HMA Ed Llewelyn	Honorary President

Honorary Governor

Michael Griffiths

Senior Management Team 2023-2024

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

^ denotes Chair of Management Committee

* 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:

Moore Kingston Smith LLP
4 Victoria Square
St Albans
AL1 3TF

Accountant:

Studio Pignatelli
Dr Elena Pignatelli
Via Ruggero Ruggeri, 3
50135 Firenze
Italy

Trustees' Report for the year ended 30 June 2024

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.

Viale Mazzini 10-12, 50132, Florence, Italy

Website: <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 2024

2023-24 was the final 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 2023-24 was to:

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

The 2023-24 FY was the third year of the 2021-24 three-year plan. Following the disappointing losses in 2022-23, we achieved a surplus which saw the Reserves increase by €82,710 to €365,548. This is an encouraging result, noting the reliance on annual fundraising to achieve an overall surplus.

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 at their regular scheduled meetings.

4.1 Operational Performance

Florentine Group

The Florentine Group runs our English language and exams business, which primarily targets Florentine individuals and organisations. This was the second year of operations in the new and better Mazzini school and the financial results have moved substantially in the right direction following the anticipated losses of the first year (2022-23). Nevertheless, a net deficit of €109,441 (on a turnover of €1,113,127) is still some way short of the results we were achieving before the Covid pandemic. Our brand remains highly valued, but patterns of demand have changed in a rapidly evolving market. We have a number of strategies in place to address these challenges and return the Group's annual performance to net break-even.

We are now the only Cambridge Centre in Florence, following their decision to reduce sharply the number of Exam Centres in Italy. We continue to work closely with Cambridge to grow the Exams business. At the same time, we have started to deliver the first computer-based exams, a revolution which will accelerate rapidly in the next few years. So, there are many new opportunities, as well as potential risks, for us in this sector.

We are much in demand for our after-school courses delivered in state schools in Florence. This has also been the second year of our Advantage al British programme, funded by Paul Brown's Advantage Foundation, which offers BIF English learning opportunities to disadvantaged young people. While results have been mixed, there are many lessons to take into the third year of the build-and-test phase of this new product. We have also gathered some interest from other partners to fund a scaling-up of the Advantage programme, when the time is right.

International Group

The International Group constitutes our offer to international residents and visitors – primarily History of Art, Italian, Library Services and the Cultural Programme. It saw encouraging growth, with income up by €90,839 from last year, and net deficit reduced by €26,251 year on year to €38,247 (on a turnover of €430,321)

The stand-out department was the Cultural Programme, which saw an encouraging increase in both audience numbers and income. We had good success with an innovative partnership programme with Alexandra Lawrence; the Community Events strand (successor to SOTTO, a previous initiative for cultural, educational and social activities) also yielded useful income. Together with strong take-up of sponsorship options (all the Wednesday Lectures since January have had a named sponsor, for example) and the growing popularity of our Gold and Patron Membership offers, the Cultural Programme saw a significant increase in income from last year (up by €59,307).

The flagship Renaissance Florence art history course has performed strongly this year (back to pre-pandemic levels), and the income for the History of Art course exceeded the 2022-23 result by €18,230. Italian has performed at a similar—good—level to last year. Both departments are now close to net break-even: an important fact, given that the support for Library Services from the Janie Fund will end in 2025-26.

Our Room Use partnerships strand is struggling to win enough business, partly because our legal and fiscal status inhibits commercial rental, and also because many potential partners do not wish to make adequate financial contributions.

Fundraising

It has been another successful year for Fundraising, which achieved €193,146 net of costs.

A large portion of this money was raised through the second edition of the Patrons Tour and associated Gala Event at Palazzo Feroni in May. This project, designed and steered with great energy and skill by Lady Hannah Lowy Mitchell (Chair of the Fundraising Committee) made a significant contribution to the Institute's fundraising target. The other major contribution came from the third and final donation—gratefully received—of €58,400 from the John Murray Family Foundation.

Volunteers and work placements

Volunteers and university interns make an important contribution to running the library and other programmes. We were pleased to see the volunteers and interns back to full strength this year.

Marketing

We continue to make incremental gains in the effectiveness of our marketing, maximising the limited resources we have to invest in this important activity. Steady improvements in customer service are seeing better sales results, both in terms of converting enquiries and also with more effective cross-selling between products and up-selling to interested customers. We are grateful to the support of the Adrian Swire Charitable Foundation for their support of our marketing programme.

4.2 Financial

The financial year 2023-24 finished with a net surplus of €63,873, a net movement in provisions of €1,970,000 and a loss on the investment fund of €6,718 giving a net movement of the charity's funds of €2,027,155. .

In 2023-24 the Institute received donations and legacies totalling €392,962.

At 30 June 2024 the Institute held €365,548 of unrestricted funds, an endowment fund of €54,460, restricted reserves with a value of €3,930,075 and a heritage asset valued at €1,500,000.

Cash in hand on 30 June 2024 totalled €525,433.

Fundraising Policy

Fundraising activity is carried out by Governors, staff and volunteers. 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 all fundraising activities. A member of staff is always 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 is chaired by Lady Hannah Lowy Mitchell. The Governors, Director and Senior Management team constantly monitor fundraising activities to ensure that they adhere to the standards of the Institute.

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 2024, the level of reserves was €365,548 against a target of €441,000.

Restricted assets of €3,930,075 comprise €3,713,205 as the value of Palazzo Lanfredini which is restricted to use as a library; and donations to restricted to fund the cultural programme and running costs of the library.

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 for its English language teaching activities, which was reconfirmed at an interim review in January 2024.

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 on-going legal cases. The claim by the descendants of Mrs Beacci for a share of our property at Palazzo Lanfredini is longstanding, see significant events section. A former employee raised a case the Institute relating to their contracts and social security entitlements, which will likely be resolved in 2025.

5. The Future

The 2023-2024 year produced an encouraging financial result, leading to an increase in Reserves of €82,710. This was achieved thanks once again to a strong performance in Fundraising that more than covered our net losses from trading activities. The 2024-25 budget is designed to build on these gains with a further surplus at year-end, derived from improved trading results alongside continuing success with fundraising. This will be the first year of our new Business Plan for 2024-27, approved at the November 2024 Governors' Meeting, that is designed to move our trading activities to net break-even and allow fundraising to focus more on raising money for investment in our charitable operations, as well as strengthening our capital reserves.

Significant Events

The Beacci case (see note 6) received a positive ruling in the year and so a material provision has been unwound. However, there was an appeal during the year which means we have included a contingent liability.

It came to light that the heritage asset owned by the Institute, a bronze statue created by Henry Moore, has a restriction on its export licence, as such an impairment was recognised as a prior year adjustment (see note 21).

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

DocuSigned by

 Christopher Prentice
 Chairman.
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29 April 2025

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 for the year ended 30 June 2024 which comprise the Balance Sheet, the Statement of Financial Activities, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2024, 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 there is 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; 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 required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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 regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement 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 purposes 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

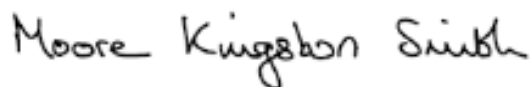
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the UK financial reporting standards as issued by the Financial Reporting Council, UK Charity Law, compliance with charitable objectives, public benefit requirements, safeguarding, data protection and both UK and Italian employment law.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Elizabeth Wicks (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

4 Victoria Square

St Albans

Hertfordshire

AL1 3TF

Date: 29/04/2025

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Balance Sheet 30 June 2024

	Note	2024 (€)	2023 (€) (re-stated – note 21)
Fixed assets			
Tangible assets	3	4,169,708	4,212,756
Heritage assets	3	1,500,000	1,500,000
Total fixed assets		5,669,708	5,712,756
Current assets			
Debtors	4	132,560	208,486
Investments	4	548,317	554,189
Cash at bank and in hand		525,433	269,519
Total current assets		1,206,310	1,032,194
Liabilities			
Creditors: amounts falling due within one year	5	(394,507)	(363,911)
Net current assets		811,803	668,283
Total assets less current liabilities		6,481,511	6,381,039
Provisions for liabilities	6	(631,429)	(2,558,112)
Net assets		5,850,082	3,822,927
Total funds of the charity			
Endowment funds	15	54,460	49,458
Restricted funds	15	3,930,075	1,990,631
Unrestricted funds	15	365,547	282,838
Revaluation Reserve	15	1,500,000	1,500,000
Total charity funds	15	5,850,082	3,822,927

The financial statements of The British Institute of Florence were approved by the Trustees on 29/04/2025

Signed on behalf of the Board of Trustees, Chairman

DocuSigned by:

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29/4/2025

Statement of financial activities incorporating income and expenditure account for the year ended 30 June 2024

		2024 (€)	2024 (€)	2024 (€)	2024 (€)	2023 (€)
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
Income from:						
Donations and legacies	8	299,324	93,638	-	392,962	336,917
Charitable activities	9	1,404,443	-	-	1,404,443	1,337,734
Total		1,703,767	93,638	-	1,797,405	1,674,651
Expenditure on:						
Charitable activities	10	(1,580,452)	(154,194)	-	(1,734,646)	(1,797,644)
Exchange rate gain (loss)		280	-	834	1,114	(2,197)
Total		(1,580,172)	(154,194)	834	(1,733,532)	(1,799,841)
Net income/ (expenditure)		123,595	(60,556)	834	63,873	- (125,190)
Other recognised gains/ (losses):						
Movement in other legal provisions	6	(30,000)	-	-	(30,000)	-
Movement in provision for Beacci claim	6	-	2,000,000	-	2,000,000	(1,000,000)
Loss on investment fund		(10,885)	-	4,167	(6,718)	5,446
Net movement in funds	15	82,710	1,939,444	5,001	2,027,155	(1,119,744)
Reconciliation of Funds						
Total funds brought forward restated	22	1,782,838	1,990,631	49,458	3,822,927	4,942,671
Total funds carried forward		1,865,548	3,930,075	54,459	5,850,082	3,822,927

The notes on pages 18 to 34 form part of the financial statements.

Statement of cash flows for the year ended 30 June 2024

		2024 (€)	2023 (€)
Net income / (expenditure) for the reporting period		2,027,155	(1,119,744)
Adjustments for:			
Depreciation charges		47,233	64,799
(Decrease) /increase/ in provisions		(1,926,683)	1,056,676
Increase in creditors: current liabilities		30,596	8,105
Decrease/ (increase) in debtors: current assets		75,926	(60,717)
Foreign exchange (gains) and losses		(1,114)	2,197
Net cash provided by/ (used in) operating activities		253,113	(48,685)
Cash flows from investing activity			
Purchase of tangible fixed assets		(4,185)	(90,019)
Movement in Investment portfolio		5,872	(5,446)
Purchase of Investments		-	(500,000)
Net cash provided by / (used in) investing activity		1,687	(595,465)
Change in cash and cash equivalents in the year		254,800	(644,150)
Cash and cash equivalents at the beginning of the year		269,519	915,866
Change in cash & cash equivalents due to exchange rate movements		1,114	(2,197)
Cash and cash equivalents at the end of the year		525,433	269,519
Cash and cash equivalents at the end of the year comprise:			
Cash at bank and in hand		525,433	269,519

Changes in net debt	At 1 July 2023	Cash flows	At 30 June 2024
Cash at bank and in hand	269,519	255,914	525,433

Notes to the financial statement for the year ended 30 June 2024

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 accounts (financial statements) have been prepared 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 UK and Republic of Ireland (FRS 102) issued on 16 July 2014 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 accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 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. The entity is in a net assets position €5,850,082 (2023: €3,822,927) and has sufficient cash and reserves to meet upcoming liabilities as they fall due. Additionally, the entity could sell its listed investments should the need arise. In the current year there is a net income of €63,873 (2023: net expenditure €125,190)

The balance sheet position is expected to remain good. Activities in the financial year (2024-2025) are progressing well and the charity expects to continue to be able to steadily increase reserves over the coming years. The cash position of the charity is good and future outgoing cash flows can be met.

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. They are assessed for indicators of impairment on an annual basis.

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 heritage asset impairment (see note 3), provisions (see note 6) and contingent liabilities (see note 7).

3. Fixed assets

2023-2024	Donated Furniture	Library	Lanfredini refurbishing and equipment	Lanfredini Building	Computers and equipment	Total
Cost						
At 1 July 2023	40,996	105,354	1,115,150	3,713,205	964,329	5,939,034
Additions (Sales)	-	-	4,185	-	-	4,185
At 30 June 2024	40,996	105,354	1,119,335	3,713,205	964,329	5,943,219
Accumulated depreciation at 1 July 2023	-	(17,858)	(821,366)	-	(887,054)	(1,726,278)
Charge for the year	-	-	(36,454)	-	(10,779)	(47,233)
At 30 June 2024	-	(17,858)	(857,820)	-	(897,833)	(1,773,511)
Net book value at 30 June 2023	40,996	87,496	293,784	3,713,205	77,275	4,212,756
Net book value at 30 June 2024	40,996	87,496	261,515	3,713,205	66,496	4,169,708

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.

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.

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.

Heritage asset at valuation

At 1 July 2023 (€) – (re-stated)	1,500,000
Impairment	-
At 30 June 2024 (€)	1,500,000

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. The value of the asset thus been re-assessed and is considered to be €1,500,000. The previous value €3,000,000 was based on incorrect information and the current value has been reassessed at €1,500,000. See note 21. An external valuer at Sotheby's, a reputable auction house, carried out this valuation in April 2025. The trustees have reviewed this valuation and consider it to be appropriate and have adjusted the accounts accordingly (see note 21).

4. Current assets

Debtors

	2024 (€)	2023 (€)
Debtors for courses	81,174	169,735
Prepayments	25,343	22,460
Other debtors	26,043	16,291
Total	132,560	208,486

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

Investments

As at 30 June 2024 investments are represented by COIF Charity Investment Fund Income Units and Italian Government Bonds (BTP):

	2024 (€)	2023 (€)
COIF Charity Investment Funs Income Units	55,267	50,192
Italian Government bonds (BTP)	493,050	503,997
Total	548,317	554,189

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

	2024 (€)	2023 (€)
Carrying value (market value) at 1 July	554,189	48,743
Disposal	-	-
Purchase	-	500,000
Change in market value	(5,872)	5,446
Carrying value (market value) at 30 June	548,317	554,189

5. Liabilities

Creditors: amounts falling due within one year

	2024 (€)	2023 (€) As restated
Trade creditors	53,605	29,921
Accruals	148,150	133,124
Other creditors	192,752	200,866
Total	394,507	363,911

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 2024-2025.

Other creditors are composed of the accounting value of 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 2024

	Beacci claim	TFR	Legal Claim	Total
At 1 July 2023 (€)	2,000,000	558,112	-	2,558,112
Expense in the year (€)	-	59,881	30,000	89,881
Decrease in liability for year (€)	(2,000,000)	-	-	(2,000,000)
Utilisation (€)	-	(16,564)	-	(16,564)
At 30 June 2024 (€)	-	601,429	30,000	631,429

Previous reporting year:

	Beacci Claim	TFR	Legal Claim	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

Beacci legal 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 €4,000,000 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 was recognised within provisions. The ruling on 26 April 2024 was in the favour of the British Institute of Florence and as such the provision has been unwound entirely. An appeal was lodged by the Beacci heirs on 11 June 2024 (before year-end) and so we have disclosed a contingent liability. See note number 7.

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. The amounts are reliably estimated but the timing of outflows is uncertain.

Legal claim

The Institute is defending a claim made by a former employee in relation to employment contracts. A provision of €30,000 has been recognised this year as the court overseeing the claim has not yet made a ruling, and as such the timing of outflows is uncertain.

7. Contingent liabilities

During the year a ruling was reached on the Beacci legal case (note 6). However an appeal was lodged during the on 11/06/2024. The timing and outcome of the appeal cannot be determined and therefore it is not practicable to estimate the financial effect at this time.

The *Agenzia delle Entrate* (Italian tax authority) investigated the tax status of the British Institute of Florence during the year and found that there was tax owed from 2018 and 2019. This has been processed as a prior year adjustment (see note 21). As a result of this there is a potential additional tax to pay for the period 2020 – 2024. However the tax status of the British Institute of Florence is still under discussion and the outcome of the discussion will significantly alter the amount owed. Furthermore the timing of the verdict on each individual tax year is unknown and therefore it is not practicable to assess the financial impact at this time.

There is an existing employment case regarding employment contracts issued to an employee during the period 2001-2018 (see note 6). There has been no ruling on this case however should the ruling not be in the favour of the British Institute of Florence there is a possibility that additional costs may have to be met but this cannot be practically estimated at this time.

8. Donations and legacy

Amounts included in donations and legacies comprise donations receivable. The cost associated with fundraising was €25,510 for arrangements, venue hire and other costs associated with a fundraising visit organised during the year as well as a small charge for subscription to the services of Justgiving.

9. Income from charitable activities.

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

Activity or programme	2023-2024 (€) Income	2022-2023 (€) Income
English Adult	192,125	216,625
English Young Learners	299,307	302,696
English State Schools	199,353	212,118
Exams	427,843	371,022
Italian	123,028	116,046
History Of Art	105,271	87,041
Library	40,216	26,782
Other	17,300	5,404
Total	1,404,443	1,337,734

10. Breakdown of cost of charitable activities

Activity or programme	2023-2024 (€) Activities undertaken directly	2023-2024 (€) Support Costs	2023-2024 (€) Total	2022-2023 (€) Activities undertaken directly	2022-2023 (€) Support Costs	2022-2023 (€) Total
English Adult On Site	109,381	49,363	158,744	126,852	67,247	194,099
English Adult Off-Site	44,645	17,146	61,791	73,454	18,519	91,973
English Young Learners	210,570	120,372	330,942	237,957	154,774	392,731
English State Schools	212,127	43,458	255,585	222,941	48,007	270,948
Exams	326,323	107,183	433,506	289,492	119,298	408,790
Italian	79,916	47,872	127,788	79,916	45,290	113,897
History Of Art	64,882	39,540	104,422	64,883	37,768	97,497
Library	13,909	35,530	49,439	13,909	31,221	46,652
Cultural Programmes	52,054	76,438	128,492	52,054	58,587	86,696
Partnership Activities	25,633	32,794	58,427	25,633	33,356	59,238
Fundraising	13,037	12,473	25,510	23,718	11,404	35,122
Total	1,152,478	582,168	1,734,646	1,172,173	625,471	1,797,644

Governance costs of 30% of the costs of the Director, expenses reimbursed to Governors and audit costs totalled € 50,586 in 2023-2024 (2022-2023 €38,797)

Overheads	2023-2024	2022-2023
Marketing Pay costs	34,405	28,707
Administration Pay Costs	155,667	172,768
Cleaning Pay costs	12,456	13,041
Marketing and Communications	3,822	2,204
Administrations Costs	162,789	139,250
Moving and Inauguration Costs New Premises	-	76,201
Florentine Group Premises	118,701	102,563
International Group Premises	94,328	90,737
Subtotal Overheads	582,168	625,471

11. Trustees' expenses

	2024 (€)	2023 (€)
Governors' expenses	9,375	5,757

Governor's meetings are held in Florence each year in November and May and governors can ask to be reimbursed their travels costs. The Institute arranges hotel accommodation for the overnight stay of the governors who do not live in Florence. No governors were

remunerated for their activities as governors. Five governors were reimbursed for travel expenses.

12. Indemnity insurance

Trustee indemnity insurance cover with a maximum limit of €500,000 is in place at a cost of € 1,776.

13. Net incoming resources

Net incoming resources is stated after charging:

	2024 (€)	2023 (€)
Depreciation of fixed assets (owned)	47,233	64,799
Amounts payable under operating leases	72,971	72,971
Audit fee	20,181	14,438

14. Staff costs, emoluments and numbers

Staff costs

	2024 (€)	2023 (€)
Gross salaries (UK and IT)	732,767	675,500
National Insurance and Pension (UK)	3,403	3,639
INPS (IT)	231,082	203,561
INAIL (IT)	3,684	5,346
IRAP (IT)	33,306	29,527
Trattamento di Fine Rapporto (TFR-IT)	59,881	91,996
Total	1,064,123	1,009,569

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

	2024 (No.)	2024 (FTE)
English Teaching, Exams and Administration staff	25	20.4
Italian, History of Art Teaching and Administration staff	4	1.9
Library staff	1	0.5
Cultural Programmes staff	3	1.4
Administration, Marketing, Building Management, Cleaning and Support Staff	6	5.4
Total	39	29.6

Staff numbers previous year

	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

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 € 317,876 (previous year € 289,762) and are made up of the salary costs of the Director and the Senior Management Team (the Director and seven staff – three of whom work part time).

15. Movement of funds

	At 1 July 2023 (€) (restated)	Incoming Resource (€)	Spend /Increase in liability (€)	Investment Gain (Loss) (€)	Exchange Rate Gain (Loss)	Carried Forward (€) at 30 June 2024
Restricted Funds						
Palazzo Lanfredini Building	1,713,205	2,000,000	-	-	-	3,713,205
Restricted Funds	277,426	93,638	(154,194)	-	-	216,870
Total	1,990,631	2,093,638	(154,194)	-	-	3,930,075
Unrestricted funds						
General	282,838	1,703,767	(1,610,452)	(10,885)	280	365,548
Revaluation reserve	1,500,000	-	-	-	-	1,500,000
Total	1,782,838	1,703,767	(1,610,452)	(10,885)	280	1,865,548
Endowment Funds	49,458	-	-	4,167	834	54,459
Total Funds	3,822,927	3,797,405	(1,764,646)	(6,718)	1,114	5,850,082

	At 1 July 2022 (€) (restated)	Incoming Resource (€)	Spend /Increase in liability (€)	Investment Gain (Loss) (€)	Exchange Rate Gain (Loss)	Carried Forward (€) at 30 June 2023 (restated)
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 (re-stated)	372,783	1,544,529	(1,636,296)	4,002	(2,180)	282,838
Revaluation reserve (restated)	1,500,000	-	-	-	-	1,500,000
Total	1,872,783	1,544,529	(1,636,296)	4,002	(2,180)	1,782,838
Endowment Funds	48,031	-	-	1,444	(17)	49,458
Total Funds (restated)	4,942,671	1,674,651	(2,797,644)	5,446	(2,197)	3,822,927

Restricted funds at 30 June 2024 totalled €216,870 of which € 166,715 are for future depreciation charges for infrastructure works undertaken in Palazzo Lanfredini from 2018-2020, € 8,356 for future depreciation charges for equipment purchased for Palazzo Lanfredini in 2019 and 2022, € 38,130 to cover Library direct costs and overheads not covered by membership fees, €669 for the restoration of library books and €3,000 for the cultural programme.

16. Analysis of net assets

	2024 (€) (Tangible fixed assets)	2024 (€) Net current assets	2024 (€) Provisions	2024 (€) Total
Un-restricted funds	456,503	540,474	(631,429)	365,548
Revaluation reserve - unrestricted	1,500,000	-	-	1,500,000
Restricted funds	3,713,205	216,870	-	3,930,075
Endowment funds	-	54,459	-	54,459
Total funds	5,669,708	811,803	(631,429)	5,850,082

	2023 (€) Tangible fixed assets (restated)	2023 (€) Net current assets (re-stated)	2023 (€) Provisions	2023 (€) Total (re-stated)
Un-restricted funds	412,055	372,219	(501,436)	282,838
Revaluation reserve – unrestricted (restated)	1,500,000	-	-	1,500,000
Restricted funds	3,713,205	277,426	(2,000,000)	1,990,631
Endowment funds	-	49,458	-	49,458
Total funds	5,625,260	699,103	(2,501,436)	3,822,927

The Institute's revaluation reserve funds are the value of a bronze statue, created by Henry Moore, known as "Warrior with Shield" which was received as a gift from Mrs. Moore (widow of Henry Spencer Moore) in 1987. See note 21.

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.

17. Financial commitments

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

	Land and buildings 2024 (€)	Land and buildings 2023 (€)
Expiry date		
-within one year	72,971	72,971
- between one and five years	36,631	103,501
- more than five years	-	-
Total	109,602	176,472

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* (Italian Supreme Court) recognised The British Institute of Florence as an “*Ente di Diritto Pubblico*” in a ruling dated 1 October 1998. On 28 August 2024 the Prefect of Florence confirmed that the British Institute of Florence is registered under number 853 in the Register of Legal Persons of the Prefecture of Florence and as a result is recognised as a legal entity in accordance with Article 1 of Presidential Decree 361/2000.

19. Donations From Trustees

There were no donations from Trustees in 2023-2024. Donations from Trustees in the previous financial year totalled €11,468.

20. Related Party Transactions

One Trustee took part in a fundraising visit and a family member of one Trustee took part in the fundraising visit for which the individual concerned made a donation on the same terms as the other persons participating on the visit and no special benefit arose.

21. Prior year restatement

The accounts have been restated to:

- i) incorporate the impact of the tax assessment as due for the year 2018 (€7,466) and 2019 (€45,825) - see note 7. The change has resulted in a €53,291 increase in creditors, €7,466 in 2018 and €45,825 in 2019, and a €53,291 decrease in the 2019 and 2020 brought forward unrestricted funds.
- ii) reflect the value of the heritage asset based on specialist legal advice obtained in January 2025 regarding potential restrictions on the statue that may be considered to have been in place since 1987 when the statue was received as a gift - see note 4. The initial value of €3,000,000 was based on incorrect information and as such the value of the asset been reassessed and is considered

to be €1,500,000 The change has resulted in a €1,500,000 decrease in heritage assets and decrease in the brought forward unrestricted funds for FY 2020.

22. 2022-2023 - Statement of financial activities incorporating income and expenditure account for the year (re-stated)

		2023 (€)	2023 (€)	2023 (€)	2023 (€)	2022 (€)
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds (restated)
Income from:						
Donations and legacies	8	206,795	130,122	-	336,917	311,277
Charitable activities	9	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	10	(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	15	(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
2018 restatement						(7,466)
2019 restatement						(45,825)
2020 restatement						(1,500,000)
Total funds brought forward (restated)		1,872,783	3,021,857	48,031	4,942,671	4,944,396
Total funds carried forward (restated)		1,782,838	1,990,631	49,458	3,822,927	4,942,671

