

MONTE SAN MARTINO TRUST
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Fletcher & Partners
Chartered Accountants
Salisbury

MONTE SAN MARTINO TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2016

Trustees

Sir Nicholas Young, Chairman
Hon. Letitia Blake, Secretary
Ms Anne Bewicke-Copley (appointed 8 November 2016)
Mr Omar Bucchioni
Miss Christine English
Mrs Caroline Gavin
Mr Nicholas Gent
Mr Ian Laing
Mr Justin de Meo, Treasurer
Mr Christopher Prentice (appointed 8 November 2016)
Mr Miles Skinner (appointed 8 November 2016)
Mr Vanni Treves

Company registered number

05604293

Charity registered number

1113897

Registered office

Crown Chambers, Bridge Street, Salisbury, Wiltshire, SP1 2LZ

Corresponding office

Hon. Letitia Blake, 26 Mapeshill Place, London, NW2 5LA

Company secretary

Hon. Letitia Blake

Senior management team

Mr John Simkins, Administrator

Accountants

Fletcher & Partners, Crown Chambers, Bridge Street, Salisbury, Wiltshire, SP1 2LZ

Bankers

Bank of Ireland

Portfolio Manager

Rathbone Investment Management

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees present their annual directors' report together with the financial statements for the year to 31 December 2016.

Since the Trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The Trust was founded in 1989 as a small, but permanent, tribute to the Italian people, especially those living in the countryside. Their courage and generosity helped thousands of Allied prisoners of war escape from their prison camps after the Armistice was signed with the Allies in 1943. Despite their poverty, risks of being shot or their houses being burnt down by German soldiers, these Italians provided food, shelter and clothing to the escapee soldiers.

In recognition of, and gratitude for, all the sacrifices made by these Italian families, the Trust was established by Keith Killby and a number of other Second World War veterans to grant bursaries in Britain to young Italians, often direct descendants of, or connected with, those Italians who gave such help. They mainly come from the Veneto, Tuscany, Abruzzi and Marche areas as these were the main areas where the prison camps were located. Each bursary typically covers four weeks study at language school and board and accommodation. The cost to the Charity is around £2,100. In recognition of his services to Anglo-Italian relations through the Monte San Martino Trust, Keith Killby was awarded an OBE in 2001 and has also subsequently been honoured by the Italian President by being made a Cavaliere del Lavoro.

In June 2013, the Trustees decided to broaden the purposes of the Charity to also include the education of the public about the experience of Allied prisoners of war in Italy and the bravery of those who helped them. The Trustees are empowered to commemorate all this in whatever way they think fit. This widening of the objects of the Charity was "codified" by a special resolution, passed on 24th June 2013.

This broadening of the purposes of the Charity reinforces the ultimate aim of the Trust, which is to ensure we never forget the experiences of the Allied prisoners of war and the sacrifices and risks taken by so many Italians for the Allied soldiers, which have never been adequately recognised at an official level; the object is also to keep alive a memory of true courage and humanity, by which our and future generations can be inspired.

If you wish to make a donation, or require any further information, please write to the correspondence address, marking your letter for the attention of Keith Killby or Miss Letitia Blake. Alternatively, you can telephone Miss Letitia Blake on 0208 451 0555 and 07967 147123.

b. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Achievements and performance

a. REVIEW OF ACTIVITIES

On 15 June 2016, Keith Killby, the Trust's founder, celebrated his 100th birthday, receiving congratulatory messages from the Queen and the President of Italy. The event was the highlight of a busy and successful year and it provided an opportunity to reflect on how much the Trust has achieved since its inauguration in 1989.

At the trustees' meeting on 18 April 2016 it was decided to invite three more members onto the board. In due course, Anne Bewicke-Copley, Christopher Prentice, CMG, and Miles Skinner all accepted.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

The Trust's principal activity, the awarding of one-month bursaries, to Italians aged 18-25, went smoothly. Twenty-six students took up the offer, eight of them choosing to attend CES-Oxford, at Wheatley, with the rest going to Central School of English in London. All but one of the students completed feedback forms, making extremely positive comments about the tuition, their lodgings, and their reception by Trust volunteers at arrival airports. The Principals of both language schools emphasised that Monte San Martino Trust students excelled: in their opinion, the students' awareness that they had received a special privilege encouraged them to make the most of their opportunity.

It was thought necessary, however, to reinforce links with schools and towns in Italy where we recruit our students. In some places the relationships had eroded over time, and in others we wished to find a new "market". Accordingly, Letitia Blake (Secretary) and John Simkins (Administrator) went on a road trip in May, visiting towns in Emilia-Romagna, the Marche, Abruzzo and Molise. The trip looked certain to result in an increased number of applications for bursaries in the future and established individual "champions" of the Trust (e.g. teachers) in Modena, Sulmona, Fermo and Isernia.

Furthermore, a meeting in Modena with the town's branch of the Istituto per la Storia e Memoria put in motion a collaboration between the Trust and the Istituto's branches in Emilia-Romagna designed to raise Monte San Martino Trust's profile in the region. It was agreed that, from 2017 onwards, the Istituto would hold a course of studies on the Allied presence in Italy in the Second World War and, in return, the Trust would provide three bursaries.

During the road trip, Letitia Blake and John Simkins, together with Christine English, a trustee, participated in the thoroughly enjoyable Freedom Trail in the Tenna Valley, the fourth such Trail organised by the World War 2 Escape Lines Memorial Society, in association with Monte San Martino Trust.

Following the conclusion of our successful £1 million appeal, we set up Working Groups to look at ways of developing the Trust's work. As a result, we are now building up our social media presence, so as to ensure that we reach as many people as possible, particularly those with links to the Italian PoW camps. We are also in the process of digitising, indexing and making available online our unique archive of Italian escape stories and accounts. We are also in contact with the National Archives in Washington DC, with a view to creating an ongoing access link to the records of the Allied Screening Commission in Italy, which are now stored there. Finally, we are actively considering further ways of paying tribute to and memorialising the bravery of Italian people who helped the escapers.

On 8 November 2016, 110 guests attended the Trust's annual lunch at the Royal Overseas League. Among them was Pasquale Terracciano, the Italian Ambassador, who used the occasion to present Sir Nicholas Young, Chairman, with the award of Cavaliere Ufficiale, previously conferred by the President of Italy. The guest speaker was one of the new trustees, Christopher Prentice, the recently retired British Ambassador to Rome.

The Trust produced an online newsletter (in April) and a 12-page printed newsletter (in September).

b. INVESTMENT POLICY AND PERFORMANCE

The investment portfolio managed by Rathbones was valued at £1,714,562 as at 31 December 2016, which is the new financial year end for the annual accounts. On 31 December 2015, the value of the portfolio was £1,447,047. During the twelve months to December 2016 no transfers were made from the Bank of Ireland current account to Rathbones for investment.

The total return on the Monte San Martino Trust's investments for the year 1 January 2016 to 31 December 2016 was 21.7%. As a comparison, over the same period, the FTSE 100 and MSCI WMA Growth indices were up 19.10% and 19.40% respectively. Rathbones, our investment managers, have maintained a cautious approach to investment bearing in mind the Trust's objectives in achieving capital growth and sufficient income to provide for annual bursaries to Italian students. Following the recent departure from Rathbones of Tim Eliot Cohen, Oliver Harvey and James Cooke now manage the Monte San Martino Trust account.

As to the split of assets within the portfolio, as at 31st December 2016, 62% is invested in Equities, 23% in Alternatives which are lower to medium risk and 15% in Fixed Interest and cash. Investments are diversified and have countered well the volatility and fluctuations in the market over the last year. The cash element of the

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

portfolio represents 5.74% or £98,494.

The fund produced an income of £41,805 in 2016, representing a yield of 2.43%. In the previous year, the fund income was £34,451 with a yield of 2.38%. In addition to the investments at Rathbones, the Trust has a cash balance of £53,291 in the account with the Bank of Ireland. Justin de Meo is mindful as was his predecessor Nicholas Gent, to keep the cash balance at the bank below £75,000, the threshold limit for FSCS deposit protection.

The Trust has a sufficient cash balance in the current account at the Bank to maintain the same level of bursary expenditure for 2017 as that of 2016. The total Trust assets stand at approximately £1,767,853 (with Investments at Rathbones of £1,714,562 and Bank of Ireland current account £53,291).

These funds will help us ensure that the work of the Trust can not only continue into the future, but also flourish and grow.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Structure, governance and management

a. CONSTITUTION

The Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 26/10/2005 .

The Trust is constituted under a Memorandum of Association dated 26/10/2005 and is a registered charity number 1113897. Prior to incorporation of the Charity, it was constituted by a Deed of Trust dated 18th September 1989, as amended on 15th April 1993 and bore the same name, Monte San Martino Trust. The then Trustees were advised to incorporate the Charity in order to mitigate the increasing risks faced by Trustees.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Deed of Trust.

The company (hereinafter referred to as the Trust or Charity) is operated by its Trustees who meet periodically. New Trustees are recruited from among people who have an interest in furthering the aims of the Charity with a view to ensuring that all the necessary competencies are represented within the trustee body.

c. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Trustees discuss and make any decisions required during the period for implementation and continuation of communications with promoting Monte San Martino Trust in Italy. This includes the setting up of an archive and further consideration of commemoration.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

d. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Trustees expect to continue to offer between 20 and 30 bursaries every year to Italian students.

A longer term objective is to increase the investment income to a level so that it is more aligned to the running expenses of the Trust. This is closer to being achieved now that the Trust has funds of over £1,700,000. However, substantial donations are still required. It is a concern of the Trustees that, as memories of the Second World War fade, it will be increasingly difficult to rely on regular donations to finance the future outgoings of the Charity. Hence, the decision to continue with the fund-raising Appeal, launched in November 2011, under the chairmanship of Vanni Treves..

The Monte San Martino Trust remains dependent on the goodwill of its supporters and the Trustees would like to take the opportunity of thanking them for all their support.

It is worth reminding supporters that it is very easy to alter a Will to include the Charity as a beneficiary. Such a move is not only advantageous from the point of view of inheritance tax but can easily and economically be arranged by means of a codicil. If you need any further information, please telephone Mr Justin de Meo, the Treasurer, who can be contacted on 07970 050425.

FUNDS HELD AS CUSTODIAN

The Charity did not hold any assets as a custodian.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Monte San Martino Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the Trustees on *9th May 2017* and signed on their behalf by:

Justin L. de Meo

Mr Justin de Meo, Treasurer

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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MONTE SAN MARTINO TRUST

I report on the financial statements of the Trust for the year ended 31 December 2016 which comprise the Statement of Financial Activities and Balance Sheet, with the related notes.

This report is made solely to the Trust's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Trust's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Trust and the Trust's Trustees as a body, for my work or for this report.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on the after 1 January 2015.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

Having satisfied myself that the Trust is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Trust and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

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INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and in other respects comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Dated:

31 July 2017

Mr J Fletcher FCA

FLETCHER & PARTNERS

Chartered Accountants

Crown Chambers
Bridge Street
Salisbury
Wiltshire
SP1 2LZ

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds for the 9 months to 31 December 2015 £	
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	22,335	5,000	-	27,335	150,939
Other trading activities	3	904	-	-	904	37
Investments	4	41,805	-	-	41,805	23,612
TOTAL INCOME AND ENDOWMENTS		<u>65,044</u>	<u>5,000</u>	<u>-</u>	<u>70,044</u>	<u>174,588</u>
EXPENDITURE ON:						
Raising funds		216	-	8,519	8,735	7,296
Charitable activities	5,7	69,307	825	-	70,132	62,186
TOTAL EXPENDITURE	8	<u>69,523</u>	<u>825</u>	<u>8,519</u>	<u>78,867</u>	<u>69,482</u>
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS						
Net gains on investments		(4,479)	4,175	(8,519)	(8,823)	105,106
		<u>-</u>	<u>-</u>	<u>276,465</u>	<u>276,465</u>	<u>25,017</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		(4,479)	4,175	267,946	267,642	130,123
Transfers between Funds	13	431	-	(431)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(4,048)	4,175	267,515	267,642	130,123
NET MOVEMENT IN FUNDS						
		(4,048)	4,175	267,515	267,642	130,123
RECONCILIATION OF FUNDS:						
Total funds brought forward		51,383	-	1,447,047	1,498,430	1,368,307
TOTAL FUNDS CARRIED FORWARD		<u><u>47,335</u></u>	<u><u>4,175</u></u>	<u><u>1,714,562</u></u>	<u><u>1,766,072</u></u>	<u><u>1,498,430</u></u>

All activities relate to continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

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REGISTERED NUMBER: 05604293

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Investments	10		1,714,562		1,447,048
CURRENT ASSETS					
Debtors	11	719		1,840	
Cash at bank and in hand		53,291		54,421	
		54,010		56,261	
CREDITORS: amounts falling due within one year	12	(2,500)		(4,879)	
NET CURRENT ASSETS			51,510		51,382
NET ASSETS			1,766,072		1,498,430
CHARITY FUNDS					
Endowment funds	13		1,714,562		1,447,047
Restricted funds	13		4,175		-
Unrestricted funds	13		47,335		51,383
TOTAL FUNDS			1,766,072		1,498,430

The Trustees consider that the Trust is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Trust to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on their behalf, by:

gTM Nacey 2017 and signed on

Justin R. de Meo

Mr Justin de Meo, Treasurer

The notes on pages 11 to 19 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

Monte San Martino Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements for 2015 were prepared for the 9 month period from 1 April 2015 to 31 December 2015.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

The Trust is a company limited by guarantee. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

1.5 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the Trust is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Trust has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Trust, or the Trust is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Trust and include project management. Governance costs are those incurred in connection with administration of the Trust and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.7 Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds for the 9 months to 31 December 2015 £
Donations including gift aid	22,335	5,000	-	27,335	150,939
	<u>22,335</u>	<u>5,000</u>	<u>-</u>	<u>27,335</u>	<u>150,939</u>

In 2015, of the total income from donations and legacies, £150,939 was to unrestricted funds and £ NIL was to restricted funds

3. FUNDRAISING INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds for the 9 months to 31 December 2015 £
Sale of books	904	-	-	904	37
	<u>904</u>	<u>-</u>	<u>-</u>	<u>904</u>	<u>37</u>

In 2015, of the total income from other trading activities, £ 37 was to unrestricted funds and £ NIL was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds for the 9 months to 31 December 2015 £
Investment income - local listed investments	26,719	-	-	26,719	12,848
Investment income - foreign listed investments	15,053	-	-	15,053	10,755
Investment income - local cash	33	-	-	33	9
	<u>41,805</u>	<u>-</u>	<u>-</u>	<u>41,805</u>	<u>23,612</u>

In 2015, of the total investment income, £23,612 was to unrestricted funds and £ NIL was to restricted funds.

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FOR THE YEAR ENDED 31 DECEMBER 2016**

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds for the 9 months to 31 December 2015 £
Student expenses	54,375	-	-	54,375	51,971
Donations to students	1,500	-	-	1,500	1,000
Donations to charitable causes	157	-	-	157	-
Digitalisation of archives	-	825	-	825	-
Support costs	10,332	-	-	10,332	7,499
	<u>66,364</u>	<u>825</u>	<u>-</u>	<u>67,189</u>	<u>60,470</u>

In 2015, of the total expenditure, £60,470 was expenditure from unrestricted funds and £ NIL was expenditure from restricted funds.

6. SUPPORT COSTS

	Support costs £	Total 2016 £	Total 2015 £
Office administration	10,332	10,332	7,499
	<u>10,332</u>	<u>10,332</u>	<u>7,499</u>

In 2015, the Trust incurred the following Support costs:

£7,499 in respect of Student expenses

7. GOVERNANCE COSTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds for the 9 months to 31 December 2015 £
Accountancy	2,255	-	-	2,255	1,340
Independent examination fee	330	-	-	330	330
Trustees expenses reimbursed	358	-	-	358	-
Trustees travel reimbursed	-	-	-	-	46
	<u>2,943</u>	<u>-</u>	<u>-</u>	<u>2,943</u>	<u>1,716</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Other costs 2016 £	Total 2015 £
Expenditure on raising voluntary income	216	162
Expenditure on investment management	8,519	7,134
	<hr/>	<hr/>
Costs of generating funds	8,735	7,296
	<hr/>	<hr/>
Student expenses	54,375	51,971
Donations to students	1,500	1,000
Donations to charitable causes	157	-
Digitalisation of archives	825	-
Support costs	10,332	7,499
	<hr/>	<hr/>
Charitable activities	67,189	60,470
	<hr/>	<hr/>
Expenditure on governance	2,943	1,716
	<hr/>	<hr/>
	78,867	69,482
	<hr/> <hr/>	<hr/> <hr/>

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

1 Trustee received reimbursement of expenses amounting to £358 in the current year, (2015 - 1 Trustee - £46), analysed as follows: Travel £NIL (2015 - £46), Other £358 (2015 - £NIL).

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FOR THE YEAR ENDED 31 DECEMBER 2016**

10. FIXED ASSET INVESTMENTS

	Listed securities £	Unlisted securities £	Total £
Market value			
At 1 January 2016	1,318,367	128,681	1,447,048
Additions	272,756	-	272,756
Disposals	(252,024)	(30,187)	(282,211)
	<u>1,339,099</u>	<u>98,494</u>	<u>1,437,593</u>
Impairment			
At 1 January 2016	-	-	-
Charge for the year	(276,969)	-	(276,969)
	<u>(276,969)</u>	<u>-</u>	<u>(276,969)</u>
Net book value			
At 31 December 2016	<u>1,616,068</u>	<u>98,494</u>	<u>1,714,562</u>
At 31 December 2015	<u>1,318,367</u>	<u>128,681</u>	<u>1,447,048</u>
Historical cost			
	<u>1,134,082</u>	<u>128,681</u>	<u>1,262,763</u>

Investments at market value comprise:

	2016 £	2015 £
Listed investments	1,616,068	1,318,367
Unlisted investments	98,494	128,681
	<u>1,714,562</u>	<u>1,447,048</u>

All the fixed asset investments are held in the UK

11. DEBTORS

	2016 £	2015 £
Other debtors	719	1,786
Prepayments and accrued income	-	54
	<u>719</u>	<u>1,840</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

12. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	850	-
Accruals and deferred income	1,650	4,879
	2,500	4,879

13. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Fund	51,383	65,044	(69,523)	431	-	47,335
	51,383	65,044	(69,523)	431	-	47,335
Endowment funds						
Endowment Fund - revaluation reserve	375,502	-	-	(197,176)	276,617	454,943
Expendable endowment fund	1,071,545	-	(8,519)	196,745	(152)	1,259,619
	1,447,047	-	(8,519)	(431)	276,465	1,714,562
Restricted funds						
Digitalise archives	-	5,000	(825)	-	-	4,175
	-	5,000	(825)	-	-	4,175
Total of funds	1,498,430	70,044	(78,867)	-	276,465	1,766,072

The restricted fund consists of a donation to cover the costs of digitalising the archives less any costs paid out during the year for this project.

SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	51,383	65,044	(69,523)	431	-	47,335
Endowment funds	1,447,047	-	(8,519)	(431)	276,465	1,714,562
Restricted funds	-	5,000	(825)	-	-	4,175
	1,498,430	70,044	(78,867)	-	276,465	1,766,072

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds for the 9 months to 31 December 2015 £
Fixed asset investments	-	-	1,714,562	1,714,562	1,447,048
Current assets	49,835	4,175	-	54,010	56,262
Creditors due within one year	(2,500)	-	-	(2,500)	(4,880)
	<u>47,335</u>	<u>4,175</u>	<u>1,714,562</u>	<u>1,766,072</u>	<u>1,498,430</u>

15. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 December 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Trust's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.