

**MONTE SAN MARTINO TRUST**  
(A company limited by guarantee)

**UNAUDITED**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**Fletcher & Partners**  
**Chartered Accountants**  
**Salisbury**

**MONTE SAN MARTINO TRUST**  
**(A company limited by guarantee)**

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**MONTE SAN MARTINO TRUST**

**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**Founder**

Cavaliere Ufficiale Keith Killby, O.B.E

**Trustees**

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

**MONTE SAN MARTINO TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

The Trustees present their annual directors' report together with the financial statements for the year to 31 December 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

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 approximately £2,200 per student. 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 on the previous page, marking your letter for the attention of 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. As students are provided with bursaries by charity they do not need to apply their own resources in order to benefit.

### **Achievements and performance**

#### **a. REVIEW OF ACTIVITIES**

The Trust had a very successful year developing projects outside its core activity of granting study bursaries to young Italians.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

This core activity saw 25 Italian students, aged between 18 and 25, accept one-month bursaries at the two language schools used by Monte San Martino Trust – CES-Oxford at Wheatley, and Central School in Tottenham Court Road, London. This was a lower number of students than usual as a consequence of seven award winners dropping out at short notice. This has prompted the Trust to tighten rules for 2018 to prevent a repeat of this.

Nearly all the 25 students completed feedback surveys, giving high marks to tuition, accommodation and liaison with volunteer Greeters and the student organiser. In the survey they are asked specifically “how will this experience help you in your future or career?”. Frequently the response was that a better knowledge of English was certain to help them in their university studies and, crucially, that it was also likely to help them secure a job. Several also reported that their confidence had grown and their social skills had improved as a result of mixing with other young people from all over the world.

Throughout the year, a team led by Christine English (a trustee) and including archivist Nicola Waddington and web consultant George Mitchell tackled the project of putting the Trust’s extensive Archives online on a sub-domain of the website. This proved to be no easy task as a number of memoirs were handwritten and required adaptation to make them suitable for posting online. By the end of the year a way had been found of doing this, giving the team the confidence to believe that the project would be completed in the first half of 2018. The main website was also overhauled and given a smart, modern appearance.

The first year of the Trust’s collaboration with the Italian region of Emilia-Romagna through three branches of the Istituto Storico (Historical Institute) went smoothly. As a pilot project, the Trust granted three bursaries to the Institute who sent over three excellent students known to them. The quid pro quo is that the Institute lays on a course of studies in Emilia-Romagna on the Allied presence in Italy during the Second World War. This course was due to take effect over the winter of 2017-18, leading to the granting of more bursaries in 2018. The benefit for Monte San Martino Trust is to see its profile raised within the region.

Other projects were also pursued. A trustee, Anne Copley, opened talks with the archivist of the National Archives and Records Administration in Washington, with a view to accessing a trove of wartime records originally submitted by the Allied Screening Commission. Additionally, Trust supporter Andrew Adams liaised with the Lucca branch of the Historical Institute about prospects for awarding a prize for Moral Courage in the province, with the intention of launching a pilot project in 2018.

Meanwhile, Nick Young, the chairman, was investigating the possibility of siting a permanent memorial in London to prisoners of war and the Italians who sheltered them.

In September the Trust issued its annual 12-page newsletter. Also, in the same month, it co-hosted the annual Tenna Valley Freedom Trail in the Marche region, together with the WW2 Escape Lines Memorial Society.

In November, the Trust held its annual lunch at the Royal Overseas League, London. It attracted a record turnout of over 150 people.

## **b. INVESTMENT POLICY AND PERFORMANCE**

The investment portfolio managed by Rathbones was valued at £1,862,874 as at 31st December 2017, which was the Trust’s financial year end. The comparable figure for the previous year was £1,714,562. During the twelve months to December 2017 a transfer of £35,000 was made from the Trust’s current account to Rathbones for investment.

The total return on the Monte San Martino Trust’s investments for the year to 31st December 2017 was 12.07%. Over the same period, the FTSE 100 and MSCI WMA Growth indices were up 7.63% and 9.92% respectively. Rathbones, our investment managers, have maintained a cautious approach to investment in accordance with the Trust’s objective of achieving capital growth with medium risk with a view to providing annual bursaries to Italian students.

Of the assets within the portfolio, at 31st December 2017, 67.4% was invested in Equities with 15.8% in Alternatives, which are lower to medium risk, and 15.1% in fixed interest and 1.6% in cash. The Investment

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

portfolio remains well diversified to counter the volatility and fluctuations in the markets.

The fund produced income of £78,742 in 2017, a yield of 4.2%. The income was boosted by a one off distribution payment from a private equity investment as a return of value to shareholders. In the previous year, the fund produced an income of £41,805, which was a yield of 2.4%. In addition to the investments and cash at Rathbones, the Trust had a bank cash balance of £48,178.

The total assets of the Trust stand at approximately £1,911,292 with Investments at Rathbones of £1,862,874, cash at bank of £48,178 and cash due from Rathbones of £240.

The Trust has a sufficient cash balance in the current account at the Bank to maintain the same level of bursary expenditure for 2018 as was the case in 2017.

### **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.

#### **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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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 £1,900,000. 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.

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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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).

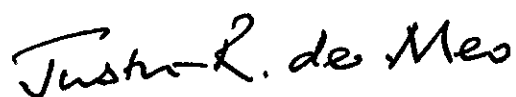
Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources 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 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 *15<sup>th</sup> May 2018* and signed on their behalf by:



**Mr Justin de Meo, Treasurer**



**MONTE SAN MARTINO TRUST**  
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**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MONTE SAN MARTINO TRUST (the 'Trust')**

I report to the charity Trustees on my examination of the accounts of the Trust for the year ended 31 December 2017.

**RESPONSIBILITIES AND BASIS OF REPORT**

As the Trustees of the Trust (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Trust are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Trust's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**INDEPENDENT EXAMINER'S STATEMENT**

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Trust as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated: 24 May 2018

Mr J Fletcher FCA

**FLETCHER & PARTNERS**

Chartered Accountants

Crown Chambers  
Bridge Street  
Salisbury  
Wiltshire  
SP1 2LZ

**MONTE SAN MARTINO TRUST**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds for the 9 months to 31 December 2016 £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	2	25,364	-	-	25,364	27,335
Other trading activities	3	628	-	-	628	904
Investments	4	78,742	-	-	78,742	41,805
<b>TOTAL INCOME AND ENDOWMENTS</b>		<b>104,734</b>	<b>-</b>	<b>-</b>	<b>104,734</b>	<b>70,044</b>
<b>EXPENDITURE ON:</b>						
Raising funds:						
Voluntary income		198	-	-	198	216
Investment management		-	-	12,772	12,772	8,519
Charitable activities	5,7	70,635	3,546	-	74,181	70,132
<b>TOTAL EXPENDITURE</b>	8	<b>70,833</b>	<b>3,546</b>	<b>12,772</b>	<b>87,151</b>	<b>78,867</b>
<b>NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS</b>		<b>33,901</b>	<b>(3,546)</b>	<b>(12,772)</b>	<b>17,583</b>	<b>(8,823)</b>
Net gains on investments		-	-	126,589	126,589	276,465
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>33,901</b>	<b>(3,546)</b>	<b>113,817</b>	<b>144,172</b>	<b>267,642</b>
Transfers between Funds	14	(34,495)	-	34,495	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(594)</b>	<b>(3,546)</b>	<b>148,312</b>	<b>144,172</b>	<b>267,642</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(594)</b>	<b>(3,546)</b>	<b>148,312</b>	<b>144,172</b>	<b>267,642</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		47,335	4,175	1,714,562	1,766,072	1,498,430
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>46,741</b>	<b>629</b>	<b>1,862,874</b>	<b>1,910,244</b>	<b>1,766,072</b>

The notes on pages 10 to 19 form part of these financial statements.

**MONTE SAN MARTINO TRUST**  
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**REGISTERED NUMBER: 05604293**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Investments	11		1,862,874		1,714,562
<b>CURRENT ASSETS</b>					
Debtors	12	789		719	
Cash at bank and in hand		48,418		53,291	
		49,207		54,010	
<b>CREDITORS:</b> amounts falling due within one year	13	(1,837)		(2,500)	
<b>NET CURRENT ASSETS</b>			47,370		51,510
<b>NET ASSETS</b>			1,910,244		1,766,072
<b>CHARITY FUNDS</b>					
Endowment funds	14		1,862,874		1,714,562
Restricted funds	14		629		4,175
Unrestricted funds	14		46,741		47,335
<b>TOTAL FUNDS</b>			1,910,244		1,766,072

The Trust's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 and authorised for issue by the Trustees on *15<sup>th</sup> May 2018* and signed on their behalf, by:

*Justin R. de Meo*

**Mr Justin de Meo, Treasurer**

The notes on pages 10 to 19 form part of these financial statements.

**MONTE SAN MARTINO TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published 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.

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.

**1.2 Company status**

Monte San Martino Trust is a company limited by guarantee, incorporated in England and Wales. Its registered office is Crown Chambers, Bridge Street, Salisbury, Wiltshire, SP1 2LZ. 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.

**1.3 Going concern**

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

**1.4 Income**

All income is recognised once the Trust has entitlement to the income, and 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.5 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.

**1.6 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.

**1.7 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.

**1.8 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.

**1.9 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.10 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.

**1.11 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.

**1.12 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.

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.

**2. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds for the 9 months to 31 December 2016 £
Donations including gift aid	25,364	-	-	25,364	27,335
Total 2016	22,335	5,000	-	27,335	

**MONTE SAN MARTINO TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. FUNDRAISING INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds for the 9 months to 31 December 2016 £
Sale of books	628	-	-	628	904
Total 2016	904	-	-	904	

**4. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds for the 9 months to 31 December 2016 £
Investment income - local listed investments	65,524	-	-	65,524	26,719
Investment income - foreign listed investments	13,218	-	-	13,218	15,053
Investment income - local cash	-	-	-	-	33
	78,742	-	-	78,742	41,805
Total 2016	41,805	-	-	41,805	

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**5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds for the 9 months to 31 December 2016 £
Student expenses	54,313	-	-	54,313	54,375
Donations to students	4,374	-	-	4,374	1,500
Donations to charitable causes	2,060	-	-	2,060	157
Digitalisation of archives	-	3,546	-	3,546	825
Support costs	8,388	-	-	8,388	10,332
	<u>69,135</u>	<u>3,546</u>	<u>-</u>	<u>72,681</u>	<u>67,189</u>
Total 2016	<u>66,364</u>	<u>825</u>	<u>-</u>	<u>67,189</u>	

**6. SUPPORT COSTS**

	Support costs £	Total 2017 £	Total 2016 £
Office administration	8,388	8,388	10,332
Total 2016	<u>10,332</u>	<u>10,332</u>	

In 2017, the Trust incurred £8,388 (2016 - £10,330) support costs in respect of Student expenses.

**7. GOVERNANCE COSTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds for the 9 months to 31 December 2016 £
Accountancy	1,150	-	-	1,150	2,255
Independent examination fee	350	-	-	350	330
Trustees expenses reimbursed	-	-	-	-	358
	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>2,943</u>

In 2017 the Trust incurred £1,500 (2016 - £2,943) governance costs in respect of Student expenses.



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**8. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	198	198	216
Expenditure on investment management	12,772	12,772	8,519
<b>Costs of generating funds</b>	<u>12,970</u>	<u>12,970</u>	<u>8,735</u>
Student expenses	54,313	54,313	54,735
Donations to students	4,374	4,374	1,500
Donations to charitable causes	2,060	2,060	157
Digitalisation of archives	3,546	3,546	825
Support costs	8,388	8,388	10,332
<b>Charitable activities</b>	<u>72,681</u>	<u>72,681</u>	<u>67,549</u>
<b>Expenditure on governance</b>	<u>1,500</u>	<u>1,500</u>	<u>2,943</u>
	<u>87,151</u>	<u>87,151</u>	<u>79,227</u>
Total 2016	<u><u>78,867</u></u>	<u><u>78,867</u></u>	

**9. NET INCOME/(EXPENDITURE)**

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £358).

**10. AUDITORS' REMUNERATION**

The Independent Examiner's remuneration amounts to an Independent Examination fee of £ 350 (2016 - £ 330), and accounts preparation of £1,150 (2016 - £2,255).

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**11. FIXED ASSET INVESTMENTS**

	Listed securities £	Unlisted securities £	Total £
<b>Market value</b>			
At 1 January 2017	1,616,068	98,494	1,714,562
Additions	350,143	-	350,143
Disposals	(254,732)	(68,109)	(322,841)
At 31 December 2017	<u>1,711,479</u>	<u>30,385</u>	<u>1,741,864</u>
<b>Impairment</b>			
At 1 January 2017	-	-	-
Charge for the year	(121,010)	-	(121,010)
At 31 December 2017	<u>(121,010)</u>	<u>-</u>	<u>(121,010)</u>
<b>Net book value</b>			
At 31 December 2017	<u>1,832,489</u>	<u>30,385</u>	<u>1,862,874</u>
At 31 December 2016	<u>1,616,068</u>	<u>98,494</u>	<u>1,714,562</u>
<b>Historical cost</b>			
	<u>1,419,804</u>	<u>30,385</u>	<u>1,450,189</u>

**Investments at market value comprise:**

	2017 £	2016 £
Listed investments	1,832,489	1,616,068
Unlisted investments	30,385	98,494
Total market value	<u>1,862,874</u>	<u>1,714,562</u>

All the fixed asset investments are held in the UK

**12. DEBTORS**

	2017 £	2016 £
Other debtors	<u>789</u>	<u>719</u>

**13. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	-	850
Accruals and deferred income	1,837	1,650
	<u>1,837</u>	<u>2,500</u>

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**14. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2017 £
<b>Unrestricted funds</b>						
General Fund	47,335	104,734	(70,833)	(34,495)	-	46,741
<b>Endowment funds</b>						
Endowment Fund - revaluation reserve	454,943	-	-	-	(6,744)	448,199
Endowment Fund expendable reserves	1,259,619	-	(12,772)	34,495	133,333	1,414,675
	<u>1,714,562</u>	<u>-</u>	<u>(12,772)</u>	<u>34,495</u>	<u>126,589</u>	<u>1,862,874</u>
Digitalise archives	4,175	-	(3,546)	-	-	629
Total of funds	<u>1,766,072</u>	<u>104,734</u>	<u>(87,151)</u>	<u>-</u>	<u>126,589</u>	<u>1,910,244</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2016 £
<b>Unrestricted funds</b>						
General Funds	51,383	65,044	(69,523)	431	-	47,335
	<u>51,383</u>	<u>65,044</u>	<u>(69,523)</u>	<u>431</u>	<u>-</u>	<u>47,335</u>
<b>Endowment funds</b>						
Endowment Fund - revaluation reserve	375,502	-	-	(197,176)	276,617	454,943
Endowment Fund expendable reserves	1,071,545	-	(8,519)	196,745	(152)	1,259,619
	<u>1,447,047</u>	<u>-</u>	<u>(8,519)</u>	<u>(431)</u>	<u>276,465</u>	<u>1,714,562</u>
<b>Restricted funds</b>						
Digitalise Archives	-	5,000	(825)	-	-	4,175
	<u>-</u>	<u>5,000</u>	<u>(825)</u>	<u>-</u>	<u>-</u>	<u>4,175</u>
Total of funds	<u>1,498,430</u>	<u>70,044</u>	<u>(78,867)</u>	<u>-</u>	<u>276,465</u>	<u>1,766,072</u>

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.

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**SUMMARY OF FUNDS - CURRENT YEAR**

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
General funds	47,335	104,734	(70,833)	(34,495)	46,741
Endowment funds	1,714,562	-	(12,772)	34,495	1,736,285
Restricted funds	4,175	-	(3,546)	-	629
	<u>1,766,072</u>	<u>104,734</u>	<u>(87,151)</u>	<u>-</u>	<u>1,783,655</u>

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2016 £
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
	<u>1,498,430</u>	<u>70,044</u>	<u>(78,867)</u>	<u>-</u>	<u>276,465</u>	<u>1,766,072</u>

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**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Fixed asset investments	-	-	1,862,874	1,862,874
Current assets	48,578	629	-	49,207
Creditors due within one year	(1,837)	-	-	(1,837)
	<u>46,741</u>	<u>629</u>	<u>1,862,874</u>	<u>1,910,244</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £
Fixed asset investments	-	-	1,714,562	1,714,562
Current assets	49,835	4,175	-	54,010
Creditors due within one year	(2,500)	-	-	(2,500)
	<u>47,335</u>	<u>4,175</u>	<u>1,714,562</u>	<u>1,766,072</u>

**16. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year.