

MONTE SAN MARTINO TRUST
(A company limited by guarantee)
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019**

Trustees

Sir Nicholas Young, Chairman
Ms Anne Bewicke-Copley
Hon. Letitia Blake, Secretary
Mr Omar Bucchioni
Ms Nermina Delic (appointed 23 January 2020)
Mr Nicholas Gent
Mr Ian Laing
Ms Julia C G MacKenzie (appointed 23 January 2020)
Mr Justin de Meo, Treasurer
Mr Christopher Prentice
Mr Miles Skinner
Mr Vanni Treves (deceased 10 November 2019)
Mr Christopher Woodhead (appointed 23 January 2020)

Company registered number

05604293

Charity registered number

1113897

Registered office

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

Correspondance address

Hon. Letitia Blake, info@msmtrust.org.uk

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, PO Box 2124, Belfast, BT1 9RS

Portfolio Manager

Rathbone Investment Management, 8 Finsbury Circus, London, EC2M 7AZ

MONTE SAN MARTINO TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their annual report together with the financial statements of the Trust for the year 1 January 2019 to 31 December 2019. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable 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 (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the Trust qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Trust was founded in 1989 as a small, but lasting, 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 and of 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 the late 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 Emilia-Romagna, 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 £2,350 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 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 send an email for the attention of Miss Letitia Blake at info@msmstrust.org.uk or visit the Trust's website at msmstrust.org.uk.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Main activities undertaken to further the Trust's purposes for the 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 the charity they can benefit irrespective of their own financial resources.

MONTE SAN MARTINO TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance

a. Review of activities

Legacy from the Estate of the Founder

The Trust's Founder, Keith Kilby OBE, Cav.Uff, kindly left the Trust a legacy totalling £804,312. This consisted of cash of £315,000 and investment holdings valued at the date of his passing as £489,312.

Tenna Valley Freedom Trail, May 16 to 20: The sixth annual trail in Le Marche, co-hosted by the WW2 Escape Lines Memorial Society and Monte San Montini Trust, took on enhanced importance because it provided the opportunity to dedicate a small piazza in the town of Monte San Martino to the late Keith Kilby, the Trust's Founder. The dedication was of equal importance to the village itself, of which Keith Kilby, who escaped from the nearby PoW camp of Servigliano, had been an honorary citizen. On the day of the presentation, Nick Young, MSMT chairman and ELMS patron, walked in procession at the head of the Cassino Band of the Northumbria Army Cadet Force. A service took place in Largo Keith Kilby and a plaque was laid.

Research: In April, John Simkins, Administrator, and Work Group member Rossella Ruggeri met Prof. Paolo Pezzino, president of Istituto Nazionale Ferruccio Parri, in Milan to flesh out a five-year collaboration agreement signed with Monte San Martino Trust. It was decided to focus on research into the Allied presence in wartime Italy and, in particular, to collaborate on creating a website entitled "Italy and the Allies", which would include information on the PoW camps.

Also in the field of research, during 2019 John Simkins, assisted by Rossella Ruggeri, Christopher Woodhead and Julia MacKenzie, worked on an English translation of L'Orizzonte del Campo, a book by Italian historian Marco Minardi describing the mass escape of PoWs from Fontanellato camp in 1943, Monte San Martino Trust plans to publish the English version, entitled Bugle Call to Freedom, in 2020.

Website, newsletter and technology: The annual 12-page newsletter was produced in June. George Mitchell, IT consultant, continued work building a sub-website to host the Trust's online archive (see below). The Trust continued to employ IT firm Bongo to safeguard its database, websites and emailing.

Annual lunch: Nearly 120 guests attended the lunch in November at the Royal Overseas League, London. The main theme was to celebrate the Trust's 30th anniversary and a film was shown consisting of interviews highlighting aspects of the Trust's work. The occasion was also used to celebrate the achievements of Keith Kilby, the Founder: his nephew, Malcolm Angus, and his niece, Lesley Angus, were guests of honour.

Digital archive: Work on digitising the archive of PoW memoirs, which had begun in 2016, approached conclusion. By the Autumn, as 75 per cent of the documents had been edited and uploaded, it was decided to launch the online archive, for public use. It was expected to prove highly popular with both family descendants of PoWs and professional researchers. Negotiations for the storage of the original archive with a University continue.

Students: The Trust awarded study Bursaries in 2019 to 32 (2018 37) students from Italy where escapers were helped. Each bursary costs the Trust approximately £2,350. These were for four week courses and covered accommodation with a family and tuition at either Central School, London, or CES-Oxford, at Wheatley. Unfortunately in 2020, due to the COVID-19 pandemic, the bursaries have had to be postponed until 2021. The Trustees are very grateful to Edward Gretton, the student organiser, and our volunteer meeters for their hard work.

MONTE SAN MARTINO TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance (continued)

b. Investment policy and performance

The investment portfolio managed by Rathbones was valued at £2,348,794 as at 31st December 2019, which was the Trust's financial year end. The comparable figure for the previous year was £1,771,604. During the twelve months to December 2019 no further amounts were added to the portfolio for investment and £52,053 (£nil in 2018) was withdrawn to meet planned expenditure.

The increase in the value of the portfolio during the year was due largely to the receipt of a most generous legacy of holdings worth £489,312 from the estate of the late Keith Kilby, Monte San Martino Trust's founder. The remainder of the legacy £100,000 was received as cash into the Bank of Ireland during the year and a further £215,000 received after the year end and included in these financial statements.

Rathbones reported that the total return on the Monte San Martino Trust's investments for the year to 31st December 2019 was 10% (2018 (1.8%)). Over the same period, the most relevant comparator indices, the MSCI PMFA Balanced index and ARC Charity Steady Growth Index were up 16.2% and 15.1% respectively. The primary investment objective continues to be capital growth, subject to a medium degree of risk, which is considered to be an appropriate approach to support the ongoing costs of the annual bursaries to the Italian students and of running the Trust. The portfolio strategy, as agreed with the Trustees, has recently been updated to fulfil the objectives of the charity within its tolerance for risk. A change in investment manager at Rathbones provided the opportunity for this updated strategy to be implemented, leading to a higher level of turnover than normal over the period (which impacted performance). The addition of the Keith Kilby legacy also contributed to the relatively high turnover in the portfolio.

Of the assets within the portfolio at 31st December 2019, 75.5% (2018 69.3%) was invested in Equities with 15.6% (2018 10.9%) in Alternatives, which are lower to medium risk, and 7.1% (2018 16.8%) in fixed interest and 1.8% (2018 3.0%) in cash. The Investment portfolio remains well diversified to counter the volatility and fluctuations in the markets.

The fund produced income of £46,690 in 2019, an income yield of approximately 2.0% based on a value of £2,348,794 on December 31st 2019. In the previous year, the fund produced an income of £48,164, which was a yield of 2.6%.

In addition to the investments and cash at Rathbones, the Trust had a bank cash balance of £119,006 (2018 £13,316).

The net assets of the Trust stand at approximately £2,681,395 with Investments at Rathbones of £2,348,794 cash at bank of £118,760 and cash due from Rathbones of £246, debtors and accrued income of £215,646, less liabilities due of £2,051.

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.

MONTE SAN MARTINO TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Financial review (continued)

b. Reserves policy

Because they anticipate that fundraising will become increasingly difficult as the events of 1943 to 1945 become more distant, the Trustees' policy is to hold enough investments in the (expendable) Endowment Fund to generate a return sufficient to cover the Charity's running costs; and to retain a sufficient sum in the General Reserve to enable the charity to continue to operate, which is considered to be three months' expenditure. At the end of the previous year the General Reserve was below this level and the deficiency was made good during 2019 by transfers from the Endowment Fund. The market value of the Endowment Fund as at 31 December 2019 was £2,348,794 (2018 £1,771,604).

c. Financial Review

The Trust's total income for the year was £870,059 (2018 £71,562) including investment income of £46,690 and two legacies totalling £811,812, of this £489,312 consisted of investment holdings which were added to the Trust's endowed portfolio. Expenditure was £124,630 (2018 £118,649) of which the costs relating to bursaries to Italian students were £75,182 (2018 £75,413). The investment portfolio had unrealised gains and losses totaling a gain of £93,515 (2018 losses of £80,521) and realised gains of £58,785 (2018 £1,030).

Structure, governance and management

a. Constitution

Monte San Martino Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Trust is constituted under a Memorandum of Association dated 26 October 2005 and is a registered charity number 1113897 in England and Wales. 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. The charity registered as a charitable company in England and Wales with the registered number 05604293.

b. Methods 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 Trust deed.

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.

During the year one of the Trustees, Mr Vanni Treves, sadly passed away, the remaining Trustees are very grateful for all the hard work he did on behalf of the Trust, including the successful completion of a £1 million fundraising appeal.

c. Organisational structure and decision-making policies

The Trustees discuss and make any necessary decisions during the period for the achievement of the charity's objectives, and the promotion of its work both in the UK and Italy. This includes the successful setting up of an online archive, and the possible creation (with another charity) of a permanent memorial to Italians who helped escapers.

MONTE SAN MARTINO TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Structure, governance and management (continued)

d. Financial 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 exposure to the major risks.

a. The performance of investments. Risks are mitigated by retaining expert investment managers and maintaining a diversified investment portfolio. The Trustees and Rathbones continue to maintain a careful approach to investments with the aim to achieve long-term capital growth.

b. Safeguarding the students. The Trustees have in place a formal safeguarding policy. The students have to be at least 18 years of age when they come to the UK and any further risks are mitigated by having well-informed Meeters, who will report any misgivings to the Trustees and to who the students can turn to if they have any misgivings. The two schools the students attend are both respectable and have pastoral care policies in place. The Trust maintains a public liability insurance policy which covers any possible claims by students as a result of their participation in the bursary programme.

Plans for future periods

The Trustees expect to continue to offer between 30 and 40 bursaries every year to Italian students.

The long term objective remains to increase the investment income to a level so that the recurrent investment income is more aligned to the running expenses of the Trust. Despite the receipt of the recent generous legacy, there remains a significant shortfall between the levels of investment income and of the recurring commitments of the Trust, so significant donations are required to avoid large calls being made on capital. It remains 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 and generosity of its supporters and the Trustees would like to take the opportunity of thanking them all.

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 contact Mr Justin de Meo, the Treasurer, at info@msmtrust.org.uk.

Funds held as custodian

The Charity did not hold any assets as a custodian.

MONTE SAN MARTINO TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the 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 Trust and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102)
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Sir Nicholas Young

Date: 26 August 2020

MONTE SAN MARTINO TRUST
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019.

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

Since the Trust's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

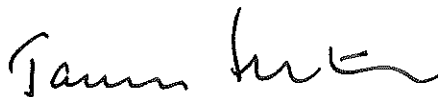
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

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.

This report is made solely to the Trust's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

Signed:



Dated:

27 August 2020

Dr J Fletcher

FCA

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

MONTE SAN MARTINO TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income and endowments from:					
Donations and legacies	3	333,734	489,312	823,046	23,111
Other trading activities	4	323	-	323	287
Investments	5	45,171	1,519	46,690	48,164
Total income and endowments		<u>379,228</u>	<u>490,831</u>	<u>870,059</u>	<u>71,562</u>
Expenditure on:					
Raising funds:	6				
Investment management fees		-	13,888	13,888	13,436
Charitable activities	7	110,742	-	110,742	105,213
Total expenditure		<u>110,742</u>	<u>13,888</u>	<u>124,630</u>	<u>118,649</u>
Net gains/(losses) on investments		-	152,300	152,300	(79,491)
Net income		<u>268,486</u>	<u>629,243</u>	<u>897,729</u>	<u>(126,578)</u>
Transfers between funds	15	52,053	(52,053)	-	-
Net movement in funds		<u>320,539</u>	<u>577,190</u>	<u>897,729</u>	<u>(126,578)</u>
Reconciliation of funds:					
Total funds brought forward		12,062	1,771,604	1,783,666	1,910,244
Net movement in funds		320,539	577,190	897,729	(126,578)
Total funds carried forward		<u>332,601</u>	<u>2,348,794</u>	<u>2,681,395</u>	<u>1,783,666</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 11 to 21 form part of these financial statements.

MONTE SAN MARTINO TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05604293

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	11	2,348,794	1,771,604
		2,348,794	1,771,604
Current assets			
Debtors	12	215,646	523
Cash at bank and in hand		119,006	13,316
		334,652	13,839
Creditors: amounts falling due within one year	13	(2,051)	(1,777)
Net current assets		332,601	12,062
Total assets less current liabilities		2,681,395	1,783,666
Net assets excluding pension asset		2,681,395	1,783,666
Total net assets		2,681,395	1,783,666
Charity funds			
Endowment funds	15	2,348,794	1,771,604
Unrestricted funds	15	332,601	12,062
Total funds		2,681,395	1,783,666

The Trust was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Sir Nicholas Young

Date: 24 August 2020

The notes on pages 11 to 21 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 2019

1. General information

Monte San Martino Trust is a charitable company limited by guarantee, incorporated in England and Wales with the registered number 05604293. 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. The members of the company are the Trustees named on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The most significant areas of judgement and key assumptions that affect items in the accounts are to do with the inclusion of the remaining legacy received in 2020 and included as accrued income in these accounts and the valuation of the endowed legacy, which was included into the portfolio at the market value as at 7 September 2018, the date of Mr Kilby passing away. With respect to the next accounting period, the year ended 31 December 2020, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of the investment return and the performance of investment markets, particularly in light of the economic disruption caused by the coronavirus COVID-19 pandemic. In light of this pandemic, no bursaries have been taken up due to the restrictions in travel, etc., in the year 2020. The Trust hopes to be able to continue their work in 2021.

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.

2.2 Going concern

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

MONTE SAN MARTINO TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Trust, can be reliably measured.

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.

2.4 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.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Trust's objectives, as well as any associated support costs.

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.

All expenditure is inclusive of irrecoverable VAT.

2.5 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 the 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 presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

MONTE SAN MARTINO TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 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 in the Statement of financial activities as a finance cost.

2.9 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value, except for investments which are measured at market value (fair value) as per the investment managers' portfolio, with changes recognised in the Statement of financial activities.

2.10 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.

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FOR THE YEAR ENDED 31 DECEMBER 2019

3. Income from donations and legacies

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Donations	11,234	-	11,234
Legacies	322,500	489,312	811,812
	333,734	489,312	823,046

	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Donations	<i>23,111</i>	<i>23,111</i>
	<i>23,111</i>	<i>23,111</i>

4. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Sale of books	323	323	<i>287</i>
	323	323	<i>287</i>

5. Investment income

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Income from local listed investments	32,997	147	33,144
Investment income - foreign listed investments	12,174	1,372	13,546
	45,171	1,519	46,690

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5. Investment income (continued)

	<i>Unrestricted funds 2018 £</i>	<i>Endowment funds 2018 £</i>	<i>Total funds 2018 £</i>
Income from local listed investments	30,657	1,657	32,314
Investment income - foreign listed investments	15,850	-	15,850
	<u>46,507</u>	<u>1,657</u>	<u>48,164</u>

6. Investment management costs

	<i>Endowment funds 2019 £</i>	<i>Total funds 2019 £</i>	<i>Total funds 2018 £</i>
Investment management fees	13,888	13,888	13,436
	<u>13,888</u>	<u>13,888</u>	<u>13,436</u>

7. Analysis of expenditure on charitable activities

Summary by fund type

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Student bursaries	75,182	75,182
Student support costs	5,100	5,100
Donations to charitable causes	8,000	8,000
Digitalisation of archives	10,745	10,745
Support costs	11,715	11,715
Total 2019	<u>110,742</u>	<u>110,742</u>

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NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Student bursaries	75,413	-	75,413
Student support costs	5,923	-	5,923
Donations to charitable causes	1,906	-	1,906
Digitalisation of archives	6,550	629	7,179
Support costs	14,792	-	14,792
<i>Total 2018</i>	<u>104,584</u>	<u>629</u>	<u>105,213</u>

Bursaries were given to 32 (2018 37) Italian students in the year at an average cost of £2,350 each (2018 £2,050). These bursaries are for English Language courses and are a way of promoting the memory of the Italians that helped escaped prisoners of war during World War II.

The donations to charitable causes were made to charities promoting the memory of all those who helped escaped prisoners of war.

Support costs consists of office administration £9,481 (2018 £12,179) and governance costs incurred are accountancy and independent examination fee (see note 8).

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £378 (2018 - £360), and accountancy of £1,856 (2018 - £1,753).

9. Staff costs

The average employee headcount during the year was nil (2018 nil).

No employee received remuneration amounting to more than £60,000 in either year.

The Trust considers its key management personnel comprise the trustees. The total employment benefits of the key management personnel was £nil (2018 £nil). The total fees paid to the key management personnel was £nil (2018 £nil).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 December 2019, no Trustee expenses have been incurred (2018 - £NIL).

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11. Fixed asset investments

	Listed investments £	Cash held in portfolio £	Total £
Cost or valuation			
At 1 January 2019	1,719,136	52,468	1,771,604
Additions	2,335,045	-	2,335,045
Disposals	(1,841,518)	(9,852)	(1,851,370)
Revaluations	93,515	-	93,515
At 31 December 2019	<u>2,306,178</u>	<u>42,616</u>	<u>2,348,794</u>
Net book value			
At 31 December 2019	<u>2,306,178</u>	<u>42,616</u>	<u>2,348,794</u>
<i>At 31 December 2018</i>	<u>1,719,136</u>	<u>52,468</u>	<u>1,771,604</u>

Investments at market value comprise:

Listed investments of £2,306,178 (2018 £1,719,136); comprised of UK investments £1,681,776 (2018 £932,072) and Overseas investments of £624,402 (2018 £787,064).

Cash held of £42,616 (2018 £52,468).

12. Debtors

	2019 £	2018 £
Due within one year		
Other debtors	494	523
Prepayments and accrued income	152	-
Legacies receivable	215,000	-
	<u>215,646</u>	<u>523</u>

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	<u>2,051</u>	<u>1,777</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>2,348,794</u>	<u>1,771,604</u>

Financial assets measured at fair value through income and expenditure comprise investments held in a portfolio including cash held in Rathbones capital account.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds						
General Funds	12,062	379,228	(110,742)	52,053	-	332,601
Endowment funds						
Revaluation reserve	395,793	-	-	-	(144,449)	251,344
Expendable reserves	1,375,811	490,831	(13,888)	(52,053)	296,749	2,097,450
	<u>1,771,604</u>	<u>490,831</u>	<u>(13,888)</u>	<u>(52,053)</u>	<u>152,300</u>	<u>2,348,794</u>
Total of funds	<u><u>1,783,666</u></u>	<u><u>870,059</u></u>	<u><u>(124,630)</u></u>	<u><u>-</u></u>	<u><u>152,300</u></u>	<u><u>2,681,395</u></u>

Statement of funds - prior year

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2018 £</i>
Unrestricted funds					
General Funds	46,741	69,905	(104,584)	-	12,062
Endowment funds					
Revaluation reserve	448,199	-	-	(52,406)	395,793
Expendable reserves	1,414,675	1,657	(13,436)	(27,085)	1,375,811
	<u>1,862,874</u>	<u>1,657</u>	<u>(13,436)</u>	<u>(79,491)</u>	<u>1,771,604</u>
Total of funds	<u><u>1,909,615</u></u>	<u><u>71,562</u></u>	<u><u>(118,020)</u></u>	<u><u>(79,491)</u></u>	<u><u>1,783,666</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16. Summary of funds

Summary of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
General funds	12,062	379,228	(110,742)	52,053	-	332,601
Endowment funds	1,771,604	490,831	(13,888)	(52,053)	152,300	2,348,794
	<u>1,783,666</u>	<u>870,059</u>	<u>(124,630)</u>	<u>-</u>	<u>152,300</u>	<u>2,681,395</u>

Summary of funds - prior year

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2018 £</i>
General funds	46,741	69,905	(104,584)	-	12,062
Endowment funds	1,862,874	1,657	(13,436)	(79,491)	1,771,604
	<u>1,909,615</u>	<u>71,562</u>	<u>(118,020)</u>	<u>(79,491)</u>	<u>1,783,666</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Fixed asset investments	-	2,348,794	2,348,794
Current assets	334,652	-	334,652
Creditors due within one year	(2,051)	-	(2,051)
Total	<u>332,601</u>	<u>2,348,794</u>	<u>2,681,395</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i>	<i>Endowment funds</i>	<i>Total funds</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Fixed asset investments	-	1,771,604	1,771,604
Current assets	13,839	-	13,839
Creditors due within one year	(1,777)	-	(1,777)
Total	12,062	1,771,604	1,783,666

18. Indemnity insurance

The Trust holds third party indemnity insurance to protect the Trustees and volunteers.

19. Volunteers

The Monte San Martino Trust has 21 volunteers who greet the Italian students as they arrive in the UK, either at the airport or a railway station, at the start of their four-week bursary at a language school. The volunteer accompanies the student to the homestay family's address. If a volunteer feels the student will benefit from further contact they will stay in touch with the student by phone or meet up. The students make their own way to the airport.

20. Related party transactions

There were no related party transactions during the year.