

THE MARIA MONTESSORI TRAINING ORGANISATION

Company No. 697468

Charity No. 313087

Financial Statements
For The Year Ended
31st August 2018

FRIDAY



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COMPANIES HOUSE

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Directors and Executive Committee

Mr. R.A. Partridge (Chairman)
Mrs. L. Webster (Company Secretary)
Mr. D. Murphy (Honorary Treasurer)
Mr. B. Faccini
Mrs. E. Hood (resigned 15th November 2017)
Mrs. N. Forsyth (appointed 15th November 2017)
Mrs. W.H. Innes
Mrs. A. Lake
Mrs. C. Laubin
Mr D. Mukarji
Mrs. H.K. Patell
Mrs. F. Scott

Company Secretary and Registered Office

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Principal Office

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Auditors

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Principal Solicitors

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Bankers

Danske Bank
4th Floor,
75, King William Street
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Trustees' Report

The Trustees have pleasure in presenting their report and financial statements for the year ended 31st August 2018 which have been prepared under the historical cost convention and in accordance with applicable accounting standards and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Principal Activity

The principal activity of the company continues to be to promote the application of the authentic educational principles on which the method of teaching children generally known as the Montessori Method is based and in particular to train teachers in that method. In addition, the company runs exemplar schools (18 months – 12 years), in which students are able to observe AMI Montessori principles and standards in practice.

The MMTO is one of the few AMI training centres in the world that offer AMI training and a model school where the philosophy, concepts and techniques can be seen in practice and which provides access to an archive for researchers.

Strategic Report

The overall vision of the Organisation is that it will be a focal point and resource centre for Montessori education in the UK through schools, training, and parental and other forms of outreach and will have a significant impact on the lives of children.

Aims and Objectives

The key objectives of the Organisation are:

- To train adults to teach children using the Montessori approach to education, in accordance with the standards of AMI.
- To provide an authentic model of Montessori educational philosophy in practice illustrating an alternative approach to educating children.
- To develop adults and teachers who are better prepared to help children fulfil their potential, across all cultures and socio-economic groups.
- To help to develop adults whose knowledge of the natural laws of growth and development enable children to develop spontaneously and naturally within the family, school and society.
- To provide opportunities wherever possible for adults to understand how children construct themselves spontaneously, so that adults live together in harmony and co-operation with children and young people; thus creating the possibility of a more peaceful world.
- To collaborate with AMI in the development and delivery of innovative course offerings beyond teacher training.

Key Performance Indicators

The Organisation considers the Key Performance Indicators to be:

- Maintaining the number of students on courses and the number of children in the school – see Financial Review page 13 of this report. We are pleased with the continuing popularity of the courses and school.
- Maintaining the quality of the courses to ensure that authentic Montessori is applied consistently and adheres to AMI standard. The Institute aims for the pass rate in the AMI Diploma Course examinations to be at least 85%. In 2018, students did so with a 93% pass rate (2017: 100%). In total, 88% of students graduated with 12% needing to complete course requirements.
- Maintaining the quality of the Montessori education offered in the School. This is difficult to measure quantitatively but can be evidenced by the numbers of children transferring to the Elementary school and the success of the children's school choices at the age of 11.

Trustees' Report (Continued)

Objectives and achievements in the year and Future Plans

To continue to offer the 3 – 6 Diploma course in both full-time and part-time formats and to increase access to the range of AMI courses offered in the UK.

Achievements:

- Approval was obtained from the University of East London for the Foundation Degree in Montessori Pedagogy (AMI 3-6). Students will have access to loan funding and successful students will be able to gain automatic entry onto a top up year leading to a BA (Hons) in Early Childhood and Montessori.
- The Maria Montessori Institute ran 1 full time and 2 part-time (two-year) 3-6 courses during the 2017/18 academic year for students wishing to obtain the Association Montessori Internationale Diploma. Students graduating in 2018 did so with a 93% pass rate.
- The final module of the 0-3 Course took place during the summer. Students graduating from this Course did so with a 91% pass rate.
- The final module of the Elementary (6-12) course which commenced in April 2016 took place. This course completed in early September 2018.
- Three Assistants Courses at the 3-6 level and one each at the 0-3 level and 6-12 levels were run in London during the year aimed at parents, classroom assistants and those seeking core knowledge of Montessori. In total, 111 people attended Assistants courses during the academic year.
- Six Montessori for Ageing and Dementia workshops took place during the year with more than 200 people attending. The aim of these courses is to demonstrate how Montessori principles can be applied by those caring for elderly people with dementia.

Future Plans:

- We will continue to offer the 3-6 courses in the existing formats.
- We will run Diploma courses at 0-3 and 6-12 levels in modular format.
- We will offer Assistants Certificate courses at the 0-3, 3-6 and 6-12 levels.
- We will offer financial assistance to those students who would otherwise be unable to afford to attend the courses.
- We will actively promote the Foundation Degree in Montessori Pedagogy (AMI 3-6) and work with the University of East London to ensure students are from a range of socio-economic backgrounds.
- We will continue to offer Montessori for Ageing and Dementia workshops
- We will develop an online observation course with a view to offering this from September 2019.

Trustees' Report (Continued)

Objectives and achievements in the year and Future Plans (continued)

Develop the capacity of our Montessori schools across the 0-12 age levels of Montessori Education

Achievements:

- The number of children attending the Elementary classes at Hampstead and Bayswater has continued to increase.
- The MMI School continued to successfully support Special Needs children across all sites.
- The success of our series of talks aimed at parents in previous years identified the requirement to provide increased information to parents of children in our school and also in the wider community. Regular email communication and the expansion of information available on the website has enhanced the dissemination of information. A process has been put in place for the development of MMI parental information courses to cover all age groups.

Future Plans:

- We hope to expand the kitchen facilities at our Hampstead site and create a large lunch room which may also be used as a meeting space.
- We will continue to increase the numbers of children in our Elementary classes and will search for larger premises to accommodate this increase.
- We will offer pedagogical support to other organisations hoping to establish a Montessori adolescent school.
- Our bursary and assisted places policy for the School will continue to enable financial assistance to be given to a greater number of families who might otherwise not be able to benefit from a Montessori education
- A review of communications strategies and the appointment of a communications specialist will assist in ensuring that we are communicating clearly and well to parents.
- We will develop a knowledge base in relation to the Montessori approach to schooling for the 12-18 age range.

Trustees' Report (Continued)

Objectives and achievements in the year and Future Plans (continued)

Promote AMI standards by providing professional development opportunities for teachers, parent support initiatives and speakers at international conferences

Achievements:

- The Institute held information sessions throughout the year that were open to prospective students, parents and the general public. More than 40 people attended these sessions. The Schools held a similar number of information sessions open to prospective parents, attended by more than 200 people in total. These Open Forums explain the basic aspects of the Montessori approach to education.
- A series of Professional Development workshops commenced, aimed at working with children with needs such as autism and dyslexia.
- Throughout the year Parent education evenings were held at each School site which were open to all parents of children in the School.
- A Refresher Course on music was attended by staff from our own school and other Montessori schools in the UK. A workshop was held on supporting the autistic child in the Montessori environment was held which was attended by more than 80 people
- A series of training sessions for potential Course Lecturers were offered.
- During the year we supported 3 schools outside of those belonging to the MMI by providing mentoring.
- One staff member continued with the 0 – 3 training of trainers programme; 3 members of staff are studying the 6-12 Diploma course; one staff member attended the “Lead and Direct” workshop; one staff member was supported by the organisation in undertaking a Masters in Educational Neuroscience at Birkbeck College; one staff member was supported by the Organisation to undertake a Masters in Fundraising and Philanthropy at Birkbeck College.
- A Journey and Discovery event took place for parents at the West London School sites.

Future Plans:

- Continue to hold information sessions for prospective students
- Reintroduce the Introduction to Montessori sessions for students undertaking Early Childhood studies at Universities
- Hold parent evenings on relevant topics
- Invite parents to Montessori Journey and Discovery days to enable them to experience the Montessori materials
- Hold a Refresher course and Professional Development Days
- Support staff in their professional development
- Roll out a parent support programme for parents of all ages of children.
- Implement a professional development training for those people interested in working in some capacity on the training courses. Roles will include album readers, lecturers and supervisors of the practical sessions.
- Identify members of staff and others who may be eligible to apply for the AMI Training of Trainers Programme.

Trustees' Report (Continued)

Objectives and achievements in the year and Future Plans (continued)

To establish and support additional training courses in places other than London.

Achievements:

- Talks were given in China, Tanzania, Spain, Mexico, Italy, South Africa, the USA and the Netherlands.
- Louise Livingston is one of a cohort of AMI trainers taking part in a 'faculty' approach in, China.
- Cheryl Ferreira is providing pedagogical support to the AMI Course in Sri Lanka and reviewed classroom practice in Morocco and the Netherlands
- Staff acted as AMI examiners in France, Italy, Pakistan, Sri Lanka, Germany and Sweden.
- Vikki Taylor and Philippa Romig continued with an AMI international Diploma course in Tanzania
- Montessori Ageing and Dementia workshops were held in Exeter, Chester, Derbyshire and Surrey.

Future Plans:

- Louise Livingston will continue to work on the training courses in China and will be the faculty coordinator
- Staff will continue to work as examiners in AMI centres around the world.
- Montessori Ageing and Dementia workshops will be held in locations outside London.
- Cheryl Ferreira will continue to provide pedagogical support to the AMI Course in Sri Lanka.

Provide support to and influence in AMI.

Achievements:

- Lynne Lawrence is the Executive Director of AMI and Cherry Worthington is the Chief Financial Officer of AMI. They hold these positions in addition to their work at the MMTTO.
- Louise Livingston is the China Faculty Coordinator and is a member of the AMI Global Research Group.
- Staff acted as examiners in 6 other training centres worldwide as well as providing training in China and Tanzania.
- Bimpe Pogson has been instrumental in forming the new AMI affiliated Society in Nigeria
- Poincy Pino has continued to mentor the newly established Elementary classes in Kenya and Tanzania.

Future Plans:

- To continue to support the work of AMI through the provision of key personnel.
- To participate in the initial pilot of the Global School Recognition Programme.
- To be the initial pilot school for the AMI Observation software.

Trustees' Report (Continued)

Objectives and achievements in the year and Future Plans (continued)

Support the 'Help the Children' Projects and other outreach work

Achievements:

- Staff from the MMTO have been instrumental in the establishment of the Montessori School in the IDP camp in Kenya and in the establishment of a second school 25km away from the Corner of Hope. The Elementary training programme which commenced in August 2013 with 30 participants completed successfully. Poincy Pino, Elementary Teacher from the MMTO volunteered to assist on the course when school schedules permitted. In addition the first Elementary classes were established in Kenya and Tanzania and a new project was initiated with the nomadic Samburu tribes and is currently in the first introductory phase in Northern Kenya.
- Vikki Taylor and Philippa Romig are providing an AMI international Diploma course in Tanzania
- Closer to home, our project; 'Born Inside', in Bronzefield Prison has continued to be successful. In conjunction with Pamela Windham Stewart MA, Psychotherapist, we have designed a support and education programme to offer pregnant mothers and mothers with young children born or living inside the prison. This hands-on project focuses on the developmental needs of young children and how mothers can support them for minimal expenditure. Donations from individuals have been received during the year but investigation continues into potential sources of funding to enable the continuation of this project.

Future Plans:

- Continue to support the work at the Corner of Hope schools in Kenya.
- Continue working with babies and mothers in Bronzefield prison. Offer to provide Montessori information for prison officers.
- Work with the Arthur Waser Foundation on the international AMI Diploma Course in Tanzania and on building infrastructure to support national courses in East Africa.
- To develop a parent information programme aimed at parents both within and outside of our schools.

Trustees' Report (Continued)

Objectives and achievements in the year and Future Plans (continued)

Define and effect structural change within MMI to support the scope of its activity

Achievements:

- Approval was obtained from the University of East London for the Foundation Degree in Montessori Pedagogy (AMI 3-6). Students will have access to loan funding and successful students will be able to gain automatic entry onto a top up year leading to a BA (Hons) in Early Childhood and Montessori.
- The move to the new Training Centre took place. These premises will provide increased space and will enable courses and workshops to run concurrently
- The Early Years Educator Qualification awarded by Innovate Awarding has been successfully incorporated into the AMI 3-6 Diploma to allow Montessori Diploma holders to be counted in class ratios. A recent inspection by Innovate Awarding resulted in a glowing report.
- The Organisation has identified potential new lecturers for the Courses.
- A review of the Administrative Team was undertaken to ensure that sufficient administrative support is available to support the planned expansion of the Organisation's activities.

Future Plans:

- The aims and key objectives for the courses will be to continue to ensure that we support trainers in training as new courses can only be run by those holding the AMI Trainers Certificate (4 years study), under the present AMI regulations. We will continue to identify potential trainers at both 0 – 3 and 6 – 12 levels for the UK as well as additional lecturers at the 3 – 6 level.
- We will continue to evolve the management structure to support the expanding activities of the Organisation. We will also continue to develop our plan to publicise the work of the Training Centre to potential students in the UK and EU and aim to create increased awareness of the Organisation's unusual outreach projects & additional charitable work in order that they become models for others to emulate.
- We will investigate the possibility of the AMI Diploma contributing to a Masters qualification.

To continue to develop the Montessori archive so as to make it available to students, researchers and interested parties

Achievements:

- During the year, further documents related to the history of the school and the Training Centre have been cleaned and catalogued.
- Relevant texts were sent to AMI for publication. Many individuals are now using the archive to search for information and primary source material.

Future Plans:

- Continue to provide information to AMI and to researchers.
- Continue the work on the visual and audio archives.

Trustees' Report (Continued)

Structure, Governance & Management

The charity is constituted as a company limited by guarantee registered in England and Wales. The charity's governing document is its Memorandum and Articles of Association which were last revised in October 2007. The charity consists of an organisation which trains individuals in the Montessori Method of education based in Baker Street, Central London and Hampstead and an exemplar school situated on-site in Hampstead and off-site in Notting Hill, Bayswater, Hornsey Rise, West Hampstead and Holland Park. The training organisation operates as the 'Maria Montessori Institute' and the school as the 'Maria Montessori School.' No fundraising activities were undertaken by the charity during the year, and no complaints were reported to the charity commission for the current financial year.

Recruitment and Appointment of the Board

Directors who served during the year are listed on the previous page of this report.

Directors are appointed, when a vacancy arises, in accordance with our by-laws. Directors will either have experience of Montessori education or will provide expertise that will contribute to the governance of the charity. Recruitment may be made through organisations specializing in the search for trustees or through direct contact made through and by the organisation.

Each Trustee (Director) is appointed for a term of three years and may be reappointed for an indefinite number of terms, therefore each year a third of the Trustees are up for reappointment. The Chairman and Treasurer may be appointed for a maximum of three terms.

The induction process for new directors enables them to become familiar with the history and ongoing activities of the organisation through a series of meetings, visits to the organisation to observe its activities and publicity and informational material. Directors receive relevant training, as required, throughout their period of service.

The Board meets a minimum of three times per year and decides upon broad policy based on the strategic direction proposed by the Steering Committee.

Steering Committee

The charity is strategically and financially directed by the steering committee. The steering committee meets approximately three times per term to ensure the smooth running of the Organisation. Committee members are currently drawn from the Board and include the Director of Training and Schools and the Bursar:-

Mrs. E Hood	Ex - Director
Mrs. W Innes	Director (Health & Safety; Safeguarding)
Mrs. L Lawrence	Director of Training and Schools
Mr. R Partridge	Chair of the Board (attends when necessary)
Mrs. H K Patell	Director
Mrs. C Worthington	Bursar

The Director of Training and Schools has overall responsibility and power of decision making for the day to day running of the Organisation (administrative, pedagogical and financial) and reports to the Steering Committee.

Management Committee

The various branches of the charity are run on a day to day basis by the Senior Management Team and relevant stakeholders in the Organisation. Meetings take place each term to ensure the smooth running of all aspects of the Organisation. The participants are drawn from the senior Training, School and Administrative Staff.

Health and Safety Committee

This committee meets three times per year. Membership is taken from the Directors, teaching, administrative, auxiliary staff and student body. The Health and Safety consultant to the MMTTO or a relevant expert is consulted as necessary.

Risk Assessment

The Board of Directors of the Organisation undertakes an annual risk assessment where major risks to the Organisation are identified and systems and procedures to alleviate them are reviewed.

Trustees' Report (Continued)

Impairment Review

The Board of Directors of the Organisation undertakes an annual impairment review. A valuation was carried out by Jones Lang LaSalle in accordance with the revised accounting standards and has been adopted in these financial statements.

Public Benefit

In the furtherance of the Objects, the Directors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Bursaries

Support in the form of bursaries is available for those wishing to attend the school or training course but who otherwise are unable to pay the fees or for those current pupils and children where a change in financial circumstances would compromise their ability to remain at the school or continue with their studies.

Those wishing to be considered for financial support are required to submit their application, accompanied by the relevant financial information for consideration by the Steering Committee. The amount of assistance granted is subject to the ability to pay full fees and the amount of bursary funds available. Bursary awards for school fees are reviewed annually.

Key Management Personnel remuneration

The Board of Directors consider the Director of Training and Schools and the Bursar as comprising the key management personnel of the Organisation in charge of directing and controlling the charity and running and operating the Organisation on a day to day basis.

The Organisation operates banded salary ranges for all staff including senior staff. The bands are reviewed annually and compared with other similar organisations and generally an inflationary increase is applied, depending upon the financial success of the charity

Co-operation with other organisations

Association Montessori Internationale

The Organisation continues to co-operate with the Association Montessori Internationale whose courses they run. This Association, founded by Dr. Maria Montessori in 1929, was created to uphold, propagate and further the pedagogical principles and practice formulated by Dr. Maria Montessori for the full development of the human being. Additional support for AMI was given to AMI in the form of personnel. Mrs. Lawrence is Executive Director of AMI and Mrs Worthington is Chief Financial Officer of AMI and they hold these positions in addition to their normal range of duties carried out for the MMTO.

The Maria Montessori Training Organisation runs courses that lead to an Association Montessori Internationale Diploma and must adhere to the standards for quality laid down by the AMI.

Montessori Society AMI UK

The Society is an open membership autonomous body working in adherence to AMI's aims and objectives. It is staffed essentially by volunteers. It provides its membership with publications, seminars and conferences disseminating and furthering knowledge of Montessori education and principles and the MMTO supports this society in its work.

Montessori Education UK

This organisation was created to provide a unified voice for Montessori within the UK and has also established a quality assurance scheme for Montessori schools across the country which provides mentorship for schools and helps parents identify schools with good Montessori practice. The MMTO is a founding member of this Organisation.

Youth Hope Foundation

This is the funding partner alongside the Association Montessori Internationale for the project to introduce Montessori teacher training and education to populations in emergency situations such as Refugee/IDP/Disaster camps.

Arthur Waser Foundation

This is the partner working with AMI on an initiative to deliver an AMI international Diploma to underserved populations in Africa. The MMTO contributes to this through the expertise of its' staff.

Trustees' Report (Continued)

Co-operation with other organisations (continued)

Bronzefield Prison

The Institute is seeking funding to continue a project to support children who are 'Born Inside' and to provide them with a developmentally sound start inside prison. The aim is to stage an intervention that may break the cycle of offending and give both mothers and children a better start in life.

Risk assessment

The key risks to the Organisation have been identified and appropriate controls and processes have been put in place to address these. The key risks, in no particular order, currently facing the Organisation are considered to be:

Key Risk	Potential Impact on Objectives	Risk Response
Governance and management structure and skills insufficient to meet the Organisation's objectives, financial resources insufficient to meet the Organisation's needs	Lack of clear plans and priorities; poor value for money; poor service delivery; uncertainty on staff and board roles and responsibilities; loss of key staff; competition from other Montessori training centres and schools	Strategic plans reviewed annually; monitoring of budgets and financial results; regular Steering Committee meetings; clear understanding of roles and responsibilities; robust recruitment process; documentation of systems and procedures; marketing plan in place and monitoring of competition.
Regulatory and legal changes	Lack of compliance with government regulations and authorities, including Ofsted; School Inspection Service; withdrawal of college status; withdrawal of highly trusted sponsor status by the UKVI.	Key legal and regulatory requirements identified and proposed changes monitored; membership of umbrella bodies eg ME(UK), ISBA; Health & Safety reviews; fire safety reviews; delegated staff responsible for regulatory areas; monitoring of changes to visa requirements and other international student issues.
Operational risk	Computer failure; destruction of property; fraud resulting in financial loss; damage to reputation.	Data backup procedures and precautions; disaster recovery plan; recruitment of suitably qualified staff; DBS clearance for all students and staff; appropriate policies and staff training; financial controls in place; monitoring of budgets and financial results.

Trustees' Report (Continued)

Financial Review

Performance in the Period

Results for the year

The move to new Training Centre Premises has entailed significant "one – off" costs contributing to an overall deficit for the period. These costs amounting to £138,000 relate to the accelerated depreciation of the refurbishment works at the former training centre at Baker Street, the rent, service charge and rates paid for these premises during the period following the finalisation of the Riding House Street lease and a payment in respect of the dilapidations clause in the lease at Baker Street.

Income decreased by £5,000 to £2,661,000 primarily as a result of lower numbers of children in the school and increased financial assistance awarded. The Institute did see an increase in the number of students attending Diploma and Assistants courses and also held a number of workshops and professional development days during the year.

Expenditure increased by £302,000 to £2,822,000 reflecting the additional premises costs, the annual salary increase and additional rental costs associated with new premises as well as the increased depreciation resulting from the capitalised refurbishment works at the new Training Centre. A restructure of the Administrative Team took place resulting in reorganisation and redundancy costs of £34,000.

The result of the above is a deficit of £161,000 compared with the previous year's surplus of £146,000.

Overall net assets of the charitable company as at 31st August 2018 are £7,637,000 (2017: £7,798,000). The company's assets are adequate to fulfil the immediate obligations of the charity.

Five year summary for the year ended 31st August

Income and Expenditure Account

£ thousand	2018	2017	2016	2015	2014
Incoming Resources	2,661	2,666	2,527	2,456	2,219
Resources Expended	(2,822)	(2,520)	(2,396)	(2,278)	(2,089)
Net Income/(Expenditure)	(161)	146	131	178	130

Balance Sheet Extract

£ thousand	2018	2017	2016	2015	2014
Fixed Assets	7,947	7,316	7,292	7,331	654
Current Assets less Liabilities	(310)	482	359	190	179
Funds – Restricted	2	2	2	8	2
Funds – Unrestricted	7,635	7,796	7,649	7,513	831

Numbers of students and children

No	2018	2017	2016	2015	2014
Students 3-6 Course	60	49	49	77	63
Students 0-3 Course	11	12	12	9	9
Students 6-12 Course	20	22	22	11	11
Other Courses	119	114	92	63	49
School children	179	204	218	213	223

Trustees' Report (Continued)

Bursaries to support children and teacher trainees

Over the course of the year 18 children benefitted from assisted fees and 10 children benefitted from full fee relief; in total £218,856 (2017: £176,622) of assistance was given. A total of 15.6% (2017: 11.8%) of the children received help. A full bursary was awarded to 1 student on the Diploma Course and 3 students on the Post Diploma Course. Ten students benefitted from assisted fees. A total of 6.7% (2017: 8.1%) of students were given help. A number of free and assisted places were given to staff and other attendees of workshops and events.

Fixed Assets

The movements in fixed assets are shown in the notes to the financial statements.

Freehold Land and Buildings

The company owns the freehold premises known as 26 Lyndhurst Gardens. The transitional arrangements within section 35 of FRS 102 have been applied and the property has been revalued at £6,700,000 as per the report by Jones Lang Lasalle.

Reserves Policy

The total level of funds as at 31st August 2018 were £7,637,045 (2017: £7,797,768) of which £2,179 (2017: £2,178) related to restricted funds, £7,307,157 (2017: £7,315,728) was invested in fixed assets. The remainder of £327,709 (2017: £479,862) were regarded as total free reserves of the organisation.

The long term aim of the Organisation is to build up its free reserves to a level which equates to 3 months of unrestricted expenditure (£600,000). The Organisation also needs to accumulate further funds to meet its building commitments relating to the everyday repairs, renewals and refurbishment costs. The Organisation plans to build up reserves by attracting more students and children to the Institute and School.

The reserves policy will be reviewed by the directors on an annual basis.

Statement of Directors Responsibilities

The Directors (who are also trustees of The Maria Montessori Training Organisation for the purposes of charity 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 Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the members are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards 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 charitable company will continue in business;

The directors are responsible for keeping proper accounting records that 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.

In so far as the directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

By Order of the Board



14th November 2018

Mrs L. Webster
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MARIA MONTESSORI TRAINING ORGANISATION

Opinion

We have audited the financial statements of The Maria Montessori Training Organisation ("the charitable company") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

14th November 2018

Statement of Financial Activities
For the year ended 31st August 2018

Income and Expenditure	note	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
		£	£	£	£
Income					
Income from charitable activities:					
Course and other fees receivable	2	2,598,704	-	2,598,704	2,640,255
Income from generated funds:					
Donations and legacies	14	100	56,917	57,017	15,300
Interest receivable		1,116	-	1,116	1,162
Other Income		4,071	-	4,071	8,885
Total Income		2,603,991	56,917	2,660,908	2,665,602
Expenditure					
Charitable Activities	3	2,755,878	65,753	2,821,631	2,519,762
Total Expenditure		2,755,878	65,753	2,821,631	2,519,762
Net (Expenditure)/ Income before transfers	5	(151,887)	(8,836)	(160,723)	145,840
Transfers Between Funds	14	(8,836)	8,836	-	-
Net Movement in Funds		(160,723)	-	(160,723)	145,840
Balances brought forward at 1st September 2017	14	7,795,590	2,178	7,797,768	7,651,928
Balances carried forward at 31st August 2018	14	7,634,867	2,178	7,637,045	7,797,768

All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

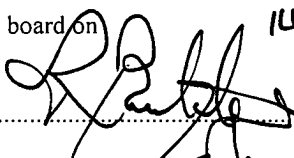
The notes on pages 22 to 32 form part of these financial statements.

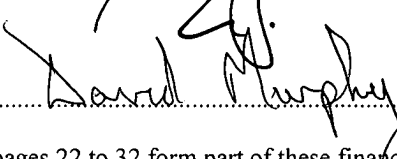
Balance Sheet **At 31st August 2018**

	note	2018 £	2018 £	2017 £	2017 £
Fixed Assets					
Intangible Assets	7	6,710		-	
Tangible assets	8	7,940,600		7,315,730	
			7,947,310		7,315,730
Current Assets					
Debtors	9	101,497		173,074	
Cash at bank and in hand		335,560		970,626	
		437,057		1,143,700	
Creditors: amounts falling due within one year	10	(669,046)		(661,662)	
Net Current (Liabilities)/ Assets			(231,989)		482,038
Total Assets Less Current Liabilities			7,715,321		7,797,768
Creditors: amounts falling due after More than one year	11		(78,276)		-
Total Net Assets			7,637,045		7,797,768
Funds					
Restricted funds	13		2,178		2,178
Unrestricted funds:					
General	13		327,709		479,860
Revaluation Reserve			6,508,892		6,508,892
Designated			798,265		806,838
	14		7,637,045		7,797,768

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

Approved by the board on 14th November 2018

Mr R Partridge  Director

Mr D Murphy  Director

The notes on pages 22 to 32 form part of these financial statements.
Company Registration No: 697468

Statement of Cash Flows
For the Year ending 31st August 2018

		Total funds 2018 £	Total funds 2017 £
	<i>note</i>		
Cash Flows from Operating activities:		<u>67,103</u>	<u>38,368</u>
Net cash provided by (used in) operating activities	<i>17</i>	67,103	38,368
Cash Flows from Investing activities:			
Interest		1,116	1,162
Purchase of Fixed Assets		(703,284)	(66,216)
Net Cash provided by (used in) investing activities		<u>(702,168)</u>	<u>(65,054)</u>
Change in cash and cash equivalents in the year		(635,066)	(26,686)
Cash and cash equivalents at 1st September 2017		970,626	997,311
Cash and cash equivalents at 31st August 2018	<i>18</i>	<u>335,560</u>	<u>970,626</u>

The notes on pages 22 to 32 form part of these financial statements.

Company Registration No: 697468

NOTES TO THE FINANCIAL STATEMENTS

1 Principal Accounting Policies

The accounting policies remain unchanged from last year.

Accounting Basis and Standards

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice 2015: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The financial statements have been prepared in sterling which is the functional currency of the charity, rounded to the nearest £.

Income

All income is recognised once the Organisation has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably. Income consists of school fees, nursery education grants for 3 and 4 year olds and course fees. Income is deferred only when the charity has received income in advance of conditions to be fulfilled in the future.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation committing the organisation to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity.

Support costs – where costs cannot be directly attributed they have been allocated to activities on the basis of the amount of staff time spent on each activity.

Governance costs - have been allocated to activities on the basis of the amount of staff time spent on each activity. These costs comprise all costs incurred in connection with the public accountability of the charity and its compliance with regulation and good practice and include costs related to statutory audit and legal fees.

Depreciation

Assets at a value of greater than £500 are capitalised and depreciated over their useful economic life.

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset, over its expected useful life as follows:

Improvements to owned buildings	not depreciated
Improvements to buildings under licence	depreciated over the period of the licence
Office and kitchen equipment	5 years
Computer equipment	between 3 and 5 years

The company owns the freehold premises known as 26 Lyndhurst Gardens. The transitional arrangements within section 35 of FRS 102 have been applied and the property has been revalued as per the report by Jones Lang Lasalle.

It is the company's practice to maintain the property in a continual state of sound repair and to make improvements thereto from time to time. The directors consider the useful economic life of the property to be in excess of 50 years, and that it did not diminish during the period under review. Consequently no charge for depreciation is made.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Principal Accounting Policies (continued)

Intangible Assets

Intangible assets represent the costs of the development of the Organisation's website and are amortised over a period of three years.

Financial Instruments

The charity only holds basic financial instruments and has applied the provisions of Section 11 'Basic Financial Instruments' of FRS102 to all of its financial instruments.

Financial Instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial instruments are measured at amortised cost.

Operating Leases

Rentals paid under operating leases are charged to the SOFA on a straight line basis over the terms of the lease.

Taxation

The company has no liability to corporation tax due to its charitable status.

Employee Benefits

The costs of short term employee benefits are recognised as a liability and an expense. Termination benefits are recognised as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension

A defined contribution scheme was established in March 2015. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the scheme rules.

Funds

Unrestricted – These are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Designated – These are unrestricted funds earmarked by the trustees for particular purposes.

Restricted – These are funds that can only be used for particular purposes within the objects of the charity and are restricted by the donor.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have the most significant effect on amounts recognised in the financial statements.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the property, plant and equipment and note 1 above for the useful economic lives for each class of asset.

Going concern

After reviewing the organisation's forecasts and projections, the directors have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Course and other fees

Course and other fees receivable are attributable to the principal activity of the company which arose wholly in the United Kingdom and within the charitable objects of the company.

	2018 £	2017 £
School fees:		
Gross Fees	1,996,363	2,045,316
Bursaries/discounts	(218,856)	(176,622)
Government grants	101,991	190,764
Other School Income	22,244	10,444
	<u>1,901,742</u>	<u>2,069,902</u>
Course fees:		
Gross Fees	732,655	593,259
Bursaries/discounts	(35,693)	(22,906)
	<u>696,962</u>	<u>570,353</u>
	<u>2,598,704</u>	<u>2,640,255</u>

The Organisation received Early Years Funding of £101,991 (2017: £190,764) from local authorities in respect of the 15 hours per week “free entitlement” for 3 and 4 year olds attending the school.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 Direct Charitable Expenditure

2018	Direct Costs	Staff Costs	Allocation of Administration Costs	Total Funds 2018
	£	£	£	£
Salaries and social security				
Course Salaries	-	350,488	114,011	464,499
School salaries	-	914,270	297,406	1,211,677
Catering	107,420	43,536	26,609	177,565
Teaching aids, materials and other direct expenses	32,251	-	3,737	35,988
Examination costs	8	-	1	9
AMI fees	34,475	-	3,995	38,470
Property costs	755,272	-	87,516	842,788
Advertising	20,082	-	2,327	22,408
Governance Costs	12,840	15,387	-	28,227
	<u>962,348</u>	<u>1,323,682</u>	<u>535,602</u>	<u>2,821,631</u>

2017	Direct Costs	Staff Costs	Allocation of Administration Costs	Total Funds 2017
Salaries and social security				
Course Salaries	-	377,878	115,255	493,133
School salaries	-	880,088	268,433	1,148,521
Catering	110,363	36,451	25,426	172,240
Teaching aids, materials and other direct expenses	57,365	-	7,438	64,803
Examination costs	1,465	-	190	1,655
AMI fees	27,962	-	3,625	31,587
Property costs	493,818	-	64,022	557,840
Advertising	18,752	-	2,431	21,183
Governance Costs	13,760	15,040	-	28,800
	<u>723,485</u>	<u>1,309,457</u>	<u>486,820</u>	<u>2,519,762</u>

Direct Governance Costs comprise audit fees in both 2018 and 2017.

Included in property costs are costs of £34,930 relating to the refurbishment works to the new Training Centre which were funded by donations of an equivalent amount.

Included in Direct Charitable costs in 2018 are costs relating to the relocation of the Training Centre during the year, amounting to £138,000. These costs relate primarily to the accelerated depreciation of the refurbishment works at the former training centre at Baker Street, the rent, service charge and rates paid for these premises during the period following the finalisation of the Riding House Street lease and a payment in respect of the dilapidations clause in the lease at Baker Street.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Administration Costs

	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
Salaries	292,065	30,773	322,838	286,639
Accountancy and Payroll	5,868	-	5,868	5,385
Legal and Professional	26,845	-	26,845	27,713
Inspection and accreditation	10,611	-	10,611	7,427
Montessori Education (UK) Limited	1,140	-	1,140	1,116
Staff Life Assurance	6,433	-	6,433	5,835
Travel and subsistence	56,636	-	56,636	49,930
Printing, postage, stationery	23,054	-	23,054	23,551
Telephone	10,399	-	10,399	10,359
Sundry	6,381	50	6,431	7,415
Archiving and study centre costs	4,725	-	4,725	4,500
Bank charges	10,328	-	10,328	9,386
Subscription to examining body	9,531	-	9,531	11,660
Bad debt expense	5,580	-	5,580	1,459
Recruitment	15,560	-	15,560	2,164
Licenses	4,153	-	4,153	2,993
Depreciation	14,860	-	14,860	13,199
Amortisation	610	-	610	16,089
	<u>504,779</u>	<u>30,823</u>	<u>535,602</u>	<u>486,820</u>

(Note 13)

Administration costs of £30,823 were allocated against restricted funds in 2018, constituted of salaries of £30,773 and sundry expenses of £50.

5 Net Movements in Funds

	2018 £	2017 £
<i>The net movement in funds is stated after charging:</i>		
Auditors' remuneration:		
- current year	13,500	13,500
- (Over)/Underprovision in prior year	(260)	(260)
- In respect of other services	5,249	5,249
Directors' remuneration	1,891	1,686
Depreciation – tangible fixed assets	50,937	24,814
Amortisation – intangible assets	610	16,089
Loss/ (Surplus) on Disposal of Fixed Assets	20,158	(3,581)
Operating Leases	377,975	229,654

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Directors and Employees

	2018 £	2017 £
Staff costs during the year were as follows:		
Wages and salaries	1,356,571	1,365,958
Social security costs	136,973	133,531
Pension costs (defined contribution scheme)	17,282	12,288
Pension Costs (other)	16,500	16,500
Redundancy and Reorganisation Costs	34,370	-
	<u>1,561,696</u>	<u>1,528,277</u>

The number of employees whose benefits were over £60,000 during the year (excluding employer pension contributions) were:

	2018 number	2017 number
£60,000 - 70,000	1	-

The average weekly number of full time equivalent employees at the company during the year was 42 (2017 – 43). There was no formal classification of duties.

The Organisation considers its key management personnel comprise the Director of Training and Schools and the Bursar. The total employment benefits including employer pension contributions of the key management personnel were £136,680 (2017: £136,680)

No director received any remuneration (2017 - £Nil) from the company in respect of their services as trustees. As permitted by rule 51(i) of the Articles of Association 2 (2017 – 2) directors were paid £1,891 (2017: £1,686) for lecturing during the year. One Director received a pension contribution of £12,000 (2017: £12,000).

No trustees in either year had any expenses reimbursed. Trustees indemnity insurance of £1,893 (2017 - £1,850) was paid during the year.

7 Intangible Assets

	IT Development £
Cost	
At 1 st September 2017	57,920
Additions in the Year	7,320
At 31 st August 2018	<u>65,240</u>
Amortisation	
At 1 st September 2017	57,920
Charge for the Year	610
At 31 st August 2018	<u>58,530</u>
Net Book Value	
At 31 st August 2018	<u>6,710</u>
At 31 st August 2017	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Tangible Fixed Assets

	Freehold Land and Buildings £	Building Improvements £	Office and Kitchen Equipment £	Computer & IT £	Assets Under Construction £	Total £
Cost						
At 1st September 2017	6,700,000	595,265	151,567	51,524	33,252	7,531,608
Additions		680,069	10,848	4,189	858	695,964
Transfers		32,049			(32,049)	-
Disposals	-	(40,249)	-	(1,588)		(41,837)
At 31st August 2018	<u>6,700,000</u>	<u>1,267,134</u>	<u>162,415</u>	<u>54,125</u>	<u>2,061</u>	<u>8,185,735</u>
Depreciation						
At 1st September 2017	-	52,408	130,200	33,270	-	215,878
Charge for the year	-	36,077	8,155	6,704	-	50,937
On Disposals	-	(21,494)	-	(185)	-	(21,680)
At 31st August 2018	<u>-</u>	<u>66,991</u>	<u>138,355</u>	<u>39,789</u>	<u>-</u>	<u>245,135</u>
Net Book Value						
At 31st August 2018	<u>6,700,000</u>	<u>1,200,144</u>	<u>24,060</u>	<u>14,336</u>	<u>2,061</u>	<u>7,940,600</u>
At 31st August 2017	<u>6,700,000</u>	<u>542,857</u>	<u>21,367</u>	<u>18,254</u>	<u>33,252</u>	<u>7,315,730</u>

All fixed assets are held for direct charitable use.

The transitional arrangements within section 35 of FRS 102 have been applied and the property at 26 Lyndhurst Gardens (excluding the Coach House) has been revalued by Jones Lang Lasalle on the basis of Existing Use Value as at 31st August 2014 as a D1 property, as per RICS valuation standards in a report dated 15th February 2015.

9 Debtors

	2018 £	2017 £
Trade Debtors	29,818	26,430
Provision for bad and doubtful debts	(15,624)	(10,044)
Prepayments and accrued income	32,960	47,017
Other debtors	54,343	109,671
	<u>101,497</u>	<u>173,074</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	6,579	42,231
Social security and other taxes	35,913	35,174
Accruals	89,159	64,529
Deferred income	415,583	396,994
School deposits	83,984	95,229
Other creditors	37,828	27,505
	<u>669,046</u>	<u>661,662</u>
	=====	=====

Included in Other creditors is an amount of £10,295 (2017: £11,399) which the Institute holds as custodian on behalf of school parent bodies.

Deferred income relates to course fees and school fees received in respect of the following year.

Balance at 1 September 2017	396,994
Fees received in advance	402,574
Released to statement of financial activities	(383,985)
	<u>415,583</u>
	=====

11 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Lease Incentive Provision	78,276	-
	<u>78,276</u>	<u>-</u>
	=====	=====

12 Financial Instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	68,537	126,057
	<u>68,537</u>	<u>126,057</u>
Carrying amount of financial liabilities		
Measured at amortised cost	217,551	229,493
	<u>217,551</u>	<u>229,493</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Analysis of Net Assets between Funds

	Unrestricted			
	Restricted Funds	Designated Funds	General Funds	Total Funds
	£	£	£	£
Fund balances as at 31 st August 2018 as represented by:				
Tangible and intangible fixed assets	-	7,161,072	786,238	7,947,310
Net Current assets	2,178	-	(234,167)	(231,989)
Creditors falling due after more than one year	-	-	(78,276)	(78,276)
Total Net Assets	<u>2,178</u>	<u>7,161,072</u>	<u>473,795</u>	<u>7,637,045</u>

14 Funds

	Balance B/fwd	Incoming Resources	Outgoing Resources	Transfers	Total
	£	£	£	£	£
Unrestricted Funds					
General	479,862	2,603,991	(2,755,878)	145,819	473,795
Revaluation Reserve	6,508,892	-	-	-	6,508,892
Designated	806,836	-	-	(154,656)	652,180
	<u>7,795,590</u>	<u>2,603,991</u>	<u>(2,755,878)</u>	<u>(8,836)</u>	<u>7,634,867</u>
Restricted Funds					
Help The Children Project	2,178	16,885	(16,885)	-	2,178
Born Inside Project	-	5,102	(13,938)	8,836	-
Training Centre	-	34,930	(34,930)	-	-
	<u>2,178</u>	<u>56,917</u>	<u>(66,753)</u>	<u>8,836</u>	<u>2,178</u>
	<u>7,797,768</u>	<u>2,660,908</u>	<u>(2,821,631)</u>	<u>-</u>	<u>7,637,045</u>

Restricted income of £56,917 was received in 2018, of which £16,885 related to the Help the Children fund, £5,102 to the Born Inside Project and £34,930 was received for the refurbishment of the new Training Centre.

Designated Funds represent the Net Book Value of the owned property at 26 Lyndhurst Gardens NW3 and a transfer to general funds has been made accordingly.

The charity's assets are available and adequate to fulfil the obligations of the charity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Unrestricted Funds

The unrestricted funds are represented by the balance of fixed assets and current assets less total liabilities.

The designated fund represents the net book value of the tangible fixed assets, excluding the net book value of the capitalised refurbishment works to the leased training centre premises.

The revaluation reserve reflects the transitional arrangements within section 35 of FRS 102 which have been applied to the property at 26 Lyndhurst Gardens as per the report by Jones Lang Lasalle.

Restricted Funds

The Help the Children Project fund is represented by a separate bank account which is included within cash at bank and in hand in the balance sheet. The fund is used to help children in Africa.

During the year donations received of £50 (2017: £492) were paid to AMI for the Corner of Hope project in Kenya.

The Born Inside Fund aims to provide a support and education programme for pregnant mothers and mothers with young children born or living inside prison. Donations from individuals totalling £5,102 (2017: £4,137) were received during the year. The MMTO continues to support this project and transferred £8,837 (2017: £10,884) out of General Funds.

15 Commitments Under Operating Leases

At 31 August 2018 the charity had total commitments under non – cancellable operating leases as set out below:-

	2018 Land and Buildings £	2017 Land and Buildings £
Operating Leases which expire:		
Within 1 Year	238,000	291,000
Within 2 – 5 years	868,583	820,083
>5 Years	720,000	900,000
	<u>1,826,583</u>	<u>2,011,083</u>

A 15 year lease for new Training Centre premises was signed on 11th August 2017.

16 Related Party Transactions

Lynne Lawrence is the Executive Director of AMI and Cherry Worthington is the Chief Financial Officer of AMI. They hold these positions in addition to their work at the MMTO and are remunerated directly by each organisation. During the year the financial interactions between AMI and the MMTO amounted to a net payment of £12,266 (2017: £15,751), represented by payments for course fee accreditation and student memberships of £34,476 (2017: £27,495) offset by reimbursement of staff and administrative expenses for Project Administration costs associated with the Corner of Hope project and AMI's Bold Goal Project of £22,210 (2017: £11,744). The son of a member of the Senior Management Team works as a Classroom Assistant and is paid a salary in accordance with the Organisation's salary scale for Teaching Assistants.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Reconciliation of cash flows from operating activities

	2018	2017
	£	£
Net income(expenditure) for the reporting period	(160,723)	145,840
Adjustments for:		
Depreciation and amortisation charges	51,547	40,903
Disposal of Fixed Assets	20,158	1,481
Dividends, interest and rents from investments	(1,116)	(1,162)
(Increase)/decrease in debtors	71,577	(31,065)
Increase(decrease) in creditors	85,660	(117,629)
	<hr/>	<hr/>
Net cash provided by (used in), operating activities	67,103	38,36 8

18 Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	335,560	369,820
Notice deposits less than 3 months	-	600,806
	<hr/>	<hr/>
Total Cash and cash equivalents	335,560	970,626