

# THE MARIA MONTESSORI TRAINING ORGANISATION

Company No. 697468

Charity No. 313087

Financial Statements  
For The Year Ended  
31<sup>st</sup> August 2022

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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  
Ms N. Forsyth

Ms Sara Giwa-McNeil  
Mrs. W.H. Innes  
Mrs. A. Lake  
Mrs. C Middlemas  
Mrs. F. Scott  
Ms Carrie Weston (appointed 10th November 2021)

## **Registered Office**

6<sup>th</sup> Floor,  
9 Appold Street  
London  
EC2A 2AP

## **Principal Office**

26 Lyndhurst Gardens  
Hampstead  
London  
NW3 5NW

## **Auditors**

Moore Kingston Smith LLP  
9 Appold Street  
London  
EC2A 2AP

## **Principal Solicitors**

### **Lee Bolton Monier Williams**

1 The Sanctuary,  
Westminster  
London  
SW1P 3JT

### **Bates Wells**

10 Queen Street Place,  
London,  
EC4R 1BE

## **Bankers**

Lloyds Bank  
39 Threadneedle Street,  
London  
EC2R 8AU

## **Trustees' Report**

The Trustees have pleasure in presenting their report and financial statements for the year ended 31<sup>st</sup> August 2022 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 MMTTO 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 mission of MMTTO is "A world where Montessori education is empowering the next generation to be happier, more fulfilled and better able to make a positive difference to their family, their community and the planet."

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 and adults 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 14 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 standards. The Institute aims for the pass rate in the AMI Diploma Course examinations to be at least 85%. In 2022, students graduated with a 96% pass rate (2021: 93%)
- 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)**

### **Sustainable Development Goals**

MMI endorses the Sustainable Development Goals, in particular Goal 4 which recognises the rights of all children to a quality education and the need for many more trained teachers to help fulfil this right. Our goals are to advocate and promote that right, and to increase the number of teachers and adults trained to deliver child-centred Montessori education and in particular to expand ways of delivering education to those children and adults who have the least opportunities to access it.

MMI does this not only through its Montessori teacher training and school but also by its commitment to offering teaching bursaries, training and teaching expertise to its historical partners in East Africa and other developing countries.

Of specific relevance is Target 4.7 ... "by 2030 ensure that all learners acquire the knowledge and skills needed to promote.....sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development."

The Montessori programme from 0 – 18 promotes all of the above through its particular methodology and practices and is known worldwide as an approach that embodies 'education for peace'. The integrated syllabus of studies combines knowledge of the earth's processes and the interdependencies of life for a sustainable planet and is also underpins the UN Convention on the Rights of the Child.

### **Environmental Sustainability**

MMI actively encourages all staff, children and students to recognise the need to protect our planet. Whilst limited by some of our school classes being located in church halls and with the Head office and largest school site occupying a Victorian listed building, we have endeavoured to minimise energy loss by refurbishing the windows and doors, commit to green energy wherever possible and recycle all glass, paper, cardboard and plastic. All of the Montessori materials in our school and training environments are made from natural materials and we have a repair rather than replacement policy.

Our Upper Elementary children have worked with a local Hampstead community group to monitor air quality and we encourage all families to walk to school wherever possible. We are engaged with the Borough of Camden to create a 'greener street' with regard to encouraging families to walk to school and not to use their cars at peak times.

With the employment of a new kitchen team in September, we will aim to buy more locally sourced and seasonal produce for school lunches and staff will work with the children in our school to grow fruit and vegetables for lunches.

## 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:

- Students graduated with the Foundation Degree in Montessori Pedagogy (AMI 3-6). Students have access to loan funding and successful students are 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 4 part-time (two-year) 3-6 academic year courses during the 2021/22 academic year for students wishing to obtain the Association Montessori Internationale Diploma. Students graduating in 2022 did so with a 96% pass rate. The final summer of a 3-6 modular course which had been deferred due to the Covid-19 pandemic completed in 2022. The second module of a further summer course at this level took place in July and August 2022.
- The first module of a 0-3 Diploma course commenced in July 2022.
- Two Assistants Courses at the 0-3, 3-6 and 6-12 levels took place online during the year as well as one at the 12-18 level. These courses are aimed at parents, classroom assistants and those seeking basic knowledge of Montessori. In total, 351 people attended AMI Assistants courses and workshops during the academic year (437 in 2021)
- The second workshop in the UK at the 12-18 level took place with 34 online participants
- Montessori for Ageing and Dementia workshops took place during the year with 86 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
- A 6-12 Blended Diploma course will commence in May 2023 in an innovative new format.
- We will offer Assistants Certificate courses at the 0-3, 3-6 and 6-12 levels and orientation courses and workshops at the 12-18 level
- We will offer Assistants Certificate courses, Montessori for Dementia and Ageing workshops, Montessori in the Home and the Post Diploma Observation course online as well as in person
- 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

## Trustees' Report (Continued)

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

#### *Develop the capacity of our Montessori schools across the 0-18 age levels of Montessori Education*

##### **Achievements:**

- The number of children attending the Elementary classes at Hampstead has continued to increase.
- An additional class environment at our Hampstead site was created to allow the provision of an additional Elementary classroom
- The MMI School continued to successfully support 'differently abled' children across all sites
- The success of our series of talks aimed at parents in previous years identified the need to provide increased information to parents of children in our school and also in the wider community. Regular email communication, a parent newsletter and the expansion of information available on the website has enhanced the dissemination of information. MMI parental information sessions to cover all age groups have been introduced
- The School was rated Good in its recent Ofsted inspection, achieving Outstanding in the areas of Behaviour and Attitudes and Personal Development.

##### **Future Plans:**

- We intend to find space for a further expansion of the Elementary classes and the establishment of an adolescent community at the 12-16 age level.
- We will continue to increase the numbers of children in our Elementary classes.
- 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
- Our communications strategy will assist in ensuring that we are communicating clearly and engaging well with parents and carers
- In the event of a local or national COVID-19 lockdown, the School will resume the remote learning provision
- We will develop a knowledge base in relation to the Montessori approach to schooling for the 12-18 age range with the objective of opening a school at this age level.

## 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 and the general public. Sessions which took place both in person and online. The School held online information sessions open to prospective parents as well as in-person open days. These Open Forums explain the basic aspects of the Montessori approach to education
- Montessori in the Home courses were offered online at the 0-3 and 3-6 ages and were attended by more than 60 people.
- An in-person Refresher Course (3-6) "The Art of Writing" held in November and attended by 56 people.
- The Observation Course continued to be offered online in order to support MMI graduate teachers in the field. It was also attended by other AMI Teacher Trainers
- Four staff members continued with the AMI 3 – 6 training of trainers programme, one obtaining Associate Trainer status; 1 member of staff continued with the AMI 0-3 Training of Trainers and 1 with the AMI 6-12 training of trainers programme; One staff member is being supported by the organisation in undertaking a PhD in Educational Neuroscience

#### Future Plans:

- Continue to hold information sessions for prospective students
- Hold parent evenings on relevant topics
- Invite parents to further Montessori Journey and Discovery days
- Hold Refresher courses and Professional Development Days
- Support staff in their professional development
- Continue to roll out the MMI parental information sessions covering all age groups
- 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 online at events in China, the USA, Columbia, Japan, Mexico, Norway and the Netherlands and in person in South Africa.
- Louise Livingston is one of a cohort of AMI trainers taking part in a 'faculty' approach in, China and is the AMI China Faculty Co-ordinator.
- Cheryl Ferreira is providing pedagogical support to the AMI Course in Sri Lanka and has trained in The Lebanon and in Nigeria and visited Ethiopia to scope out the support they might need.
- Adebimpe Pogoso directed an Assistants Course in Nigeria.
- The online Observation Course was offered in translation to Chinese students
- Online training has meant that students from all over the world have participated in the Assistants Courses and Montessori for Dementia workshops

#### Future Plans:

- Louise Livingston will continue to work on the training courses in China and be the faculty coordinator
- Staff will continue to work as examiners in AMI centres around the world
- Assistants Courses, Montessori for Dementia and Ageing courses and Professional Development workshops will continue to be offered online as well as in-person
- Cheryl Ferreira will continue to provide pedagogical support to the AMI Courses in Sri Lanka, Nigeria and The Lebanon and hopes to commence training in Ethiopia
- Vikki Taylor will be Director of Training of second AMI International Diploma course in Tanzania

## Trustees' Report (Continued)

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

#### *Provide support to and influence in AMI.*

##### **Achievements:**

- Lynne Lawrence is the Executive Director of AMI and Cherry Worthington provides strategic financial advice to AMI. They hold these positions in addition to their work at the MMTO
- Louise Livingston is the China Faculty Coordinator and is a member of the AMI Global Research Group and the AMI International Teacher Training Group
- Staff acted as examiners in Belgium, The Netherlands and Switzerland as well as providing training in China and Nigeria and visiting Ethiopia on behalf of AMI.
- Poinsy Pino has continued to mentor the Elementary classes in Kenya and Tanzania and visited the Corner of Hope and Samburu schools in spring 2022.

##### **Future Plans:**

- To continue to support the work of AMI through the provision of key personnel
- To collaborate on the AMI Observation software
- To further pilot the Montessori Ageing and Dementia Educator programme
- To continue to support the AMI outreach programmes in Kenya

#### *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. And in supporting the professional development of teachers offering Montessori schooling to the nomadic Samburu tribes in Northern Kenya and the under resourced area of Pokot.
- Two staff members are on the Board of the not-for-profit NGO Montessori for Kenya
- Our 'Born Inside' project, in Bronzefield Prison has had to be put on hold during the pandemic but we have worked with the Happy Baby Community in offering assistants courses and parental information sessions for women with children seeking asylum in the UK

##### **Future Plans:**

- Continue to support the work at the Corner of Hope schools in Kenya, extending the Samburu nomadic work and applying it to Eastern Pokot
- MMI staff to continue to participate on the Montessori for Kenya Board to develop excellent Montessori schools and practice in Kenya as a model for other countries in Africa
- Work with not for profit organisations to explore opportunities for the application of Montessori principles outside the classroom.
- Continue working with babies and mothers in Bronzefield prison when access to the prison is permitted.
- 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:**

- We have taken note of the Charity Commission guidance in relation to the Government Code issued in December 2020 on Equality, Diversity and Inclusion. These areas are integral to the ethos of all of our activities
- Made best use of the charity's premises by running courses and workshops concurrently, by using the school buildings during holiday periods for the delivery of Diploma courses and by holding online courses
- 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 Communications and Marketing function was expanded in order to improve communication with existing and prospective parents and to market our school and courses

##### **Future Plans:**

- We will continue to ensure that our commitment to the areas of Equality, Diversity and Inclusion continues to inform our strategic planning.
- We will 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 will seek ways to share our knowledge with the UK Montessori community
- We will implement technological solutions to enable courses to be offered in a variety of formats
- We will investigate the possibility of the AMI Diploma contributing to a Master's qualification
- We will investigate the feasibility of incorporating Level 2 certification within our AMI Assistants Certificate courses and Level 3 certification within our 0-3 Diploma Course

#### *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 March 2022. The charity consists of an organisation which trains individuals in the Montessori Method of education based in Riding House Street, Central London and Hampstead and an exemplar school situated on-site in Hampstead and off-site in Notting Hill, Bayswater, Hornsey Rise and Abbey Road, West Hampstead. 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 page 2 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 current 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. Newly appointed Directors can serve for a term of three years and may only be reappointed for a further two consecutive terms of office unless special circumstances need to be considered.

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 such as Safeguarding, Safer Recruitment, Health & Safety as required, and also attend Montessori Courses held at the Institute 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 Executive Director and the Bursar:-

Ms. S Giwa- McNeil	Director
Mrs. W Innes	Director (Health & Safety)
Mrs. L Lawrence	Executive Director
Mrs. C Middlemas	Director (Safeguarding)
Mr. R Partridge	Chair of the Board
Mrs. C Worthington	Bursar

The Executive Director 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.

#### *Leadership Team*

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 as necessary 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 and auxiliary staff. Health and Safety consultants to the MMTO or relevant experts in the field are consulted as necessary.

## **Trustees' Report (Continued)**

### *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.

### *Impairment Review*

The Board of Directors of the Organisation undertakes an annual impairment review of its building at Lyndhurst Gardens taking into consideration the capital and refurbishment works undertaken to date and the valuation of similar properties. They have concluded that the valuation reflected in these financial statements to be a fair reflection of the value of the property.

### *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 Executive Director 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.

### *Remuneration Policy*

The Organisation operates banded salary ranges for all staff including senior staff. The bands are reviewed annually and compared with other similar organisations and indicators such as inflation rates are considered in conjunction with the financial resources 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 Advisor to 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.

### *Bronzefield Prison*

The Institute hoping to recommence its' 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.

## Trustees' Report (Continued)

### 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
Operational risk	Pandemic (eg COVID-19), enforced school closure; computer failure; destruction of property; fraud resulting in financial loss; data loss; damage to reputation.	Contingency plans for delivery of education remotely; 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; staff wellbeing resources available; insurance including cyber insurance, financial controls in place; monitoring of budgets and financial results.
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, compulsory closure of school and/or college, possible changes to charity's mandatory business rates relief, VAT 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, loss of students from Europe, risk to service delivery, loss of students and/or school children, cost of living crisis.	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, introduction of University sponsored Foundation Degree, remote learning plans prepared.

## Trustees' Report (Continued)

### Financial Review

#### Performance in the Period

##### *Results for the year*

Income increased by £195,000 to £3,580,000 primarily as a result of increased children in the School. The construction of a new classroom at Hampstead to house a second Lower Elementary class led to an overall increase in numbers attending the Hampstead site.

Expenditure increased by £264,000 to £3,415,000 reflecting the increase in staffing, the external trainer costs associated with courses at the 0-3 level and the increase in property costs associated with the rental of additional premises in Hampstead whilst the construction works took place and an increase in general maintenance costs with the refurbishment of windows and doors in the listed building at Lyndhurst Gardens.

The result of the above is a surplus of £165,000 compared with the previous year's surplus of £234,000 and is significantly ahead of the budgeted surplus.

Overall net assets of the charitable company as at 31<sup>st</sup> August 2022 are £8,155,000 (2021: £7,990,000). 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	2022	2021	2020	2019	2018
Incoming Resources	3,580	3,385	2,965	2,840	2,661
Resources Expended	(3,415)	(3,151)	(2,875)	(2,811)	(2,822)
Net Income/(Expenditure)	165	234	90	29	(161)

##### Balance Sheet Extract

£ thousand	2022	2021	2020	2019	2018
Fixed Assets	8,432	7,797	7,851	7,907	7,947
Current Assets less Liabilities	(277)	193	(95)	(241)	(310)
Funds – Restricted	2	5	2	2	2
Funds – Unrestricted	8,153	7,985	7,754	7,664	7,635

##### Numbers of students and children

No	2022	2021	2020	2019	2018
Students 3-6 Course	94	96	63	72	60
Students 0-3 Course	19	31	31	31	11
Students 6-12 Course	-	22	22	20	20
Assistants Courses	343	441	238	87	111
Other Courses and Workshops	476	772	356	365	431
School children	194	187	187	181	179

## **Trustees' Report (Continued)**

### **Bursaries to support children and teacher trainees**

Over the course of the year 24 children benefitted from assisted fees and 6 children benefitted from full fee relief; in total £250,147 (2021: £279,892) of assistance was given. A total of 16% (2021: 21%) of the children received help.

Full bursaries were awarded to 7 students on the Post Diploma Course. Thirteen students on Diploma courses and 29 on Assistants courses benefitted from assisted fees. A total of 6% (2021: 9%) 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.

### **Reserves Policy**

The total level of funds as at 31<sup>st</sup> August 2022 were £8,154,685 (2021: £7,990,044) of which £2,178 (2021: £4,964) related to restricted funds, £7,688,608 (2021: £7,068,943) was invested in Freehold property.

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 (£850,000). 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.

### Auditors

Moore 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

*LC Webster*

16<sup>th</sup> November 2022

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 company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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

We have nothing to report in this regard.

### **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 have 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.

#### **Responsibilities of trustees**

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, 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.

#### **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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or

suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

#### Use of our report

This report is made solely to the 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.

Moore Kingston Smith LLP

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

Date 16<sup>th</sup> November 2022

6<sup>th</sup> Floor  
9 Appold Street  
London  
EC2A 2AP

**Statement of Financial Activities**  
**For the year ended 31st August 2022**

<b>Income and Expenditure</b>	<b>note</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2022</b>	<b>Total Funds 2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>					
Income from charitable activities:					
Course and other fees receivable	2	3,553,796	-	3,553,796	3,375,226
Income from generated funds:					
Donations and legacies	3/14	10,055	14,673	24,728	8,012
Interest receivable		458	-	458	199
Other Income		819	-	819	1,170
<b>Total Income</b>		<b>3,565,128</b>	<b>14,673</b>	<b>3,579,801</b>	<b>3,384,607</b>
<b>Expenditure</b>					
Charitable Activities	4	3,397,121	18,041	3,415,162	3,151,011
<b>Total Expenditure</b>		<b>3,397,121</b>	<b>18,041</b>	<b>3,415,162</b>	<b>3,151,011</b>
<b>Net (Expenditure)/ Income before transfers</b>	6	<b>168,007</b>	<b>(3,368)</b>	<b>164,639</b>	<b>233,596</b>
<b>Transfers Between Funds</b>	14	<b>(582)</b>	<b>582</b>	<b>-</b>	<b>-</b>
<b>Net Movement in Funds</b>		<b>167,425</b>	<b>(2,786)</b>	<b>164,639</b>	<b>233,596</b>
<b>Balances brought forward at 1<sup>st</sup> September 2021</b>	14	<b>7,985,080</b>	<b>4,964</b>	<b>7,990,044</b>	<b>7,756,448</b>
<b>Balances carried forward at 31<sup>st</sup> August 2022</b>	14	<b>8,152,505</b>	<b>2,178</b>	<b>8,154,683</b>	<b>7,990,044</b>

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 23 to 33 form part of these financial statements.

# **Balance Sheet** **At 31st August 2022**

	<i>note</i>	<b>2022</b> £	<b>2022</b> £	<b>2021</b> £	<b>2021</b> £
<b>Fixed Assets</b>					
Intangible Assets	8	-		-	
Tangible assets	9	8,431,960		7,797,381	
			8,431,960		7,797,381
<b>Current Assets</b>					
Debtors	10	130,851		224,710	
Cash at bank and in hand		927,929		1,358,782	
		1,058,780		1,583,492	
<b>Creditors: amounts falling due within one year</b>	11	(1,198,581)		(1,180,921)	
<b>Net Current Assets /(Liabilities)</b>			(139,801)		402,571
<b>Total Assets Less Current Liabilities</b>			8,292,159		8,199,952
<b>Creditors: amounts falling due after More than one year</b>	12		(137,476)		(209,908)
<b>Total Net Assets</b>			8,154,683		7,990,044
<b>Funds</b>					
Restricted funds	14		2,178		4,964
Unrestricted funds:					
General	14		7,465,693		7,298,818
Designated			686,812		686,262
	15		8,154,683		7,990,044

Approved by the board on

16th November 2022

Mr R Partridge ..... Director

Mr D Murphy ..... Director

The notes on pages 23 to 33 form part of these financial statements.  
Company Registration No: 697468

**Statement of Cash Flows**  
**For the Year ending 31st August 2022**

		<b>Total funds</b> <b>2022</b>	<b>Total funds</b> <b>2021</b>
	<i>note</i>	£	£
<b>Cash Flows from Operating activities:</b>		<u>281,340<del>2</del></u>	<u>460,335</u>
Net cash provided by (used in) operating activities	17	281,340 <del>2</del>	460,335
<b>Cash Flows from Investing activities:</b>			
Interest		458	199
Purchase of Fixed Assets		(712,651)	(119,646)
Net Cash provided by (used in) investing activities		<u>(712,193)</u>	<u>(119,447)</u>
Change in cash and cash equivalents in the year		(430,853 <del>1</del> )	340,888
Cash and cash equivalents at 1st September 2021		1,358,782	1,017,894
Cash and cash equivalents at 31st August 2022	18	<u>927,929<del>34</del></u>	<u>1,358,782</u>

The notes on pages 23 to 33 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 from full- and part-time courses and workshops is recognised over the term of the course. Any income received before the year end relating to courses running after the year-end is deferred. Income is deferred only when the charity has received income in advance of conditions to be fulfilled in the future.

**Donated goods, facilities and services** received for our own use are recognised in the accounts when received, provided the value of the gift can be measured reliably, on the basis of the value of the gift to the charity.

#### 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	between 5 and 10 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. An annual impairment review is undertaken by the Trustees.

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.

#### **Irrecoverable VAT**

Any irrecoverable VAT is charged to the Statement of Financial Activities or capitalised as part of the cost of the related asset, where appropriate.

#### **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.

Provisions for doubtful debts are determined by individual assessment of the amounts receivable.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Principal Accounting Policies (continued)

#### 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. Enrolment on Diploma courses remains buoyant with an increased number of students having commenced their studies in autumn 22. Assistants courses and professional development workshops will continue to be held online and courses taking place in the autumn term have a strong uptake. Numbers in the school are higher than in previous years and recruitment of pupils will continue throughout the year. The organisation has taken into account inflationary increases in its' financial forecasts but is unable to ascertain the impact on parents ability to pay school fees at this stage. On this basis the Directors have concluded that there are no material uncertainties that impact the use of the going concern basis and that the organisation will be able to settle its debts as they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the going concern basis has continued to be adopted in the preparation of the financial statements.

### 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.

2022	Total Funds 2022	Total Funds 2021
	£	£
School Fees:		
Gross Fees	2,513,913	2,237,114
Bursaries/Discounts	(250,147)	(279,892)
Government Grants	156,699	164,010
Other School Income	<u>31,823</u>	<u>15,911</u>
	2,452,288	2,137,143
Course Fees:		
Gross Fees	1,168,398	1,315,789
Bursaries/Discounts	<u>(66,890)</u>	<u>(77,706)</u>
	1,101,508	1,238,083
	<u>3,553,796</u>	<u>3,375,226</u>

The Organisation received Early Years Funding of £156,699 (2021: £164,010) from local authorities in respect of the 15 hours per week "free entitlement" for 3 and 4 year olds attending the school.

All other school fees received in 2022 were unrestricted.

### 3 Donations and Legacies

Included in Donations are gifts in kind to the value of £4,800 (2021: £4,800) in relation to software services provided to the school.

Included in Restricted funds were donations of £550 during the year (2021: £0) as a contribution to the school bursary fund.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 4 Direct Charitable Expenditure

2022	Direct Staff Costs	Allocation of Total Funds	
	Costs	Administration	2022
	£	Costs	£
Salaries and social security			
Course Salaries	-	135,862	654,559
School salaries	-	291,049	1,402,221
Catering	132,391	21,048	196,260
Teaching aids, materials and other direct expenses	107,473	7,981	115,455
Examination costs	1,619	120	1,739
AMI fees	58,796	4,367	63,163
Property costs	809,362	60,107	882,563
Advertising	58,068	4,312	62,380
Governance Costs	20,976	-	36,822
	<u>1,188,686</u>	<u>524,847</u>	<u>3,415,162</u>
	=====	=====	=====
2021	Direct Staff Costs	Allocation of Total Funds	
	Costs	Administration	2021
		Costs	
Salaries and social security			
Course Salaries	-	125,300	675,814
School salaries	-	237,762	1,282,385
Catering	94,720	15,621	153,162
Teaching aids, materials and other direct expenses	56,399	3,498	59,897
Examination costs	1,672	104	1,776
AMI fees	59,829	3,711	63,540
Property costs	768,767	47,680	816,447
Advertising	60,921	3,778	64,699
Governance Costs	17,445	-	33,291
	<u>1,059,753</u>	<u>437,454</u>	<u>3,151,011</u>
	=====	=====	=====

Direct Governance Costs comprise audit fees in both 2022 and 2021.

Included in other direct expenses are gifts in kind to the value of £4,800 (2021: £4,800) in relation to software services provided to the school.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Administration Costs

2022	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Salaries	293,899	8,243	302,142	268,178
Accountancy and Payroll	6,467	-	6,467	6,035
Legal and Professional	64,164	-	64,164	37,739
Inspection and accreditation	8,613	-	8,613	8,613
Montessori Education (UK) Limited	1,008	-	1,008	-
Staff Life Assurance	9,076	-	9,076	7,366
Travel and subsistence	18,620	-	18,620	1,681
Printing, postage and stationery	15,157	-	15,157	17,970
Telephone	4,868	-	4,868	8,223
Sundry	11,373	-	11,373	9,709
Archiving and study centre costs	2,813	-	2,813	900
Bank charges	16,366	-	16,366	18,826
Subscription to examining body	2,059	-	2,059	5,874
Bad debt expense	27,285	-	27,285	(1,445)
Recruitment	2,942	-	2,942	12,990
Licenses	9,754	-	9,754	11,761
Depreciation	22,140	-	22,140	21,204
Amortisation	-	-	-	1,830
	<u>516,604</u>	<u>8,243</u>	<u>524,847</u>	<u>437,454</u>

(Note 13)

Administration costs of £8,243 (2021: £0) were allocated against restricted funds in 2022, constituted of salaries of £8,243 (2021: £0.)

2021	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Salaries	268,178	-	268,178	300,641
Accountancy and Payroll	6,035	-	6,035	7,998
Legal and Professional	37,739	-	37,739	20,930
Inspection and accreditation	8,613	-	8,613	14,217
Montessori Education (UK) Limited	-	-	-	-
Staff Life Assurance	7,366	-	7,366	8,342
Travel and subsistence	1,681	-	1,681	32,302
Printing, postage and stationery	17,970	-	17,970	15,810
Telephone	8,223	-	8,223	13,810
Sundry	9,709	-	9,709	7,951
Archiving and study centre costs	900	-	900	3,375
Bank charges	18,826	-	18,826	17,470
Subscription to examining body	5,874	-	5,874	2,577
Bad debt expense	(1,445)	-	(1,445)	31,649
Recruitment	12,990	-	12,990	6,343
Licenses	11,761	-	11,761	4,627
Depreciation	21,204	-	21,204	15,876
Amortisation	1,830	-	1,830	2,440
	<u>437,454</u>	<u>-</u>	<u>437,454</u>	<u>506,358</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6 Net Movements in Funds

	2022 £	2021 £
<i>The net movement in funds is stated after charging:</i>		
Auditors' remuneration:		
- current year	19,500	16,500
- (Over)/Under provision in prior year	1,326	944
- In respect of other services	6,646	7,494
Depreciation – tangible fixed assets	74,783	75,372
Amortisation – intangible assets	-	1,830
Loss/ (Surplus) on Disposal of Fixed Assets	932	96,211
Operating Leases	316,000	316,000

### 7 Directors and Employees

	2022 £	2021 £
Staff costs during the year were as follows:		
Wages and salaries	1,711,226	1,602,825
Social security costs	175,444	157,172
Pension costs (defined contribution scheme)	47,388	43,831
Pension Costs (other)	12,440	12,440
Redundancy and Reorganisation Costs	-	-
	<u>1,946,498</u>	<u>1,816,268</u>

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

	2022 number	2021 number
£60,000 - 70,000	2	2

Pension costs of £3,992 were paid in respect of these two employees.

The average weekly number of employees at the company during the year was 59.5 (2021 – 55.8). This is the full time equivalent of 48.2 (2021 – 44.1). There was no formal classification of duties.

The Organisation considers its key management personnel comprise the Trustees, the Executive Director and the Bursar. The total employment benefits including employer pension contributions of the key management personnel were £153,574 (2021: £145,566)

No director received any remuneration (2021 - £Nil) from the company in respect of their services as trustees. As permitted by rule 51(i) of the Articles of Association 1 (2021 – 1) director was paid £900 (2021: £900) for lecturing during the year. One former Director received a pension contribution of £12,000 (2021: £12,000).

No trustees in either year had any expenses reimbursed. Trustees indemnity insurance of £1,446 (2021 - £2,370) was paid during the year.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8 Intangible Assets

	IT Development £
<b>Cost</b>	
At 1 <sup>st</sup> September 2021	65,240
Additions in the Year	-
At 31 <sup>st</sup> August 2022	<u>65,240</u>
<b>Amortisation</b>	
At 1 <sup>st</sup> September 2021	65,240
Charge for the Year	-
At 31 <sup>st</sup> August 2022	<u>65,240</u>
<b>Net Book Value</b>	
At 31 <sup>st</sup> August 2022	<u>-</u>
At 31 <sup>st</sup> August 2021	<u>-</u>

### 9 Tangible Fixed Assets

	Freehold Land and Buildings £	Building Improvements £	Office and Kitchen Equipment £	Computer & IT £	Assets Under Construction £	Total £
<b>Cost</b>						
At 1st September 2021	6,603,789	1,283,656	206,003	46,949	80,633	8,221,030
Additions	-	-	12,792	5,808	694,051	712,651
Transfers	-	774,684	-	-	(774,684)	-
Disposals		(4,221)	(15,044)	(8,923)		(28,188)
At 31st August 2022	<u>6,603,789</u>	<u>2,054,119</u>	<u>203,752</u>	<u>43,833</u>	<u>-</u>	<u>8,905,493</u>
<b>Depreciation</b>						
At 1st September 2021	-	234,732	163,758	25,159	-	423,649
Charge for the year	-	52,643	13,604	8,536	-	74,783
On Disposals	-	(1,193)	(14,783)	(8,923)	-	(24,899)
At 31st August 2022	<u>-</u>	<u>286,181</u>	<u>162,579</u>	<u>24,772</u>	<u>-</u>	<u>473,533</u>
<b>Net Book Value</b>						
At 31st August 2022	<u>6,603,789</u>	<u>1,767,937</u>	<u>41,173</u>	<u>19,061</u>	<u>-</u>	<u>8,431,960</u>
At 31st August 2021	<u>6,603,789</u>	<u>1,048,924</u>	<u>42,245</u>	<u>21,790</u>	<u>80,633</u>	<u>7,797,381</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 31<sup>st</sup> August 2014 as a D1 property, as per RICS valuation standards in a report dated 15<sup>th</sup> February 2015.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10 Debtors

	2022	2021
	£	£
Trade Debtors	71,649	109,347
Provision for bad and doubtful debts	(39,704)	(13,909)
Prepayments and accrued income	65,299	116,522
Other debtors	33,607	12,750
	<u>130,851</u>	<u>224,710</u>
	=====	=====

### 11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	58,998	58,871
Social security and other taxes	43,070	43,220
Accruals	140,941	128,463
Deferred income	786,397	766,045
School deposits	132,850	125,650
Other creditors	36,325	58,672
	<u>1,198,581</u>	<u>1,180,921</u>
	=====	=====

Included in Other creditors is an amount of £3,315 (2021: £13,204) which the charity 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 2021	859,352
Fees received in advance	690,373
Released to statement of financial activities	(730,728)
Balance at 31 August 2022	<u>818,997</u>
	=====

### 12 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Lease Incentive Provision	104,876	116,601
Deferred Income	32,600	93,307
	<u>137,476</u>	<u>209,908</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 <sup>st</sup> August 2022 as represented by:				
Tangible and intangible fixed assets	-	7,688,608	743,353	8,431,961
Net Current assets/(liabilities)	2,178	30,550	(172,528)	(139,800)
Creditors falling due after more than one year	-	-	(137,477)	(137,477)
Total Net Assets	<u>2,178</u>	<u>7,719,158</u>	<u>433,348</u>	<u>8,154,684</u>

### 14 Funds

	Balance B/fwd	Incoming Resources	Outgoing Resources	Transfers	Total
	£	£	£	£	£
<b>Unrestricted Funds</b>					
General	7,298,818	3,564,578	(3,397,121)	(582)	7,465,693
Designated - assets	656,262	-	-	-	656,262
Designated - Bursaries	30,000	550	-	-	30,550
	<u>7,985,080</u>	<u>3,565,128</u>	<u>(3,397,121)</u>	<u>(582)</u>	<u>8,152,505</u>
<b>Restricted Funds</b>					
Playground Project	-	9,798	(9,798)	-	-
Help The Children Project	2,178	-	-	-	2,178
Born Inside Project	2,786	4,875	(8,243)	582	-
	<u>4,964</u>	<u>14,673</u>	<u>(18,041)</u>	<u>582</u>	<u>2,178</u>
	<u>7,990,044</u>	<u>3,579,801</u>	<u>(3,415,162)</u>	<u>-</u>	<u>8,154,683</u>

#### 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 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)

### Restricted Funds

Restricted income of £4,875 was received in 2022, related to the Born Inside Project.

The Help the Children Project fund is included within cash at bank and in hand in the balance sheet. The fund is used to help children in Africa.

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 £4,875 (2021: £2,786) were received during the year.

### 15 Commitments Under Operating Leases

At 31 August 2022 the charity had total commitments under non – cancellable operating leases as set out below:-

	2022 Land and Buildings £	2021 Land and Buildings £
Operating Leases which expire:		
Within 1 Year	316,000	318,083
Within 2 – 5 years	779,500	848,000
>5 Years	-	165,000
	<u>1,095,500</u>	<u>1,331,083</u>

Included in the above analysis is the remainder of the 15-year lease for the Training Centre premises which was signed on 11<sup>th</sup> August 2017.

### 16 Related Party Transactions

Lynne Lawrence is the Executive Director of the Association Montessori Internationale (AMI) whose courses are run by MMTO and Cherry Worthington is the Chief Financial Advisor of AMI. They hold these positions in addition to their work at the MMTO and are remunerated directly by each organisation. AMI is a separate organisation incorporated in The Netherlands. During the year the financial interactions between AMI and the MMTO amounted to a net payment of £51,277 (2021: £62,360), represented by payments for course fee accreditation and student memberships of £59,756 (2021: £63,476) offset by reimbursement of administrative expenses and staff costs of £8,479 (2021: £1,116). The son of a member of the Senior Management Team works as a Teacher in the School and is paid a salary in accordance with the Organisation's salary scale for Teachers. Lilian Kimata provided mentoring services during the year to Great Beginnings Montessori School, the proprietor of which is Wendy Innes, also a trustee of the MMTO.

### 17 Reconciliation of cash flows from operating activities

	2022 £	2021 £
Net income(expenditure) for the reporting period	164,639	233,596
Adjustments for:		
Depreciation and amortisation charges	74,783	77,202
Proceeds from disposal of Fixed Assets	3,289	96,211
Dividends, interest and rents from investments	(458)	(199)
(Increase)/decrease in debtors	(93,859)	(20,098)
Increase(decrease) in creditors	(54,772)	73,623
	<u>281,340</u>	<u>460,335</u>
Net cash provided by (used in), operating activities	281,340	460,335

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 18 Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	476,455	657,697
Notice deposits less than 3 months	451,474	701,085
Total Cash and cash equivalents	<u>927,929</u>	<u>1,358,782</u>