

Company Number: 04600633
Charities Number: 1102521

**MTO COLLEGE
(LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2012**

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**MTO COLLEGE
(LIMITED BY GUARANTEE)**

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**MTO COLLEGE
(LIMITED BY GUARANTEE)**

Legal and Administrative Details

Chairman	Professor Nader Angha
Trustees	Dr L Wilcox (Retired Dec 2012) Dr A A Ahmadi Mr R Summerland Mr H Rahbari
Secretary	Mrs S Dundon
Company Number	04600633
Charity Number	1102521
Registered Office	23 Edison Road Crouch End London N8 8AE
Website	www.mtocollege.org
E-mail	college.lon.uk@mto.org
Bankers	HSBC Bank PLC 1 Woburn Place Russell Square London WC1H 0LQ
Accountants and Tax Advisors	Felton Pumphrey Chartered Accountants 1 The Green Richmond, Surrey TW9 1PL

**MTO COLLEGE
(LIMITED BY GUARANTEE)**

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2012

The Trustees present their report and the financial statements for the year ended 31 August 2012

Legal status

The College is a private company limited by guarantee incorporated under the Companies Act 2006 and a registered charity

Charity Financial Statements

In preparing the financial statements for the Charity, the Trustees have adopted the disclosures required by the "Accounting and Reporting by Charities – Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) – issued by the Charity Commission in March 2005. The financial statements comply with the governing documents and the Charities Act 2011

Statement of Trustee's responsibilities

The Trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards and the Statement of Recommended Practice issued in March 2005 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 company will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice for charities. The Trustees are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Results

The surplus for the year amounted to £1,083 (2011 - £5,866)

At the year end, the charity had retained reserves of £101,698 (2011 - £100,615)

These funds are to be used in financing current and future developments

Principal activities, review of business and future developments

The principal activity during the year continues to be that of the advancement of education

The College had 65 (2011 – 61) pupils on the register at the year end and has had an encouraging year with good academic and sporting achievements

The Trustees expect the charity's position to be maintained during the following year

**MTO COLLEGE
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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2012

The Trustees were looking to access larger premises in the future to permit the further expansion of the College's activities. However they have now decided to (a) develop a subsidiary undertaking for the provision of a Nursery in Crouch End and (b) to assist in the development of a free school in the area. These developments would potentially provide a feed of students for both organisations.

Governing document

The governing document of the company is the memorandum and Articles of Association, which was incorporated on 26 November 2002.

The company registered as a charity on 8 March 2004.

Trustees

The Trustees, who are also governors, of the College during the year were as follows:

Dr L Wilcox (Retired Dec 2012)

Dr A A Ahmadi

Mr R Summerland

Mr H Rahbari

None of the Trustees have been direct beneficiaries of the Charity during the year or preceding year. No Trustees received any remuneration from the Charity during the year (2011 – *£nil*) although the Trustees are reimbursed for costs incurred in respect of activities in pursuit of the Charity's objectives.

The day to day running of the College is delegated to Mrs S Dundon, the Headmistress. There are no Directors other than the Trustees. The Trustees are responsible for the management of the Charity and for the furtherance of the objects for which it is established. Trustees meet on a regular basis to discuss the affairs of the Charity.

Method of Election of Trustees

A Trustee is appointed by the Chairman of the general meetings (the Chairman of Maktab Targhat Oveyssi).

Guarantee

Each of the Trustees has guaranteed to contribute to the assets of the company a sum of £1 in the event of a deficiency on winding up.

Voluntary help

During the year various individuals have given their time in supporting the College's activities. The value of this substantial support cannot be readily quantified and has not been included in the financial statements.

Investment Powers

The Trustees may invest the monies of the Charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

**MTO COLLEGE
(LIMITED BY GUARANTEE)**

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2012

Reserves policy

The Charity's assets are being held to enable the College to meet its objectives. The College has approximately 7 months free reserves of £20,974 (2011 - £29,661). £70,000 had been previously set aside to cover the cost of bringing into use new premises for the provision of full time as well as part time courses. However it was decided instead that the £70,000 plus another £10,000 should be re-designated for the development of a subsidiary undertaking for the provision of a Nursery in Crouch End.

Risk assessment

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

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and use of its resources. The Charity carried out these objectives as explained above.

Accountants

The accountants, Felton Pumphrey, are to continue in their role.

This report was approved by the Board on 15th December 2012.



R Summerland
Trustee

**MTO COLLEGE
(LIMITED BY GUARANTEE)**

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 AUGUST 2012

I report on the accounts of the company for the year ended 31 August 2012, which are set out on pages 6 to 13

Respective responsibilities of trustees and examiner

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

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

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention

Basis of independent examiner's report

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

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Dave Alesbury 

Felton Pumphrey
Chartered Accountants
1 The Green
Richmond
Surrey
TW9 1PL

Date 4 April 2013

MTO COLLEGE
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(Including an Income and Expenditure Account)
For the year ended 31 August 2012

	Notes	Unrestricted funds 2012 £	Unrestricted designated funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
INCOME & EXPENDITURE						
INCOMING RESOURCES						
Fee income		25,380	-	-	25,380	20,194
Voluntary income		-	-	4,717	4,717	9,493
Investment income		-	-	-	-	-
Incoming resources from charitable activities		-	-	-	-	-
Activities for generating funds		5,097	-	-	5,097	6,358
TOTAL INCOMING RESOURCES		30,477	-	4,717	35,194	36,045
RESOURCES EXPENDED						
Charitable activities costs	14	22,492	-	1,091	23,583	16,060
Fund raising and publicity	14	5,666	-	3,287	8,953	11,652
Governance costs	14	1,236	-	339	1,575	2,467
TOTAL RESOURCES EXPENDED		29,394	-	4,717	34,111	30,179
Net (outgoing) / Incoming resources for the year	4	1,083	-	-	1,083	5,866
Transfer		(10,000)	10,000	-	-	-
FUND BALANCES BROUGHT FORWARD	12	30,615	70,000	-	100,615	94,749
FUND BALANCES CARRIED FORWARD		21,698	80,000	-	101,698	100,615

All activities relate to continuing operations

There is no difference between the income / (expenditure) on ordinary activities for the year stated above and its historical cost equivalent

Investment income is all from cash investment assets and arises in the United Kingdom

The notes on pages 8 to 13 form part of these financial statements

**MTO COLLEGE
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**BALANCE SHEET
As at 31 August 2012**

	Notes	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	5		724		953
CURRENT ASSETS					
Debtors	6	1,931		1,866	
Cash at bank and in hand		<u>102,903</u>		<u>99,420</u>	
		104,834		101,286	
CREDITORS, amounts falling due within one year	7	<u>(3,860)</u>		<u>(1,624)</u>	
NET CURRENT ASSETS			100,974		99,662
NET ASSETS			<u>101,698</u>		<u>100,615</u>
RESERVES					
Restricted funds	8	-	-	-	-
Unrestricted designated funds	9	80,000	80,000	70,000	
Unrestricted funds	10	21,698	21,698	30,615	
			<u>101,698</u>		<u>100,615</u>

The notes on pages 8 to 13 form part of these financial statements

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

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 August 2012 and of its incoming resources and application of resources for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006

The financial statements were approved by the board on

15th Dec 2012

R Summerland



Trustee

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2012**

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities the Charities SORP 2005. The particular accounting policies adopted by the Trustees are described below.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

1.2 Resources arising - Income

Income represents fees, extras, receivable for the education of the pupils attending the College, and donations received by the College. All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt. The following other accounting policies are applied to income.

Voluntary income

Voluntary incomes are accounted for on a cash receivable basis.

Fund Accounting

The charity maintains various types of funds as follows:

Restricted funds

Restricted funds represent income received which are allocated by the donor for specific purposes which are therefore not available for other purposes.

Unrestricted funds

General unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance working capital.

1.3 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Governance costs are those costs incurred in the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	25% Reducing balance
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1.5 Taxation

The company is unable to recover the input VAT associated with the supply of goods and services as the provision of education is exempt from VAT. The irrecoverable VAT is included in the total cost applicable to each expense heading. Due to the company's charitable status there is no charge to corporation tax.

**MTO COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2012**

2 INCOME

The whole of the income is attributable to the one principal activity of the charity being the provision and promotion of education

3 STAFF COSTS

The average monthly number of employees, excluding Trustees, during the year was as follow

	2012	2011
Volunteers	<u>25</u>	<u>25</u>

No employees or trustees were paid in excess of £50,000 during the year (2011 - £Nil)

No Trustees incurred any expenses met by the charity (2011 - £Nil)

4 SUMMARY OF INCOME AND EXPENDITURE

	2012	2011
	£	£
Income	35,194	36,045
Expenditure	<u>(34,111)</u>	<u>(30,179)</u>
Surplus on ordinary activities	<u>1,083</u>	<u>5,866</u>

**MTO COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2012**

5 TANGIBLE ASSETS

	Office equipment £	Total £
Cost		
At 1 September 2011	5,536	5,536
Additions	-	-
At 31 August 2012	<u>5,536</u>	<u>5,536</u>
Depreciation		
At 1 September 2011	4,583	4,583
Charge for the year	229	229
At 31 August 2012	<u>4,812</u>	<u>4,812</u>
Net book value		
At 31 August 2012	<u>724</u>	<u>724</u>
At 31 August 2011	<u>953</u>	<u>953</u>

All assets are held for the benefit of the charity

6 DEBTORS

	2012 £	2011 £
Due within one year		
Trade debtors	1,931	1,866
	<u>1,931</u>	<u>1,866</u>

7 CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Creditors	2,344	-
Accruals	1,516	1,624
	<u>3,860</u>	<u>1,624</u>

**MTO COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2012**

8 MOVEMENT IN RESTRICTED FUNDS

Restricted funds comprise the following unexpended balances of donations given for specific purposes

	At 1 September 2011	Income	Expenditure	Transfers	At 31 August 2012
	£	£	£	£	£
Restricted funds					
In kind donations	-	4,717	(4,717)	-	-
Total restricted funds	<u>-</u>	<u>4,717</u>	<u>(4,717)</u>	<u>-</u>	<u>-</u>

Sufficient funds are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed
The restricted funds were established as the result of directions given by the donors which specified that the money was to be used for a specific purpose

9 MOVEMENT IN UNRESTRICTED DESIGNATED FUNDS

	At 1 September 2011	Income	Expenditure	Transfers	At 31 August 2012
	£	£	£	£	£
Subsidiary - Nursery	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>80,000</u>

The Trustees have found premises to lease so that the College can start a subsidiary undertaking providing Nursery education in Crouch End. They have therefore designated funds in excess of the general reserves to cover the cost of bringing them into use and to meet rental payments as the number of infants builds up.

10 MOVEMENT IN UNRESTRICTED FUNDS

	At 1 September 2011	Income	Expenditure	Transfers	At 31 August 2012
	£	£	£	£	£
Total unrestricted funds	<u>30,615</u>	<u>30,477</u>	<u>(29,394)</u>	<u>(10,000)</u>	<u>21,698</u>

MTO COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2012

11 RELATED PARTIES

During the year MTO College had the use of part of the premises of a related charity, Maktab Tarighat Oveyssi Shahmaghsoudi ("MTO"), and was in addition included on their insurance and used their internet and web facilities. Only a small contribution has been made for the use of these premises or services as 1) the Related Charity believed that for the most part no material additional cost has been incurred by them in permitting such use and 2) facilitating the development of MTO College falls within their charitable objects. Had the cost been allocated on the basis of the proportion of the facilities used they estimated MTO College's share would be £4,834 (2011 - £10,292) per annum. The reduction in allocation this year reflects the reduced use of their premises in 2012.

The contribution to their overheads is based on 10% of the prior year's surplus. Consequently MTO College accrued £117 for 2012 (2011 - £799 for 2010 & 2011) as publicity for part of the cost of the internet. The net benefit to MTO College of the support of this related party was therefore £4,717 (£4,834 less £117).

12 ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	Unrestricted funds 2012 £	Unrestricted designated fund 2012 £	Restricted funds 2012 £	Total Funds 2012 £
Tangible fixed assets	724	-	-	724
Cash at bank and in hand	22,903	80,000	-	102,903
Debtors	1,931	-	-	1,931
Current liabilities	(3,860)	-	-	(3,860)
Net Assets at 31 August 2012	21,698	80,000	-	101,698
Net Assets at 31 August 2011	30,615	70,000	-	100,615

The assets held in the restricted funds are represented by cash.

13 ULTIMATE CONTROL

The ultimate controlling party is the Trustees equally.

MTO COLLEGE
(LIMITED BY GUARANTEE)

DETAIL OF STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 August 2012

14 ANALYSIS OF THE RESOURCES EXPENDED

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
DIRECT CHARITABLE EXPENDITURE				
Provision of education	22,492	1,091	23,583	16,060
	<u>22,492</u>	<u>1,091</u>	<u>23,583</u>	<u>16,060</u>
FUNDRAISING AND PUBLICITY				
Advertising	2,673	2,948	5,621	6,798
Fundraising	2,993	339	3,332	4,855
	<u>5,666</u>	<u>3,287</u>	<u>8,953</u>	<u>11,653</u>
MANAGEMENT AND ADMINISTRATION				
Administration cost	434	339	773	1,769
Professional fees	773	-	773	673
Finance costs	29	-	29	24
	<u>1,236</u>	<u>339</u>	<u>1,575</u>	<u>2,466</u>