

Charity Registration Number 1103352
Company Registration Number 5017884

FRIENDS OF THE MARLOWE ACADEMY
(a company limited by guarantee)

TRUSTEES REPORT AND ACCOUNTS

YEAR ENDED 31 JANUARY 2006



**FRIENDS OF THE MARLOWE ACADEMY
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees

R De Haan (chairman)
G Badman

Secretary

R Fraser

Registered office

Strand House
125 Sandgate High Street
Folkestone CT20 3BZ

Solicitors

Withers LLP
16 Old Bailey
London EC4M 7EG

Bankers

National Westminster Bank plc
37 Old Dover Road
Canterbury CT1 3JB

Auditors

Baker Tilly
18 Mount Ephraim Road
Tunbridge Wells TN1 1ED

FRIENDS OF THE MARLOWE ACADEMY REPORT OF THE TRUSTEES

The Trustees of the Friends of the Marlowe Academy, who are also the directors of the company, present their audited financial statements for the year ended 31 January 2006. The Trustees have adopted the provisions of Statement of Recommended Practice (Revised 2005) "Accounting and Reporting by Charities" in preparing this report and financial statements.

Constitution and Principal Objectives

The Friends of the Marlowe Academy, a company limited by guarantee and a registered charity, was established on 16 January 2004 (company number 5017884, charity number 1103352). The company's memorandum and articles of association are the primary governing documents. During the present early stages of the charity's development the trustees meet as often as is required to take decisions affecting the operation of the charity. As the charity has no staff, all decisions related to the operation of the charity are taken by the trustees.

The objects of the company are to advance for the public benefit, education in the United Kingdom including support of the aims and objectives of the Marlowe and Folkestone Academies, the relief of unemployment, the provision of facilities in the interest of social welfare, for recreation and other leisure time occupation.

Trustees

Trustees are appointed by the recommendation of the existing trustees, subject to the approval of a member of the company. The following are the trustees of the charity:

R De Haan
G Badman

G Badman was appointed as a trustee on 1 February 2006. In addition S Eccles acted as a trustee throughout the year under review and subsequently retired on 30 June 2006.

R De Haan retires by rotation and, being eligible, a resolution proposing his re-appointment will be submitted at the AGM.

R De Haan is a member of the company but holds no beneficial interest therein.

Management of Risk

As the activities of the charity to date have been limited to receipt of donations and the performance of minor administrative tasks, the charity has to date not been exposed to major risks. Internal accounting controls have been put in place so as to protect the assets of the charity.

FRIENDS OF THE MARLOWE ACADEMY REPORT OF THE TRUSTEES (CONTINUED)

Reserves Policy

The policy of the trustees is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the charity whilst ensuring that excessive funds are not accumulated. The trustees are satisfied that the company's reserves are sufficient for its current purposes. The reserves as at 31 January 2006 amounted to £728,000. All reserves are unrestricted.

Investment Policy

The company's policy is to invest surplus funds in low risk, liquid bank deposits.

Grant Making Policy

The charity's policy is to make grants in support of education in the UK, the relief of unemployment, the provision of facilities in the interests of social welfare, for recreation and other leisure- time occupation, with the object of improving conditions of life, in particular for the inhabitants of South East Kent. In particular, grants will be made in support of the aims, objects, activities and enterprises of the Marlowe and Folkestone Academies.

Operating and Financial Review

During the year the charity received a further donation (£130,000) from Pfizer. This means that, to date, Pfizer has donated a total of £700,000 to the charity.

The trustees would like to place on record their sincere appreciation of this considerable gesture from Pfizer. These donations provide a solid base upon which the charity can plan its future activities. Thanks are also extended to Roger De Haan for arranging the provision of accounting and administrative support to the charity for which no charge has been made.

No donations were made during the year, primarily because the charity's initial activity is likely to be in some way connected to the Marlowe and Folkestone Academies in Ramsgate and Folkestone respectively. The new Marlowe Academy school building is due to open in September 2006 with Folkestone following in September 2007.

Risk Management

The trustees have examined the major strategic, business and operational risks which the Academy faces and have put in place systems, policies, procedures and controls in order to manage and mitigate these risks. Where appropriate, the trustees will act only after taking appropriate professional advice.

FRIENDS OF THE MARLOWE ACADEMY REPORT OF THE TRUSTEES (CONTINUED)

Statement of Trustees Responsibilities

Company Law requires the Trustees to prepare suitable financial statements for each financial period 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 these financial statements, the Trustees have:

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that are reasonable and prudent
- prepared the financial statements on a going concern basis

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

Auditors

Baker Tilly have expressed their willingness to remain in office as auditor and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.



Roger De Haan
Trustee
On behalf of the Trustees

10 November 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRIENDS OF THE MARLOWE ACADEMY

We have audited the financial statements on pages 5 to 9.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Friends of the Marlowe Academy for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Report of the Trustees.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Trustees. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 January 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY
Registered Auditor
Chartered Accountants
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1ED

21 November 2006

**FRIENDS OF THE MARLOWE ACADEMY
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 JANUARY 2006**

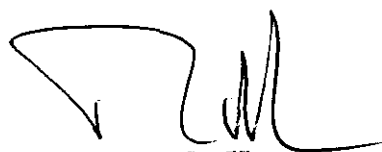
		2005/06 General Fund £'000	2004/05 General Fund £'000
Incoming resources			
	Note		
Donations received:			
Pfizer		130	570
Roger De Haan Charitable Trust		-	7
		<u>130</u>	<u>577</u>
Investment income	4	<u>23</u>	<u>7</u>
		<u>153</u>	<u>584</u>
Resources expended			
Cost of generating funds		-	-
Charitable expenditure			
Governance costs	5	1	8
		<u>1</u>	<u>8</u>
Total resources expended			
Net income for year	3	152	576
Balance at 31 January 2005		576	-
Balance at 31 January 2006		<u>728</u>	<u>576</u>

The comparative information for 2004/05 covers the period 16 January 2004 to 31 January 2005

**FRIENDS OF THE MARLOWE ACADEMY
BALANCE SHEET
31 JANUARY 2006**

	Note	31 January 2006 £'000	31 January 2005 £'000
Current assets			
Debtors-interest receivable		2	-
Cash at bank and in hand		<u>727</u>	<u>577</u>
		729	577
 Creditors: amounts falling due within one year	 7	 <u>1</u>	 <u>1</u>
Net current assets		728	576
 Total assets less current liabilities		 <u>728</u>	 <u>576</u>
 Funds			
Unrestricted General fund		<u>728</u>	<u>576</u>

The financial statements were approved by the Trustees on 10 November 2006
and were signed on their behalf by:



Roger De Haan
Trustee

10 November 2006

FRIENDS OF THE MARLOWE ACADEMY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2006

	Notes	2005/06 £'000	2004/05 £'000
Cash inflow from operating activities			
Receipts:			
Donations received		130	577
Payments:			
Governance costs		1	7
Net cash inflow from operating activities		<u>129</u>	<u>570</u>
Returns on investments and servicing of finance			
Investment income received		21	7
Increase in cash in year	(a)	<u>150</u>	<u>577</u>

(a) Analysis of changes in net funds

	At 31 January 2005 £'000	Cash Flows £'000	At 31 January 2006 £'000
Cash at bank and in hand	<u>577</u>	<u>150</u>	<u>727</u>

**FRIENDS OF THE MARLOWE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2006**

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice (Revised 2005) "Accounting and Reporting by Charities" and the Charities Act 1993.

Accounting convention

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

Grants Receivable

Grants receivable are included in the accounts on an accruals basis.

Investment Income and Interest Receivable

Investment income and interest receivable are included in the statement of financial activities on an accruals basis.

Resources Expended

Resources expended are accounted for on an accruals basis.

Restricted Funds

All funds are unrestricted

Governance Costs

Governance costs comprise of expenditure incurred in the general running of the charity and compliance with constitutional and statutory requirements.

2 Taxation

As a registered charity, the company is not subject to taxation as it does not trade for tax purposes.

3 Net Income for Year

Net income is stated after charging:

	2006	2005
	£'000	£'000
Audit fee	<u>1</u>	<u>1</u>

**FRIENDS OF THE MARLOWE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2006**

4 Investment Income

	2006	2005
	£'000	£'000
Bank interest received	<u>23</u>	<u>7</u>

5 Governance Costs

	2006	2005
	£'000	£'000
Legal and professional fees	-	7
Audit	<u>1</u>	<u>1</u>
	<u>1</u>	<u>8</u>

6 Staff Costs

No staff were employed during the year and no trustee received remuneration or expenses.

7 Creditors - amounts falling due within one year

	2006	2005
	£'000	£'000
Accruals	<u>1</u>	<u>1</u>

8 Transactions With Related Parties

During the year the charity received a donation of £130,000 (2004/05 £570,000) from Pfizer Ltd, a company of which a trustee, Stella Eccles, is an employee.

An employee of Roger De Haan continued to provide administrative and accounting support to the charity for which no charge was made. Roger De Haan is chairman of the Roger De Haan Charitable Trust which made a donation of £7,000 to the Friends of the Marlowe Academy during 2004/05.