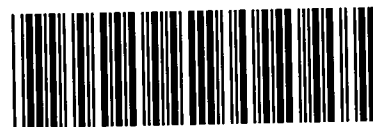


REGISTERED COMPANY NUMBER: 05017884 (England and Wales)
REGISTERED CHARITY NUMBER: 1103352

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JANUARY 2014
FOR
FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

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**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2014**

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**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST JANUARY 2014**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st January 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05017884 (England and Wales)

Registered Charity number
1103352

Registered office
Marlowe Innovation Centre
Marlowe Way
Ramsgate
Kent CT12 6FA

Trustees
Sir R De Haan (Chairman)
G Badman CBE
T J Minter OBE DL

Company Secretary
F Sharp

Solicitors
Withers LLP
16 Old Bailey
London EC4M 7EG

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

Auditors
Buzacott LLP
130 Wood Street
London EC2V 6DL

Investment Managers
Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31ST JANUARY 2014**

Trustees

Trustees are appointed by the recommendation of the existing trustees, subject to the approval of a member of the charity. New trustees, when appointed, will be provided with an information pack including the latest accounts and the memorandum and articles of association and will be afforded the opportunity to undertake site visits to the premises of beneficiaries, such as Marlowe and Folkestone Academies.

The following are the trustees of the charity and served throughout the period:

Sir R De Haan
G Badman CBE
T Minter OBE DL

G Badman retires by rotation at the Annual General Meeting in May 2014. Being eligible, a resolution proposing his re-appointment will be submitted at the Annual General Meeting.

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

Although no specific trustee training programme exists, trustees continue to have considerable exposure to educational and charitable matters either through their principal occupation and/or involvement in other charitable institutions.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charity in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before he/she ceases to be a member.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity 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.

OBJECTIVES AND ACTIVITIES

Constitution and principle objectives

The Friends of the Folkestone and Marlowe Academies, a company limited by guarantee and a registered charity, was established on 16 January 2004 (company number 05017884, charity number 1103352). The Friends of the Folkestone and Marlowe Academies is hereafter referred to as "the charity" in these audited financial statements. The charity's memorandum and articles of association are the primary governing documents. The trustees meet as often as is required to take decisions affecting the operation of the charity. All decisions related to the operation of the charity are taken by the trustees.

The objects of the charity 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.

Public benefit

The purpose of the charity is to support the aims and objectives of the Marlowe and Folkestone Academies; themselves registered charities, in advancing the education and aspirations of the students and communities they serve. The primary way in which this has been accomplished has been via the granting of bursaries to those students extending their education to universities or colleges. To date, the award of bursaries for Marlowe Academy students is given once a place in further or higher education has been secured and these awards continue for each year the student can demonstrate their continued commitment to their educational programme. The trustees have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission.

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31ST JANUARY 2014**

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 charity's reserves are sufficient for its current purposes. The reserves as at 31 January 2014 amounted to £2,248,000 (2013: £1,553,000). All reserves are unrestricted except for a grant received in the year to fund the expansion of the Marlowe Innovation Centre. The trustees choose to maintain two separate funds in order to recognise the respective entitlements of Folkestone and Marlowe Academies.

Investment policy

The trustees have appointed Sarasin & Partners LLP to manage the majority of the investment portfolio. Monies are invested in Sarasin's Alpha common investment funds which are designed specifically for charities. The investment objective is to provide growth in the portfolio over the medium to long term whilst maintaining low to moderate risk.

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 objective 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, objectives, activities and enterprises of the Marlowe and Folkestone Academies, both of which are registered charities.

FINANCIAL REVIEW

Operating and financial review

Sir R De Haan and the Marlowe Academy (of which Sir R De Haan is a trustee) have continued to provide assistance in arranging the provision of accounting and administrative support to the charity for which no charge has been made.

The charity leases the "The Marlowe Innovation Centre" from Kent County Council at a peppercorn rent and has entered into a sub-lease with its wholly owned subsidiary which occupies the premises. This subsidiary covenants to pay its surpluses to Friends of the Folkestone and Marlowe Academies. The charity has obtained permission from the Charity Commission to lease the premises to its subsidiary.

Bursaries of £4,000 (2013: £20,000) were made in the year to students of the Marlowe Academy for assistance for those who were successful in their studies and were to start university and higher education or continue their studies into further years. The phasing out of this arrangement has been replaced by a more focused attempt to provide targeted funds for intervention projects as requested by the Academy senior leadership team and considered by the trustees.

During the year, the charity made a grant of £35,000 (2013: £68,000) to the Marlowe Academy for targeted intervention support in raising the literacy and attainment levels. Following an agreement in the prior year, there is still the provision of a loan facility to the Marlowe Academy of up to £300,000 as required. As at 31 January 2014, none of this facility had been used.

The portfolio benefited from investment gains of £61,000 in the period compared to gains of £115,000 in 2013. The performance of the investments is considered to be satisfactory on the context of the performance of stock markets in the year.

The charity has a wholly owned subsidiary, FFMA Trading Limited t/a "The Marlowe Innovation Centre". The subsidiary operates an "Innovation Centre" from premises on the site of the Marlowe Academy. The objective is to attract young, innovative businesses to the Marlowe site and to build a close working relationship between the school and those businesses, with the aim of assisting in the education of Marlowe students and creating employment opportunities in the area. Cash surpluses generated will be paid to the Friends of the Folkestone and Marlowe Academies.

With regard to The Marlowe Innovation Centre's performance in the year, there has been a good occupancy rate in office and workshop lettings, with the centre at greater than 90% occupancy since July 2009, with moderate growth in tenancy income. Progress has been made toward achieving the aims of the company and the directors anticipate further progress in the next twelve months.

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31ST JANUARY 2014**

The charity was awarded partial funding of £349,724 from the Coastal Communities Fund towards an extension of the Marlowe Innovation Centre with the balance of £649,487 being funded by the Roger De Haan Charitable Trust. Work commenced in August 2013 with completion expected by May 2014. A significant amount of costs and revenue were recognised in the year ended 31 January 2014. This extension will more than double the office space available to let by the Marlowe Innovation Centre.

The group comprising of the charity and its operating subsidiary registered for VAT with effect from 1 April 2013.

The trustees will continue to work closely with the Folkestone and Marlowe Academies with a view to considering the ways in which the charity can assist the schools in achieving their own charitable objectives.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Friends Of The Folkestone And Marlowe Academies for the purposes of company law), are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 charitable company and to 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 trustees are aware:

there is no relevant audit information of which the charitable company's auditors are unaware; and

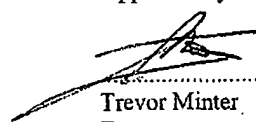
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Buzzacott LLP, will be proposed for re-appointment at the forthcoming Annual General meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 26 Aug 2013 and signed on its behalf by:


.....
Trevor Minter
Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

We have audited the financial statements of Friends of the Folkestone and Marlowe Academies for the year ended 31st January 2014 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Annual Report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 31st January 2014 and of the group's incoming resources and application of resources, including the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

Matters on which we are required to report by exception

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



Katharine Patel, Senior Statutory Auditor,
For and on behalf of Buzzacott LLP,
130 Wood Street
London
EC2V 6DL

Date: 4 March 2015

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST JANUARY 2014**

	Note	2014 Folkestone Unrestricted Funds £'000	2014 Marlowe Unrestricted Funds £'000	2014 Fixed Asset Unrestricted Funds £'000	2014 Fixed Asset Restricted Funds £'000	2014 Total Unrestricted Funds £'000	2013* £'000
INCOMING RESOURCES							
Incoming resources from generating funds:							
Activities for generating funds - Trading		-	125	-	-	125	121
		-	125	-	-	125	121
Investment income	10	3	40	-	-	43	41
Voluntary income	4b	-	-	-	600	600	-
Total incoming resources		3	165	-	600	768	162
RESOURCES EXPENDED							
Costs of generating funds:							
Trading activities		-	72	3	-	75	90
Charitable activities	5	-	39	9	-	48	99
Governance costs	6	-	11	-	-	11	5
Total resources expended		-	122	12	-	134	194
Net incoming/ (outgoing) resources before transfers		3	43	(12)	600	634	(32)
Transfers between funds		-	-	469	(469)	-	-
Net incoming/ (outgoing) resources before other recognised gains and losses		3	43	457	131	634	(32)
Realised gains on investments		-	2	-	-	2	-
Net income (expenditure)		3	45	457	131	636	(32)
Other recognised gains and losses							
Unrealised gains/(losses) on investment assets	10	4	55	-	-	59	115
Net movement in funds	3	7	100	457	131	695	83
Total funds brought forward		129	964	460	-	1,553	1,470
Total funds carried forward		136	1,064	917	131	2,248	1,553

Continuing operations

None of the charitable group's activities were acquired or discontinued during the above two financial years.

Total Recognised gains and losses

The charitable group has no recognised gains or losses other than the results of the above two financial years.

* The comparative figures for the subsidiary trading company are unaudited. See note 1 Accounting policies for further information.

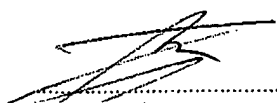
**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**BALANCE SHEETS
AT 31ST JANUARY 2014**

	Note	Group 2014 £'000	2013 £'000	Charity 2014 £'000	2013 £'000
Fixed Assets					
Tangible assets	8	917	460	903	443
Current Assets					
Investments	10	1,247	1,193	1,247	1,193
Debtors	11	115	15	140	34
Loans to subsidiary undertaking		-	-	25	25
Cash at bank and in hand		182	50	175	49
		1,544	1,258	1,587	1,301
Creditors: Amounts falling due within one year	12	(213)	(165)	(179)	(128)
Net Current Assets		1,331	1,093	1,408	1,173
Net Assets		2,248	1,553	2,311	1,616
The Funds of the Charity					
Restricted Funds					
Fixed Asset Funds	15	131	-	131	-
Unrestricted Funds					
Marlowe Academy		1,064	964	1,141	1,044
Folkestone Academy		136	129	136	129
Fixed Asset Funds		917	460	903	443
TOTAL CHARITY FUNDS		2,248	1,553	2,311	1,616

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Approved and authorised for issue by the Board of Trustees on 26th January 2014 and signed on its behalf by:


Trevor Minter
Trustee

Company Number:- 05017884

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2014**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Group accounting

The financial statements consolidate the results of the charity and its wholly owned subsidiary, FFMA (Trading) Limited, on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented by the charity itself following the exemption afforded by section 408 of the Companies Act 2006 and the note in paragraph 397 of SORP 2005.

The trading subsidiary's comparative figures are unaudited. We have gained sufficient audit evidence regarding the balances as at 31st January 2014 and the movement in the year to support our audit opinion of the group. For the year ended 31st January 2014, Group accounts were not required to be prepared for the year ended 31st January 2013.

Cash Flow Statement exemption

Exemption has been taken from preparing a Cash Flow Statement on the grounds that the group qualifies as a small group.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants receivable and payable

Grants receivable and grants payable are included in the Statement of Financial Activities 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

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Unrestricted funds

All funds except for the grant received for the purposes of the extension of the Marlowe Innovation Centre, are unrestricted. However, the charity chooses to split all transactions in the year between the two academies (Folkestone and Marlowe) and present the reserves carried forward as two separate designated funds, ring-fenced for the Academies' use. Where transactions cannot be specifically allocated to an Academy, a percentage based on the weighted average of net assets will be applied.

Governance Costs

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

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2014**

1. ACCOUNTING POLICIES (Continued)

Tangible fixed assets

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet and costs are depreciated over their useful economic lives on a basis consistent with the depreciation policy. The related grants are credited to an unrestricted fixed asset fund in the statement of financial activities and carried forward in the Balance Sheet.

Assets with a useful economic life of more than 50 years are reviewed annually for impairment in accordance with FRS 11. Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

Costs related to the extension of the Marlowe Innovation Centre's extension have been capitalised but not depreciated in the year ended 31 January 2014, as the extension will not be operational until the summer of 2014.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Leasehold buildings	2%
Leasehold improvements	10%
Fixtures and Fittings	20%
Computer equipment	33.3%

Investments

Listed investments are included in the financial statements at their market value at the balance sheet date. Realised and unrealised gains (or losses) are credited (or debited) to the Statement of Financial activities in the year in which they arose.

2. TAXATION

The Friends of the Folkestone and Marlowe Academies is a registered charity and as such its income and gains are exempt from income tax and corporation tax to the extent that they are applied to its charitable activities, as it falls within the various exemptions available to registered charities.

3. NET MOVEMENT IN FUNDS

	2014 £'000	2013 £'000
Net movement in funds is stated after charging:		
Audit fee	5	3
Depreciation	12	13
	<u> </u>	<u> </u>

4a. INVESTMENT INCOME

	2014 £'000	2013 £'000
Bank interest received	-	-
	<u> </u>	<u> </u>

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST JANUARY 2014**

4b. VOLUNTARY INCOME

	2014 £'000	2013 £'000
Grants receivable are as follows:		
Roger De Haan Charitable Trust	445	-
Coastal Communities Fund	155	-
	<u>600</u>	<u>-</u>

5. CHARITABLE ACTIVITIES

	2014 £'000	2013 £'000
Bursaries	4	20
Donations	35	70
Depreciation	9	9
	<u>48</u>	<u>99</u>

6. GOVERNANCE COSTS

	2014 £'000	2013 £'000
Audit, accountancy and other professional fees	11	5

7. STAFF COSTS AND NUMBERS

The average number of persons employed by the group during the year ended 31 January 2014 expressed as full time equivalents was as follows:

	2014	2013
Management	1	1
Staff costs comprise:		
	2014 £'000	2013 £'000
Wages and salaries	22	22
Social Security costs	1	1
	<u>23</u>	<u>23</u>

No employees received emoluments in excess of £60,000 in the year. (2013 - none).

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST JANUARY 2014**

8. TANGIBLE FIXED ASSETS

Group	Land & Buildings £'000	Leasehold Improvements £'000	Plant and Machinery £'000	Total £'000
COST				
At 1st February 2013	475	17	13	505
Additions	469	-	-	469
At 31st January 2014	944	17	13	974
DEPRECIATION				
At 1st February 2013	32	4	9	45
Charge for year	9	1	2	12
At 31st January 2014	41	5	11	57
NET BOOK VALUE				
At 31st February 2014	903	12	2	917
At 31st February 2013	443	13	4	460

Charity	Land & Buildings £'000
COST	
At 1st February 2013	475
Additions	469
At 31st January 2014	944
DEPRECIATION	
At 1st February 2013	32
Charge for year	9
At 31st January 2014	41
NET BOOK VALUE	
At 31st January 2014	903
At 31st January 2013	443

The above land and buildings relate to the Marlowe Innovation Centre. The building in which the Innovation Centre is based is leased from Kent County Council at a peppercorn rent over a lease of 75 years from July 2009. No value has been placed on the land in the financial statements due to the restrictive covenants placed on the asset. The building was constructed with the assistance of a donation from the Roger De Haan Charitable Trust and this amount has been capitalised. The construction work to extend the Marlowe Innovation Centre is due for completion in May 2014 at which point the assets will become depreciable.

At 31st January 2014 the Friends of the Folkestone and Marlowe Academies had capital commitments of £529,000 (2013 - nil) in respect to the extension of the Marlowe Innovation Centre.

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31ST JANUARY 2014**

9. INVESTMENT IN SUBSIDIARY UNDERTAKING

At 31 January 2014, Friends of the Folkestone and Marlowe Academies was the parent company of FFMA (Trading) Limited. The investment comprises 1 ordinary share of £1 which is 100% of the issued share capital of the company. The company, which is registered in England, is the trading arm of the charity.

FFMA (Trading) Limited

	2014 £'000	2013 £'000
Turnover	125	121
Expenditure	(125)	(137)
Loss for the year	-	(16)
Assets	37	29
Liabilities	(100)	(92)
Shareholders funds	(63)	(63)

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31ST JANUARY 2014**

10. INVESTMENTS

	Group		Charity	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
At cost:				
Opening balance	955	914	955	914
Additions	53	41	53	41
Withdrawals	(50)	-	(50)	-
Total investment at cost	958	955	958	955
At market value:				
Listed investments	1,247	1,183	1,247	1,183
Cash held on deposit	-	10	-	10
Total investments at market value	1,247	1,193	1,247	1,193
Movements in investments at market value:				
Market value as at 1 February 2013	1,183	1,037	1,183	1,037
Additions at cost less equalisation	53	41	53	41
Disposals (Proceeds: £50,000; gains £2,000)	(48)	-	(48)	-
Unrealised investment gains/(losses)	59	115	59	115
Total investments at market value	1,247	1,193	1,247	1,193

The investments are held in Sarasin Chiswell's Alpha Common Investment Fund for Endowments, which is a listed fund. Income received on the investment portfolio during the year comprised of bank interest amounting to £19 (2013: £35) and dividend income of £42,717 (2013 £40,510).

11. DEBTORS

	Group		Charity	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Trade debtors	13	12	41	34
Recoverable VAT	80	-	80	-
Prepayments	3	3	-	-
Accrued income	19	-	19	-
	115	15	140	34

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31ST JANUARY 2014**

12. CREDITORS

	Group		Charity	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
<u>Amounts falling due within one year:</u>				
Bank loans and overdrafts	1	-	-	-
Trade creditors	72	14	64	-
Other taxation and social security	3	-	-	-
Other creditors	18	18	-	-
Accruals and deferred income	119	133	115	128
	<u>213</u>	<u>165</u>	<u>179</u>	<u>128</u>

13. TRANSACTIONS WITH RELATED PARTIES

Employees of the Marlowe Academy (of which Sir R De Haan is a trustee) continue to provide administrative and accounting support to the charity for which no charge is made. This amount has not been recognised as a gift in kind as this is viewed as immaterial.

The charity has advanced a £25,000 loan to FFMA (Trading) Limited, its wholly owned subsidiary undertaking. The loan was repayable over the 3 year period ending 20 August 2011 and carried an annual interest rate of the Bank of England base rate plus 1.5%. On 22 May 2014, the trustees agreed to extend this loan to 31 December 2015. Interest received in the year totalled £500 (2013: £501).

During July 2009, the charity entered into a lease with its subsidiary in respect of its premises located at the Marlowe Innovation Centre. The lease commenced on 16 September 2009 and has a first year term at an annual rate of £45,000. At the year end, £41,250 (2013: £30,000) was due from FFMA (Trading) Limited to the Friends of the Folkestone and Marlowe Academies.

During the year, grants of £39,000 (2013: £90,000) were made to Marlowe Academy. At the year end bursaries and a literacy grant totalling £78,894 (2013: £121,494) were due to Marlowe Academy.

There exists an agreement to provide a loan facility to the Marlowe Academy of up to £300,000 as required. Following the year end, £200,000 of this facility has been drawn down.

The Marlowe Academy (of which the director, Sir Roger De Haan is a Chair of the Board of Governors) provides accountancy, maintenance and administrative services to the subsidiary undertaking. The charge for these services in the year ended 31st January 2014 was £8,400 (2013 £8,116). The balance payable at the year end was £5,618 (2013 £2,809).

14. TRUSTEES' REMUNERATION

None of the trustees received remuneration in respect of their services during the year (2013: nil).

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31ST JANUARY 2014**

15. STATEMENT OF FUNDS

GROUP	At 1st February 2013 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers Between Funds £'000	Gains and Losses £'000	At 31st January 2014 £'000
<u>Restricted Funds</u>						
Fixed Asset Restricted Funds	-	600	-	(469)	-	131
<u>Unrestricted Funds</u>						
Folkestone Academy	129	3	-	-	4	136
Marlowe Academy	964	165	(122)	-	57	1,064
Fixed Asset Unrestricted Funds	460	-	(12)	469	-	917
	1,553	168	(134)	469	61	2,117
TOTAL FUNDS	1,553	768	(134)	-	61	2,248

CHARITY	At 1st February 2013 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers Between Funds £'000	Gains and Losses £'000	At 31st January 2014 £'000
<u>Restricted Funds</u>						
Fixed Asset Restricted Funds	-	600	-	(469)	-	131
<u>Unrestricted Funds</u>						
Folkestone Academy	129	3	-	-	4	136
Marlowe Academy	1,044	85	(45)	-	57	1,141
Fixed Asset Unrestricted Funds	443	-	(9)	469	-	903
	1,616	88	(54)	469	61	2,180
TOTAL FUNDS	1,616	688	(54)	-	61	2,311

**FRIENDS OF THE FOLKESTONE AND MARLOWE
ACADEMIES**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31ST JANUARY 2014**

16. NET ASSETS OF THE FUNDS OF THE CHARITY

Net assets belong to
the various funds as follows:

GROUP

	<u>Fixed Assets</u> £'000	<u>Net Current Assets</u> £'000	<u>Fund Balance</u> £'000
<u>Restricted Funds</u>			
Fixed Asset Restricted Funds	-	131	131
<u>Unrestricted Funds</u>			
Folkestone Academy	-	136	136
Marlowe Academy	-	1,064	1,064
Fixed Asset Unrestricted	917	-	917
	917	1,331	2,248

CHARITY

	<u>Fixed Assets</u> £'000	<u>Net Current Assets</u> £'000	<u>Fund Balance</u> £'000
<u>Restricted Funds</u>			
Fixed Asset Restricted Funds	-	131	131
<u>Unrestricted Funds</u>			
Folkestone Academy	-	136	136
Marlowe Academy	-	1,141	1,141
Fixed Asset Unrestricted Funds	903	-	903
	903	1,408	2,311