

FRIENDS OF FOLKESTONE ACADEMY LTD
(a company limited by guarantee)

TRUSTEES' REPORT AND ACCOUNTS

YEAR ENDED 31 JANUARY 2022

Company Limited by Guarantee
Company Registration Number 5017884 (England and Wales)
Charity Registration Number 1103352

FRIENDS OF FOLKESTONE ACADEMY LTD
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Sir Roger De Haan CBE DL (Chairman)
Graham Badman CBE
Rosalind McCarthy DL
Trevor Minter OBE DL
Michael Pearce
Tracy Luke MBE - appointed 29 April 2021

Secretary Paula Hall

Registered and Principal Office

Strand House
Pilgrims Way
Monks Horton
Ashford TN25 6DR

Solicitors

Withers LLP
16 Old Bailey
London EC4M 7EG

Bankers

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

Auditor

MHA Macintyre Hudson,
17-21 Ashford Road
Maidstone
Kent ME14 5DA

Investment Manager

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

FRIENDS OF FOLKESTONE ACADEMY LTD REPORT OF THE TRUSTEES

The trustees of the Friends of Folkestone Academy Ltd, who are also the directors of the company, present their report together with the audited financial statements for the year ended 31 January 2022. The trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Constitution and Principal Objectives

The Friends of Folkestone Academy Ltd, a company limited by guarantee and a registered charity, was established on 16 January 2004 (company number 5017884, charity number 1103352). The Friends of Folkestone Academy Ltd 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. As the charity has no staff, 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 primary and secondary phases of Folkestone Academy, 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 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 a site visit to the premises of Folkestone Academy.

The following are the trustees of the charity:

Sir Roger De Haan
Graham Badman CBE
Rosalind McCarthy
Trevor Minter OBE DL
Michael Pearce
Tracy Luke MBE

Graham Badman and Michael Pearce retire by rotation and both being eligible, a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

All of the trustees are also members of the charity but they hold no beneficial interest therein.

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

FRIENDS OF FOLKESTONE ACADEMY LTD REPORT OF THE TRUSTEES (CONTINUED)

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.

Reserves Policy

The policy of the trustees is to maintain a growing level of reserves which underpins the long term grant-making strategy of the charity. At this stage, no specific monetary target has been set. The trustees are satisfied that the charity's reserves are sufficient for its current purposes. The reserves as at 31 January 2022 amounted to £4,050,000 (2021: £3,769,000) of which £1,143,000 comprises fixed asset funds.

Investment Policy

The trustees have appointed Sarasin & Partners LLP to manage the investment portfolio. Monies are invested in one of Sarasin's Charity Authorised Investment Funds which is designed specifically for charities. The investment objective is to provide long term capital and income growth through a broadly diversified global portfolio.

Grant Making Policy

The charity's grant making activity is presently focussed on supporting the primary and secondary phases of two schools comprising Folkestone Academy.

Operating and Financial Review

Net income for the year before investment gains amounted to £178,000 (2021: £37,000). The 2022 increase arose primarily from a significantly lower donations cost. The charity received a £69,000 (2021: £48,000) donation from its trading subsidiary and continued to benefit from rental income arising from its subsidiary's occupation of the Marlowe Innovation Centre.

The investment portfolio increased by £252,000 during the year due to a combination of the re-investment of income, monies introduced and an increase in the value of the charity's investments. Investment gains amounted to £102,000 (2021: £121,000), reflecting a 4.1% rise in unit prices in the year (2021: 4.8%).

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 a site adjacent to the Royal Harbour Academy in Ramsgate, Kent. The objective is to attract young, innovative businesses to the Marlowe Innovation Centre and to build a close working relationship between the school and tenant businesses, with the aim of assisting in the education of students and creating employment opportunities in the area. Surpluses generated are paid to the parent charity.

FRIENDS OF FOLKESTONE ACADEMY LTD REPORT OF THE TRUSTEES (CONTINUED)

Operating and Financial Review (Continued)

The Marlowe Innovation Centre (MIC) has continued to maintain its good reputation for providing first step accommodation for small businesses in Thanet and the surrounding areas. The average occupancy rate remains high at between 95% to 100%, with the last year average being around 97%. The flexible nature of the tenancy agreements allows businesses to easily grow within the centre by expanding to larger premises, this has happened twice within the last 5 months.

The number of virtual tenants has risen to a total of 44, 3 stopped trading during this year and they have gained 8 new ones. One tenant who vacated an office has retained their presence by utilising a virtual tenancy. There are existing tenants that continue to make use of the back office services offered by MIC.

Boardroom and meeting room bookings have started to increase substantially since the Covid slump and are vast approaching pre covid levels. High demand at times has led to empty offices being used as meeting room space. The MIC management continue to use social media platforms to advertise the boardroom, meeting room and any offices becoming vacant. This is the only marketing they do and is at nil cost.

Staffing levels have returned to pre covid levels.

The Marlowe Innovation Centre continues to welcome students from the Royal Harbour Academy and other local schools for work experience and other activities alongside businesses within the centre.

Covid-19/Ukraine conflict

Initially, the charity's investments suffered a significant fall in value due to the on-set of the pandemic in early 2020. Since then, recovery has been good with valuations rising 4.8% at 31 January 2021 and a further 4.0% at 31 January 2022, excluding additional investments funded by cash and re-investing dividends. Dividend income levels have remained fairly consistent with those of last year.

We have recently seen an escalation of the situation in Ukraine. Our investment manager has recently communicated that the portfolio has been adversely affected though they are encouraging that the portfolio will be able to ride out the situation. The charity's trading subsidiary has continued to operate fully during the last year and has been able to meet its rent due as well as a significant dividend. Given how the subsidiary coped through the pandemic there is no evidence that it will not be able to pay its rental obligations to the charity in the coming year. The charity has prudently built up its reserves over the past few years and its general fund as at 31 January 2022 was £2.9 million. There are no restrictions on trustees' ability to use these funds if necessary to enable it to continue to fulfil its charitable objects.

Based on the above and having regard to the resources available to the entity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

FRIENDS OF FOLKESTONE ACADEMY LTD REPORT OF THE TRUSTEES (CONTINUED)

Public Benefit

The charity's grant making activity has been focused on supporting the aims and objectives of the Folkestone Academy. The principal way in which this has been accomplished has been through payment of direct charitable grants to fund initiatives not funded by the school's mainstream government grants. The trustees have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission.

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. The main risk faced by the charity relates to investment risk on its portfolio. This risk is mitigated by investing all the charity's surplus funds in a reputable diversified investment fund designed exclusively for charities.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Friends of Folkestone Academy Ltd for the purposes of company law) are responsible for preparing the trustees' report and 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 charity 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees 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.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and

**FRIENDS OF FOLKESTONE ACADEMY LTD
REPORT OF THE TRUSTEES (CONTINUED)**

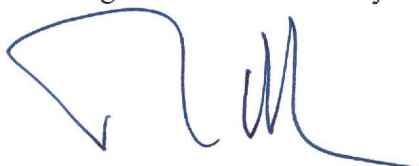
- the trustee has taken all the steps that ought to have taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

MHA Macintyre Hudson have expressed their willingness to continue in office as auditor and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

In preparing this report the trustees have taken advantage of the small companies exemptions provided by section 415A of Part 15 of the Companies Act 2006.

The report of the trustees was approved by the trustees on 3 OCTOBER 2022 and signed on their behalf by:

A handwritten signature in blue ink, appearing to read 'R De Haan', with a large loop at the start and a series of vertical strokes at the end.

Sir Roger De Haan
Trustee

Registered and Principal Office

Strand House
Pilgrims Way
Monks Horton
Ashford TN25 6DR

FRIENDS OF FOLKESTONE ACADEMY LTD

Independent auditor's report to the trustees of Friends of Folkestone Academy Ltd

Opinion

We have audited the financial statements of Friends of Folkestone Academy Ltd (the 'charitable company') for the year ended 31 January 2022 which comprise the Statement of financial activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 January 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.

FRIENDS OF FOLKESTONE ACADEMY LTD

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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

FRIENDS OF FOLKESTONE ACADEMY LTD

- certain disclosures of directors' 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;

FRIENDS OF FOLKESTONE ACADEMY LTD

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing meeting minutes of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 charitable 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 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.

Duncan Cochrane-Dyet BSc BFP FCA (Senior Statutory Auditor)

For and on behalf of
MHA MacIntyre Hudson
Statutory Auditor
Maidstone
United Kingdom

Date:

FRIENDS OF FOLKESTONE ACADEMY LTD
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JANUARY 2022

		2022		2022	2022	2021
		Unrestricted	Funds	Restricted		
		General	Fixed	Fund	Total	Total
		Asset	Asset	Asset	Funds	Funds
Note		£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Other income	3	75	-	-	75	75
Investment income	5	144	-	-	144	121
Total income		<u>219</u>	<u>-</u>	<u>-</u>	<u>219</u>	<u>196</u>
Expenditure on:						
Raising funds		-	-	-	-	-
Charitable activities	6	9	-	28	37	152
Support costs	7	3	-	-	3	7
Total expenditure		<u>12</u>	<u>-</u>	<u>28</u>	<u>40</u>	<u>159</u>
Net income before investment gains/(losses)		207	-	(28)	179	37
Gains/(losses) on investments	12	102	-	-	102	121
Net income		<u>309</u>	<u>-</u>	<u>(28)</u>	<u>281</u>	<u>158</u>
Funds brought forward		2,598	-	1,171	3,769	3,611
Total funds carried forward	16	<u>2,907</u>	<u>-</u>	<u>1,143</u>	<u>4,050</u>	<u>3,769</u>

The notes on pages 12 to 19 form part of these financial statements.

FRIENDS OF FOLKESTONE ACADEMY LTD
(A company limited by guarantee) Registered Number: 05017884
BALANCE SHEET
31 JANUARY 2022

	Note	31 January 2022 £'000	31 January 2021 £'000
Fixed Assets			
Tangible fixed assets	10	1,143	1,171
Investments	12	2,802	2,540
Investment in subsidiary undertaking	11	-	-
		<u>3,945</u>	<u>3,711</u>
Current assets			
Cash held by Investment Manager	13	-	10
Cash at bank and in hand		<u>199</u>	<u>183</u>
		199	193
Creditors: amounts falling due within one year	14	<u>(94)</u>	<u>(135)</u>
Net current assets		105	58
Total assets less current liabilities		<u>4,050</u>	<u>3,769</u>
Charity Funds			
Restricted Funds			
Fixed Asset Fund	16	1,143	1,171
Unrestricted funds			
General Fund	16	2,907	2,598
Fixed Asset Fund		-	-
	16	<u>4,050</u>	<u>3,769</u>

The trustees 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. In accordance with section 145 of the Charities Act 2011 an independent examination is required, however, the members have voluntarily opted to have an audit under the Companies Act 2006.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 January 2022 and of its net incoming resources for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to Companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved by the trustees on **3 OCTOBER** 2022 and signed on their behalf by:



.....
Sir Roger De Haan (Trustee)

The notes on pages 12 to 19 form part of these financial statements.

**FRIENDS OF FOLKESTONE ACADEMY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

1 Accounting Policies

1.1 Basis of Preparation of Financial Statements

Friends of Folkestone Academy Ltd is a registered Charity and a Company limited by guarantee, incorporated in England and Wales. Its registered office and principal place of business is disclosed in the Legal and Administrative Information.

The financial statements have been prepared under the historical cost convention, except for the valuation of investments which are included at market value, and in accordance with 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 (FRS 102) – (Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

Friends of Folkestone Academy Ltd meets the definition of a public benefit entity under FRS 102.

The financial statements have been presented in GBP and rounded to £'000.

1.2 Rental Income and Rents Receivable

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

1.3 Grants Receivable and Payable

Grants receivable and payable are included in the statement of financial activities on an accruals basis.

1.4 Investment Income and Interest Receivable

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

1.5 Expenditure

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

1.6 Unrestricted Funds

All funds except the Marlowe Innovation Centre (MIC) fixed asset fund are unrestricted. The MIC property has restrictions on its use for a period of time which expires in 2028.

**FRIENDS OF FOLKESTONE ACADEMY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

1 Accounting policies (continued)

1.7 Support Costs

Support costs comprise of expenditure incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.8 Tangible fixed assets

Tangible fixed assets are included in the balance sheet at cost and are depreciated over their useful economic lives in accordance with the depreciation policy. Related grants are credited to a fixed asset fund in the statement of financial activities and carried forward in the balance sheet.

Assets are reviewed annually for impairment. Assets costing less than £1,000 are written off in the year of acquisition, unless they are part of a greater amount.

1.9 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. The annual rates used are:

Leasehold buildings 2%

Fixtures and equipment 20%

1.10 Investments

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 arise.

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.11 Going concern

To date, the Covid-19 pandemic has not had a material impact on the charity's operations. Initially, the charity's investments suffered a significant fall compared to the 2020 year-end valuation but have since recovered. With the troubles in Ukraine the charity's portfolio may be adversely affected as markets react, though the investment manager has communicated that the portfolio should be able to ride the situation out. The charity's trading subsidiary may also be impacted to some extent which may result in it paying a lower level of dividend to the charity compared to the levels paid in previous years. However, at present there is no evidence that it will not be able to meet its rental obligations to the charity. The charity has prudently built up its reserves over the past few years and its general fund as at 31 January 2022 was £2.9 million. There are no restrictions on trustees' ability to use these funds if necessary to enable it to continue to fulfil its charitable objects.

FRIENDS OF FOLKESTONE ACADEMY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

1.11 Going concern cont.

Based on the above and having regard to the resources available to the entity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1.12 Financial Instruments

The Charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2 Taxation

The Friends of Folkestone Academy Ltd 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 under the provisions of the Income and Corporation Taxes Act 1988.

3 Other Income

	2022	2021
	£'000	£'000
Rent received	75	75

4 Bank Interest

	2022	2021
	£'000	£'000
Bank interest received	-	-

5 Investment Income

	2022	2021
	£'000	£'000
Dividend from subsidiary	69	48
Other investment income	75	73
	<u>144</u>	<u>121</u>

6 Charitable Activities

	2022	2021
	£'000	£'000
Donations	9	124
Depreciation	28	28
	<u>37</u>	<u>152</u>

Costs of charitable activities totalling £37,000 (2021: £152,000) were attributable as follows: £9,000 from general unrestricted funds (2021: £124,000); £nil from fixed asset unrestricted funds (2021: £nil) and £28,000 from restricted funds (2021: £28,000).

FRIENDS OF FOLKESTONE ACADEMY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

7 Support Costs

	2022	2021
	£'000	£'000
Legal and professional services	2	6
Audit services	2	1
	<u>4</u>	<u>7</u>

Support costs of £4,000 (2021: £7,000) were attributable to general unrestricted funds and all relate to governance costs.

8 Auditors' remuneration

	2022	2021
	£'000	£'000
Fees payable to the Company's auditors for the audit of the Company's accounts	<u>2</u>	<u>1</u>

9 Staff Costs

No staff were employed during the year and no trustee received remuneration or expenses (2021: none).

10 Tangible fixed assets

	Land and Buildings	Fixtures and Equipment	Total
Cost	£'000	£'000	£'000
At 1 February 2021	1,407	67	1,474
Additions	-	-	-
Written off	-	(47)	(47)
At 31 January 2022	<u>1,407</u>	<u>20</u>	<u>1,427</u>
Depreciation			
At 1 February 2021	236	67	303
Charge	28	-	28
Written off	-	(47)	(47)
At 31 January 2022	<u>264</u>	<u>20</u>	<u>284</u>
Net Book Values			
At 31 January 2022	<u>1,143</u>	<u>-</u>	<u>1,143</u>
At 31 January 2021	<u>1,171</u>	<u>-</u>	<u>1,171</u>

At 31 January 2022 the charity had no capital commitments (2021: £nil).

FRIENDS OF FOLKESTONE ACADEMY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

The land and buildings relate to the Marlowe Innovation Centre. The building 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 attaching to the asset. The charity has an option to acquire the land at the end of the lease term.

Included within tangible fixed assets are land and buildings with a carrying value of £1,143,000 (2021: £1,171,000) that are rented to the charity's wholly owned subsidiary, FFMA (Trading) Limited.

11 Investment in subsidiary undertaking

	2022	2021
	£'000	£'000
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 and Wales, is the trading arm of the charity. Its results for the year were as follows:

	2022	2021
	£'000	£'000
Turnover	279	278
Expenditure	(219)	(212)
Other operating income	1	3
Profit for the year before tax	61	69
Distribution to the charity	(69)	(48)
Retained (loss)/profit	(8)	21
Assets	98	108
Liabilities	(62)	(64)
Shareholders' funds	36	44

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12 Listed investments

	2022	2021
	£'000	£'000
At Cost:		
Opening balance	1,756	1,581
Additions	160	175
Disposals	-	-
Total investments at cost	1,916	1,756
At Market Value:		
Charity Authorised Investment Fund	2,802	2,540
Total investments at market value	2,802	2,540
Movements in investments at market value		
Market value as at 1 February 2021	2,540	2,244
Additions at cost less equalisation	160	175
Disposals	-	-
Unrealised investment gains/(losses)	102	121
Total investments at market value	2,802	2,540

The investments are held in a Sarasin & Partners Charity Authorised Investment Fund. Income received on the investment portfolio during the year comprised of bank interest amounting to £11 (2021: £207) and dividend income of £74,697 (2021: £73,570).

The fixed asset investments in the Sarasin fund are invested in a wide variety of sectors with a significant geographical spread.

13 Current asset investment

	2022	2021
	£'000	£'000
Cash held by S&P LLP	-	10
	-	10

14 Creditors-amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	92	133
Accruals and deferred income	2	2
	94	135

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15 Transactions with Related Parties

The charity received rent of £75,000 (2021: £75,000) in respect of a lease to its subsidiary for its premises located at the Marlowe Innovation Centre. Additionally, the charity received a donation of £69,000 (2021: £48,000) from its subsidiary.

Grants of £9,000 (2021: £124,000) were made to the Folkestone Academy in the year. Two of the trustees of the charity (M Pearce and T Luke MBE) are governors of Folkestone Academy.

16 Statement of Funds

	February 2021 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains & Losses £'000	January 2022 £'000
Restricted Funds						
Fixed Asset Fund	1,171		(28)			1,143
Unrestricted funds						
General Fund	2,598	219	(12)		102	2,907
Fixed Asset Fund	-		-			-
	2,598	219	(12)	-	102	2,907
Total Funds	3,769	219	(40)	-	102	4,050

Of the restricted fixed asset fund, £279,000 (2021: £286,000) relates to grant funding provided by Coastal Communities Fund.

	February 2020 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Gains & Losses £'000	January 2021 £'000
Restricted Funds						
Fixed Asset Fund	1,199	-	(28)	-	-	1,171
Unrestricted funds						
General Fund	2,412	196	(131)	-	121	2,598
Fixed Asset Fund	-	-	-	-	-	-
	2,412	196	(131)	-	121	2,598
Total Funds	3,611	196	(159)	-	121	3,769

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17 Analysis of Net Assets Between Funds

The funds of the charity comprise of the following assets:

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	1,143	1,143	1,171
Fixed asset investments	2,802	-	2,802	2,540
Current assets	199	-	199	193
Creditors due within one year	(94)	-	(94)	(135)
	<u>2,907</u>	<u>1,143</u>	<u>4,050</u>	<u>3,769</u>

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2021	2021	2021	2020
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	1,171	1,171	1,199
Fixed asset investments	2,540	-	2,540	2,244
Current assets	193	-	193	185
Creditors due within one year	(135)	-	(135)	(17)
	<u>2,598</u>	<u>1,171</u>	<u>3,769</u>	<u>3,611</u>