

Registered number: 06523683

FFMA (TRADING) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018



FFMA (TRADING) LIMITED

COMPANY INFORMATION

Directors	Sir R M De Haan Mrs G S Wilson Mrs L Oellermann (appointed 30 June 2017)
Company secretary	Miss F Sharp
Registered number	06523683
Registered office	Marlowe Innovation Centre Marlowe Way Ramsgate Kent CT12 6FA
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 71 New Dover Road Canterbury Kent CT1 3DZ

FFMA (TRADING) LIMITED

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FFMA (TRADING) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2018

The Directors present their report and the financial statements for the year ended 31 January 2018.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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. 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.

Principal activity

The principal activity of the company in the year under review was the operation of the Marlowe Innovation Centre, a facility with offices and light industrial workspaces with small and start-up innovative businesses as tenants.

The centre has a boardroom and a meeting room which are let for meetings, training events and conferences and a hot-desk area for use on a daily basis. The Marlowe Innovation Centre also provides virtual tenancies, where small businesses can have a dedicated phone number and address at the centre, with optional add-ons such as messaging and call and post forwarding. Back Office services can be provided, which include booking appointments for tenants' clients, franking and managing mail-outs and receiving payments.

The Marlowe Innovation Centre was established to support the regeneration of East Kent by offering a supportive environment for small businesses and job creation. FFMA (Trading) Limited is a trading arm of the Friends of Folkestone Academy Ltd, a registered charity and the parent Company. All surplus funds are donated to the charity to help it meet its objectives.

Directors

The Directors who served during the year were:

Sir R M De Haan
Mrs G S Wilson
Mrs L Oellermann (appointed 30 June 2017)

FFMA (TRADING) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2018**

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board and signed on its behalf.



Miss F Sharp
Secretary

Date: 27/7/18

FFMA (TRADING) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FFMA (TRADING) LIMITED

Opinion

We have audited the financial statements of FFMA (Trading) Limited (the 'Company') for the year ended 31 January 2018, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, 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 Company's affairs as at 31 January 2018 and of its profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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

FFMA (TRADING) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FFMA (TRADING) LIMITED
(CONTINUED)**

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.

Opinion 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 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 the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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
- 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 Directors 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 directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the Directors 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 Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

FFMA (TRADING) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FFMA (TRADING) LIMITED
(CONTINUED)**

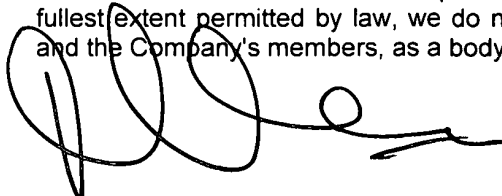
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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.

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 Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



F. Peter Cheney FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

71 New Dover Road
Canterbury
Kent

CT1 3DZ

Date: 21/1/2018

FFMA (TRADING) LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 JANUARY 2018**

	Note	2018 £	As restated 2017 £
Turnover		275,869	249,404
Gross profit		275,869	249,404
Administrative expenses		(222,937)	(197,323)
Operating profit		52,932	52,081
Interest receivable and similar income		15	54
Profit before tax		52,947	52,135
Tax on profit		-	-
Profit after tax		52,947	52,135
Retained earnings at the beginning of the year		19,396	5,261
Profit for the year		52,947	52,135
Dividends declared and paid		(48,000)	(38,000)
Retained earnings at the end of the year		24,343	19,396

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

FFMA (TRADING) LIMITED
REGISTERED NUMBER: 06523683

BALANCE SHEET
AS AT 31 JANUARY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	13,895	12,355
Current assets			
Debtors: amounts falling due within one year	7	28,993	33,368
Cash at bank and in hand		46,371	35,730
		<u>75,364</u>	<u>69,098</u>
Creditors: amounts falling due within one year	8	(64,915)	(62,056)
Net current assets		<u>10,449</u>	<u>7,042</u>
Total assets less current liabilities		<u>24,344</u>	<u>19,397</u>
Net assets		<u>24,344</u>	<u>19,397</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		24,343	19,396
		<u>24,344</u>	<u>19,397</u>

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 and authorised for issue by the board and were signed on its behalf by:



.....
Sir R M De Haan
 Director

Date: 27/1/2018

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

FFMA (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

1. General information

FFMA (Trading) Limited is a members limited liability company incorporated and domiciled in England. The address of the registered office is; The Marlowe Innovation Centre, Marlowe Way, Ramsgate, Kent, CT12 6FA.

The principal activity of the company in the year under review was the operation of the Marlowe Innovation Centre, a facility with offices and light industrial workspaces with small and start-up innovative businesses as tenants.

In the current year, following the triennial review of FRS 102 and issue of guidance as a result, the amounts paid to the parent charity under gift aid are shown as a distribution and consequently disclosed in the Statement of Income and Retained Earnings. The comparative figures have been recategorised accordingly for consistency of presentation.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been presented in round pounds sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to property	-	10% on cost
Fixtures and fittings	-	20% on cost
Office equipment	-	20% /33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.5 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, and loans with related parties.

2.7 Creditors

Short term creditors are measured at the transaction price.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

2. Accounting policies (continued)

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings when received.

2.12 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

The Company pays all profits over to its parent undertaking, Friends of Folkestone Academy Ltd, which is a registered Charity. Therefore no liability arises to corporation tax on the Company's results.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

FFMA (TRADING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

4. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>2,050</u>	<u>2,250</u>

5. Employees

The average monthly number of employees, including directors, during the year was 6 (2017 - 6).

6. Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 February 2017	17,094	1,485	19,423	38,002
Additions	-	-	6,853	6,853
At 31 January 2018	<u>17,094</u>	<u>1,485</u>	<u>26,276</u>	<u>44,855</u>
Depreciation				
At 1 February 2017	10,882	1,485	13,280	25,647
Charge for the year on owned assets	1,709	-	3,604	5,313
At 31 January 2018	<u>12,591</u>	<u>1,485</u>	<u>16,884</u>	<u>30,960</u>
Net book value				
At 31 January 2018	<u>4,503</u>	<u>-</u>	<u>9,392</u>	<u>13,895</u>
At 31 January 2017	<u>6,212</u>	<u>-</u>	<u>6,143</u>	<u>12,355</u>

FFMA (TRADING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

7. Debtors

	2018 £	2017 £
Trade debtors	21,838	24,771
Other debtors	501	3,735
Prepayments and accrued income	6,654	4,862
	<u>28,993</u>	<u>33,368</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	6,851	2,288
Other taxation and social security	10,014	12,384
Other creditors	114	-
Accruals and deferred income	47,936	47,384
	<u>64,915</u>	<u>62,056</u>

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1 Ordinary share share of £1	<u>1</u>	<u>1</u>

10. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £625 (2017: £Nil). Contributions totalling £114 (2017: £Nil) were payable to the fund at the balance sheet date and are included within creditors.

FFMA (TRADING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

11. Commitments under operating leases

At 31 January 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	74,880	74,880
Later than 1 year and not later than 5 years	149,760	224,640
	<u>224,640</u>	<u>299,520</u>

12. Related party transactions**Friends of Folkestone Academy Ltd**

The parent and ultimate controlling party.

During the year the company paid rent of £74,880 (2017: £74,880) in respect of the company's lease of the premises located at the Marlowe Innovation Centre. Additionally, in the year the company distributed £48,000 (2017: £38,000) as donations to the charity.

As at 31st January 2018 there were no amounts due to or from Friends of Folkestone Academy Ltd (2017: £Nil).

13. Controlling party

The Company's parent undertaking and ultimate controlling party is Friends of Folkestone Academy Ltd, which has its registered office at Marlowe Innovation Centre, Marlowe Way, Ramsgate, Kent CT12 6FA.