

**The AIM Foundation**  
**Annual Report**  
**Year ended 31 August 2016**

**Charity number 263294**

# The AIM Foundation

Year ended 31 August 2016

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# **The AIM Foundation**

## **Trustees' Annual Report**

### **Year ended 31 August 2016**

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The Trustees present their Report and Financial Statements for the year ended 31 August 2016. They are satisfied that the Financial Statements comply with the requirements of the Charities Act 2011, the Trust Deed as described below and 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) (effective 1 January 2015) – (Charities SORP (FRS 102)).

#### **Objectives and activities**

The Foundation's objects are to make grants to registered charities, or Community Interest Companies with charitable purposes, specifically covering core funding and supporting charities in transition. The trustees make grants only to charities which have been well researched, to ensure that they are soundly managed and that their project outcomes contributes towards meeting the Foundation's recently reviewed strategic aims and funding programs. A full list of grants is shown in the financial statements.

The trustees' grant making policy is to be highly proactive in seeking out potential partners within the above stated objectives. They confirm that they will make reference to the Charity Commission's general guidance on public benefit when reviewing the grant making policy for the year. In particular they support registered charities operating for public benefit and there is a clear policy of not supporting individuals.

#### **AIM's Mission**

We seek to achieve positive social change by funding organisations working to address today's needs and to prevent problems arising. In order to achieve this overall goal, AIM has a strategy to proactively identify and fund Research and Policy, Prevention and Support work within the newly agreed framework. Across these three strategic ways of working, the Foundation is currently focused on:

- a) Nutrition and Well-being – diet and life style programs to optimise cognitive health
- b) Young People - Improving their Life chances especially around the transition from school to employment
- c) Early Years - Improving the emotional and social development of young children from vulnerable families

The trustees DO NOT UNDER ANY CIRCUMSTANCES respond to unsolicited requests for assistance.

# The AIM Foundation

## Trustees' Annual Report

Year ended 31 August 2016

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### Achievements and performance

#### 1. RESEARCH AND POLICY

We work in collaboration with respected research bodies and think tanks to tackle causes of urgent problems and promote innovative work. We want to ensure that learning is shared as widely as possible and try to influence social change.

Nutrition and Well-Being - Through Health Empowerment Through Nutrition, AIM continues to support work researching and promoting optimum health programs, changing lifestyles and nutrition in order to prevent the development of chronic degenerative diseases. A grant was made of £20,000. In the future it was agreed that the focus would be on researching and promoting the Bredesen's Protocol for reversing cognitive decline in the UK by Dr Rangan Chatterjee.

The last of the current three-year commitment of grants at £55,000 was made to New Economics Foundation for their Well-being policy work. A one-off grant of £25,000 was made to promote the updated research for the Happy Planet Index. Further support to Nef will be reviewed as they are undergoing a strategic reorganization under new leadership.

##### Early Years

A second year grant of £25,000 was made to The Wave Trust, who is trying to break the damaging, inter-generational family cycles of childhood neglect and abuse. We continue to support their social policy work in demonstrating the need for universal early prevention interventions through partnership working in pioneering communities. They want to help midwives and health visitors across a population identify which families need extra support during the period around the birth and offer best practice support to strengthen the early attachment.

#### 2. PREVENTION

We fund core costs of medium sized organization over a number of years that demonstrate strong leadership and are delivering effective work and are looking to increase their impact or scale up. We look for opportunities to leverage their effectiveness.

##### Early Years

The final year grant of £50,000 was made through Impetus-PEF to support their work developing and demonstrating the impact of Family Nurse Partnership. The national unit is now separate from the Department of Health and is a sustainable independent entity that supports young first time mothers to develop attuned parent-infant relationships. Highly trained nurses deliver intensive home visits in order to help the young mothers (over 13,000) from pregnancy through to the child's second birthday.

##### Young People

The second year grant of £25,000 was made through Impetus-PEF to support their on-going preventative work with disadvantaged and disengaged young people. Through many charity partners they continue to build the capacity and impact of these organizations, which are developing the young people's self-confidence, motivation, academic qualifications, and personal qualities in order that they can successfully move into work or further education.

## **The AIM Foundation**

### **Trustees' Annual Report**

**Year ended 31 August 2016**

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#### **Achievements and performance (continued)**

The second year grant of £20,000 was made to The Lighthouse Group (TLG) for their trained volunteer coaching program supporting pupils at risk of failing academically due to emotional and social problems. They have been able to expand their reach by establishing 19 new centers and doubled the number of new coaches trained this year to 205. This has enabled 67% of the children to be better behaved and 63% feel more positive about school.

The second grant of £10,000 was made to The Who Cares? Trust (now known as Become). 23 care experienced young people have already gained new skills and improved their self-confidence through the presentation skills training the AIM grant funded. These presenters then shared their experiences at many conferences, which has helped improve the practice of hundreds of professionals in the care sector to benefit future children in care.

#### **3. SUPPORT**

Aim intends to support unpopular causes, people who are disadvantaged and small local groups or initiatives through this strand. The focus is on people living in Essex, as this is where AIM's endowment funds were generated and the Founder Trustees live.

The Children's Society in East Anglia was supported for the third year (£15,000) it's Community Hidden Harm Awareness Team, which improves the physical and emotional wellbeing of children and young people whose parents are misusing substances. The grant enabled them to match funds from the Big Lottery – Reaching Communities Fund, so that they can respond to the 347 referrals they receive of vulnerable children who are experiencing abuse, domestic violence, neglect, underachievement at school and prone to truancy. They have been able to deliver 25 programs of targeted group work, as well as many awareness events.

The second year's grant of £27,000 was made via Essex Community Foundation towards their collaborative work employing independent domestic violence advocates. These advocates are based in local acute hospitals in Basildon and Colchester to provide direct support to victims of abuse and training to NHS staff. They have focused on increasing the awareness in A & E and maternity departments so victims are identified and provided with the appropriate specialist support. Chelmsford and Southend hospital are also introducing this service.

East Anglia's Children Hospice (EACH) in Ipswich was given its last grant of £5000 towards the cost of a canopy in the gardens.

Wells for India is a small but very effective grass-roots organization that provides safe clean water to rural communities. We continue to support this community development in areas of great economic hardship with an annual grant of £10,000.

#### **4. GIFTS**

Some small grants are awarded at the discretion of individual trustees. Some of these may be made as a way of researching and learning about new areas of funding. These are included in the full list in the annual report.

## The AIM Foundation

### Trustees' Annual Report

Year ended 31 August 2016

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#### Financial review

The results include the audited financial statements of Cytoplan Limited (formally trading as Nature's Own Limited) and its wholly owned subsidiary, Nature's Own Limited (formally trading as Cytoplan Limited). Its pro forma results are detailed in Note 5. No gift aid payment has been made to charity parent this year

The consolidated surplus for the year is £717,505 (2015: £154,919).

The charity's own surplus for the year is £650,256 (2015: £148,429). Both periods saw gains on listed investments (2016: £727,979; 2015: £232,083).

The charity has made grants in this period of £322,700 (2015: £327,000), further details of which are set out in Note 19.

Total funds have increased in the year by £717,505, so that consolidated funds are in excess of £11m.

#### Reserves policy

The trustees aim to hold sufficient reserves to make grants in line with the charitable objectives. The annual grants are paid from the investment income supported by the charities unrestricted reserves as they see fit.

The charity's unrestricted funds of £10,252,069 is represented by investments, and it is the policy of the trustees to preserve the real value of the investments for future generations of beneficiaries.

#### Investment policy

##### *Quoted investments*

The trustees' investment policy is for the charity's portfolio to achieve a total return from both income and capital growth, whilst employing a medium- risk investment strategy.

Historically, the portfolio has largely been invested in equities via collective investment schemes such as unit trusts and open ended investment companies. These vehicles provide wide investment diversification which reduces investment risk. The funds included in the portfolio are operated by reputable fund management groups, and managed on a daily basis by some of the most talented investment managers in the UK, in turn supported by analysts and in many cases also by risk management teams. The funds selected for the portfolio have delivered consistent investment returns across the economic cycle.

Of the equity exposure 10.08% is in ethical funds. Historically, £150,000 has been remitted from the total portfolio to the AIM bank account with Coutts & Co to meet the trustees' grant making requirements. Consequently, income generated by the portfolios is not reinvested.

The performance of the portfolios and asset allocation are reviewed quarterly by the trustees with the portfolio manager and performance is compared against the WM Charities Total Return benchmark (which includes reinvested income).

A decision has been taken to exclude bond and fixed interest investments from the MICL portfolio for the time being, and replaced by absolute return funds which have a lower correlation with equity investments.

## **The AIM Foundation**

### **Trustees' Annual Report**

**Year ended 31 August 2016**

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The initial terms of the settlement are such that the trustees may pay out or apply the income and the whole part of the capital of the trust fund to charitable bodies for charitable purposes. The trustees have wide powers of investment and to that end the trustees employ two professional fund managers to invest the capital of the Foundation on the world's stock markets with a social, ethical and environmental emphasis. The performance of the fund managers is monitored closely by the trustees on a quarterly basis.

The trustees have assessed the major risks to which the Foundation is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks

#### *Unquoted investments*

The WHEB Fund and the investment in Aquaspy are both unquoted investments and represent a higher risk, however this is as part of the overall portfolio held and therefore is considered part of the trustees overall medium risk strategy.

#### **Structure, governance and management**

The Foundation was established by a charitable trust deed on 3 September 1971, and was known as the Ian Roy Marks Charitable Trust. The name was changed by a trustees' resolution to The AIM Foundation on 14 April 1993.

The trustees who served during the year were:

Ian Marks CBE DL  
Angela Marks  
Philippa Bailey  
Caroline Marks  
Joanna Precious  
Nicholas Marks

There are currently six trustees, which completes the original trustees' plans for succession.

# The AIM Foundation

## Trustees' Annual Report

Year ended 31 August 2016

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### Reference and administrative details

|                             |  |
|-----------------------------|--|
| Charity registration number | 263294   |
| Trustees                    | Ian Marks CBE DL<br>Angela Marks<br>Philippa Bailey<br>Caroline Marks<br>Joanna Precious<br>Nicholas Marks |
| Principal Office            | Vantage Point<br>Woodwater Park<br>Pynes Hill<br>Exeter<br>EX2 5FD   |
| Bankers                     | Coutts & Co<br>440 Strand<br>London<br>EX4 3ZB   |
| Solicitors                  | Farrer & Co<br>66 Lincoln Fields<br>London<br>WC2A 3LH   |
| Auditors                    | PKF Francis Clark<br>Vantage Point<br>Woodwater Park<br>Pynes Hill<br>Exeter<br>EX2 5FD                    |

## **The AIM Foundation**

### **Trustees' Annual Report**

**Year ended 31 August 2016**

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#### **Statement of Trustees' Responsibilities**

The law applicable to charities in England and Wales 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 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 UK 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 which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and the regulations made under s154 of the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Report was approved by the trustees and signed on their behalf by:

N MARKS

Date: 16 May 2017

## **The AIM Foundation**

### **Independent Auditor's Report to the Trustees**

**Year ended 31 August 2016**

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We have audited the financial statements of The AIM Foundation for the year ended 31 August 2016 which comprise the Consolidated Statement of Financial Activities, Consolidated and Parent Charitable Company Balance Sheets, Consolidated statement of Cash Flows 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 charity's trustees, as a body, in accordance with section 151 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 company and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of Trustees and Auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, 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.

We have been appointed auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 (APB'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 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 annual report to identify material inconsistencies with the audited financial statements. 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 of the parent charity's affairs as at 31 August 2016 and of the group's 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 Charities Act 2011.

## **The AIM Foundation**

### **Independent Auditor's Report to the Trustees**

**Year ended 31 August 2016**

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#### **Matters on Which We are Required to Report by Exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

SEAN GRINSTED  
Senior Statutory Auditor  
For and on behalf of  
PKF Francis Clark  
Vantage Point  
Woodwater Park  
Pynes Hill  
EXETER  
EX2 5FD

Date 20 June 2017

## The AIM Foundation

### Consolidated Statement of Financial Activities

Year Ended 31 August 2016

|   | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|---|------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income</b>   |      |                            |                          |                    |                    |
| Donations and legacies                                    |      | 130,002                    | -                        | <b>130,002</b>     | 26,995             |
| <i>Income from other trading activities:</i>              |      |                            |                          |                    |                    |
| Commercial trading operations                             | 5    | 4,002,123                  | -                        | <b>4,002,123</b>   | 3,564,166          |
| Investment income   | 3    | 189,491                    | -                        | <b>189,491</b>     | 175,338            |
| Other income  | 4    | 1,333                      | -                        | <b>1,333</b>       | 8,977              |
| <b>Total income</b>                                       |      | <b>4,322,949</b>           | <b>-</b>                 | <b>4,322,949</b>   | <b>3,775,476</b>   |
| <b>Expenditure</b>  |      |                            |                          |                    |                    |
| <i>Expenditure on raising funds:</i>                      |      |                            |                          |                    |                    |
| Commercial trading operations                             | 5    | 3,934,874                  | -                        | <b>3,934,874</b>   | 3,432,675          |
| Investment management costs                               |      | 67,644                     | -                        | <b>67,644</b>      | 88,255             |
| Expenditure on charitable activities                      | 6    | 330,905                    | -                        | <b>330,905</b>     | 331,710            |
| <b>Total expenditure</b>                                  |      | <b>4,333,423</b>           | <b>-</b>                 | <b>4,333,423</b>   | <b>3,852,640</b>   |
| Net gains/ (losses) on investments                        | 9    | 727,979                    | -                        | <b>727,979</b>     | 232,083            |
| <b>Net income/(expenditure) and net movement in funds</b> |      | <b>717,505</b>             |                          | <b>717,505</b>     | <b>154,919</b>     |
| <b>Reconciliation of funds</b>                            |      |                            |                          |                    |                    |
| Total funds brought forward                               | 14   | 9,534,564                  | 910,000                  | <b>10,444,564</b>  | 10,289,645         |
| <b>Total funds carried forward</b>                        | 14   | <b>10,252,069</b>          | <b>910,000</b>           | <b>11,162,069</b>  | <b>10,444,564</b>  |

All income and expenditure for the previous year was unrestricted.

# The AIM Foundation

## Balance Sheets

31 August 2016

|   | Note | 2016              |                   | 2015              |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|
|   |      | Consolidated<br>£ | Charity<br>£      | Consolidated<br>£ | Charity<br>£      |
| <b>Fixed assets</b>                                   |      |                   |                   |                   |                   |
| Tangible assets                                       | 8    | 399,417           | 1                 | 368,608           | 1                 |
| Investments   | 9    | 8,878,365         | 9,788,365         | 8,643,872         | 9,553,872         |
|   |      | <u>9,277,782</u>  | <u>9,788,366</u>  | <u>9,012,480</u>  | <u>9,553,873</u>  |
| <b>Current assets</b>                                 |      |                   |                   |                   |                   |
| Stocks  | 10   | 708,796           | -                 | 685,084           | -                 |
| Debtors   | 11   | 340,885           | 12,649            | 263,675           | 12,649            |
| Cash at bank and in hand                              |      | 1,415,138         | 884,183           | 974,747           | 472,798           |
|   |      | <u>2,464,819</u>  | <u>896,832</u>    | <u>1,923,506</u>  | <u>485,447</u>    |
| <b>Creditors: amounts falling due within one year</b> | 12   | <b>(545,233)</b>  | <b>(9,906)</b>    | <b>(467,884)</b>  | <b>(14,284)</b>   |
| <b>Net current assets</b>                             |      | <u>1,919,586</u>  | <u>886,926</u>    | <u>1,455,622</u>  | <u>471,163</u>    |
| <b>Total assets less current liabilities</b>          |      | <b>11,197,368</b> | 10,675,292        | <b>10,468,102</b> | 10,025,036        |
| <b>Provisions: Deferred taxation</b>                  | 13   | <b>(35,299)</b>   | -                 | <b>(23,538)</b>   | -                 |
| <b>Net assets</b>                                     |      | <u>11,162,069</u> | <u>10,675,292</u> | <u>10,444,564</u> | <u>10,025,036</u> |
| <b>Funds</b>  |      |                   |                   |                   |                   |
| Restricted funds                                      | 14   | 910,000           | 910,000           | 910,000           | 910,000           |
| Unrestricted funds                                    | 14   | 10,252,069        | 9,765,292         | 9,534,564         | 9,115,036         |
| <b>Total funds</b>                                    |      | <u>11,162,069</u> | <u>10,675,292</u> | <u>10,444,564</u> | <u>10,025,036</u> |

The financial statements on pages 11 to 25 were approved by the trustees on 16 May 2017 and signed on their behalf by:-

C MARKS

Trustee

## The AIM Foundation

### Statement of Cash Flows

31 August 2016

|   | Group<br>2016<br>£      | Group<br>2015<br>£    |
|---|-------------------------|-----------------------|
| <b>Cash flows from operating activities</b>                 |                         |                       |
| Net income for the year                                     | 717,505                 | 154,919               |
| Adjustments:  |                         |                       |
| Depreciation  | 72,670                  | 65,090                |
| Gains on investments  | (727,979)               | (232,083)             |
| Loss on sale of assets                                      | 21,595                  | 3,519                 |
| Corporation tax expense                                     | 23,993                  | 5,882                 |
|   | <u>107,784</u>          | <u>(2,673)</u>        |
| Working capital adjustments:                                |                         |                       |
| Increase in stock   | (23,712)                | (133,608)             |
| (Increase)/Decrease in debtors                              | (77,210)                | 1,728                 |
| Increase in creditors                                       | 65,117                  | 67,410                |
|   | <u>71,979</u>           | <u>(67,143)</u>       |
| <b>Net cash provided by operating activities</b>            |                         |                       |
| Cash flows from investing activities                        |                         |                       |
| Acquisition of tangible assets                              | (125,074)               | (105,479)             |
| Acquisition of fixed asset investments                      | (2,200,111)             | (2,125,466)           |
| Proceeds from sale of tangible assets                       | -                       | 182                   |
| Proceeds from sale of fixed asset investments               | 2,693,597               | 2,197,355             |
|   | <u>368,412</u>          | <u>(33,408)</u>       |
| Net cash flows from investing activities                    |                         |                       |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>440,391</b>          | <b>(100,551)</b>      |
| Cash and cash equivalents at 1 September                    | <u>974,747</u>          | <u>1,075,298</u>      |
| Cash and cash equivalents at 31 August                      | <u><u>1,415,138</u></u> | <u><u>974,747</u></u> |

## The AIM Foundation

### Notes to the Financial Statements

**31 August 2016**

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**1) General information**

The AIM Foundation is a private trust, registered as a charity. Details of the charity including the registered office is shown in Reference and Administrative details in the Trustees report.

**2) Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:-

**a) Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments.

The financial statements have been prepared 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) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trustees have assessed the charity's activities with regard to the Charity Commission's guidance on public benefit. The AIM foundation meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared on a going concern basis and the Trustees are not aware of any material uncertainties that would cast doubt on the charity's ability to continue as a going concern.

The functional currency of The AIM Foundation is considered to be Pounds Sterling as that is the currency of the primary economic environment in which the foundation operates.

**b) Reconciliation with previous Generally Accepted Accounting Practise**

The charity's financial statements have been prepared in accordance with FRS102 – the Financial Reporting Standard applicable in the UK and Republic of Ireland. The charity has transferred from previous extant UK GAAP to FRS 102 as at 1 September 2015. There is no material impact on the reported financial position and financial performance. There are no material departures from FRS 102.

**c) Group accounts**

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, Cytoplan Limited (formally trading as Nature's own Limited) and Nature's Own Limited (formally trading as Cytoplan Limited), on a line by line basis. The subsidiaries are both registered companies incorporated in England and Wales.

The AIM foundation has taken advantage of the exemption not to prepare a cash flow statement for the parent charity entity, as consolidated financial statements have been prepared and the members have not objected to the exemption being taken.

**d) Funds structure**

The restricted fund represents assets held for a specific purpose.

Unrestricted funds comprise accumulated surpluses and deficits on general funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

## The AIM Foundation

### Notes to the Financial Statements

31 August 2016

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#### Accounting policies (continued)

##### e) Income

All income is included in the Statement of Financial Resources (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

- Donations and legacies is received by way of donations and gifts and is included in full in the Statement of Financial Activities, where receivable.
- Grants where entitlement is not conditional on the delivery of specific performance by the charity are recognised when the charity is entitled to the grant
- income from trading activities is included in the SOFA in the period to which it relates

##### f) Financial Instruments

Financial assets and liabilities are recognised/(derecognised) when the charity becomes/(ceases to become) party to the contractual provisions of the instrument. The charity holds the following basic financial assets and liabilities:

- Short term debtors and creditors  
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.
- Fixed asset investments qualifying as basic financial instruments  
Non-basic equity investments are measured at fair value through income and expenditure.

Other financial instruments not qualifying as basic

- Convertible loan stock has been recognised as a non-basic investment. All non-basic investments are carried at fair value except to the extent that a reliable measurement of fair value cannot be established, in which case the investment is carried at cost less impairment.

##### g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings which aggregate all costs related to the category. Grants payable represent amounts committed for charitable purposes to institutions in the financial period.

##### h) Fixed assets

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

## The AIM Foundation

### Notes to the Financial Statements

31 August 2016

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#### Accounting policies (continued)

##### i) Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

|                       |                                    |
|-----------------------|------------------------------------|
| Leasehold buildings   | - straight line over 5 to 25 years |
| Fixtures and fittings | - straight line over 3 - 25 years  |
| Plant and machinery   | - straight line over 3 - 10 years  |
| Motor vehicles        | - straight line over 3 - 5 years   |
| Computer equipment    | - straight line over 3 - 5 years   |

##### j) Stocks

Stock is included at the lower of cost or net realisable value, after making due allowance for obsolete and slow-moving items. Cost comprises all direct expenditure including variable overheads.

##### k) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

##### l) Pension costs

The trading subsidiaries operate a defined contribution scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the Statement of Financial Activities (SOFA). The charity itself has no employees.

##### m) Irrecoverable VAT

Irrecoverable VAT is charged as a cost within the Statement of Financial Activities.

## The AIM Foundation

### Notes to the Financial Statements

31 August 2016

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#### 3) Investment income

|                                | Total<br>2016<br>£ | Total<br>2015<br>£ |
|--------------------------------|--------------------|--------------------|
| Income from listed investments | 189,295            | 174,849            |
| Interest receivable - charity  | 196                | 489                |
|                                | <u>189,491</u>     | <u>175,338</u>     |

#### 4) Other income

|                     | Total<br>2016<br>£ | Total<br>2015<br>£ |
|---------------------|--------------------|--------------------|
| Rebated commissions | 1,183              | 8,977              |
| Miscellaneous       | 150                | -                  |
|                     | <u>1,333</u>       | <u>8,977</u>       |

#### 5) Investment in subsidiaries

##### **Cytoplan Limited (formally trading as Nature's Own Limited) / Nature's Own Limited (formally trading as Cytoplan Limited)**

The wholly-owned trading subsidiaries are incorporated in the United Kingdom. Nature's Own limited (formally trading as Cytoplan Limited) is a wholly-owned subsidiary of Cytoplan Limited (formally trading as Nature's Own Limited). The principal activity of both companies is the supply of vitamin, mineral and enzyme preparations. The pro forma consolidated results are as follows:

|   | 2016<br>£        | 2015<br>£        |
|---|------------------|------------------|
| <b>Summary profit and loss account</b>                  |                  |                  |
| Turnover  | 4,002,123        | 3,564,166        |
|   | <u>4,002,123</u> | <u>3,564,166</u> |
| Cost of sales, distribution and administrative expenses | (3,889,285)      | (3,423,274)      |
|   | <u>112,838</u>   | <u>140,892</u>   |
| Operating profit / (loss)                               |                  |                  |
|   | 112,838          | 140,892          |
| Gift aid payable to parent charity                      | -                | (125,000)        |
| Loss on disposal of tangible fixed assets               | (21,596)         | (3,519)          |
| Taxation  | (23,993)         | (5,882)          |
|   | <u>67,249</u>    | <u>6,491</u>     |
| Retained profit / (loss) for the year                   |                  |                  |
|   | <u>67,249</u>    | <u>6,491</u>     |

# The AIM Foundation

## Notes to the Financial Statements

31 August 2016

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### 5) Investment in subsidiaries (continued)

**The assets and liabilities of the subsidiaries were:**

|  |             |             |
|--|-------------|-------------|
| Tangible fixed assets                          | 629,195     | 368,607     |
| Current assets                                 | 2,174,687   | 1,438,059   |
| Creditors: amounts falling due within one year | (1,142,027) | (453,600)   |
|  | <hr/>       | <hr/>       |
| Total assets less current liabilities          | 1,661,855   | 1,353,066   |
| Deferred taxation                              | (35,299)    | (23,538)    |
|  | <hr/>       | <hr/>       |
| Aggregate share capital and reserves           | 1,626,556   | 1,329,528   |
|  | <hr/> <hr/> | <hr/> <hr/> |

### 6) Charitable activities

|                                       | Total<br>2016<br>£ | Total<br>2015<br>£ |
|---------------------------------------|--------------------|--------------------|
| Grants payable (note 19)              | 322,700            | 327,000            |
| Bank charges                          | 510                | 150                |
| PG Cert Course grant                  | 2,925              | -                  |
| Association of Charitable Foundations | 270                | -                  |
| Governance costs:                     |                    |                    |
| Audit and accountancy                 | 4,500              | 4,560              |
|                                       | <hr/>              | <hr/>              |
|                                       | 330,905            | 331,710            |
|                                       | <hr/> <hr/>        | <hr/> <hr/>        |

### 7) Staff costs

Total staff costs were as follows:

|                       | 2016<br>£   | 2015<br>£   |
|-----------------------|-------------|-------------|
| Wages and salaries    | 938,723     | 832,246     |
| Social security costs | 87,529      | 110,244     |
| Pension payments      | 54,689      | 54,367      |
|                       | <hr/>       | <hr/>       |
|                       | 1,080,941   | 996,857     |
|                       | <hr/> <hr/> | <hr/> <hr/> |

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

|              | 2016<br>No. | 2015<br>No. |
|--------------|-------------|-------------|
| Subsidiaries | 39          | 32          |
|              | <hr/> <hr/> | <hr/> <hr/> |

## The AIM Foundation

### Notes to the Financial Statements

#### 31 August 2016

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##### 7) Staff costs (continued)

There were no employees of the charity in either period. Trustees are not remunerated. No expenses were paid to any trustee in the period.

The trustees consider the Board of Trustees comprise the key management personnel.

Total staff costs includes compensation for loss of office of £14,263.

##### 8) Tangible fixed assets

###### Charity

|                          | <b>Computers</b> | <b>Total</b> |
|--------------------------|------------------|--------------|
|                          | <b>£</b>         | <b>£</b>     |
| <b>Cost</b>              |                  |              |
| At 1 September 2015      | 2,903            | 2,903        |
| Additions                | -                | -            |
|                          | <hr/>            | <hr/>        |
| <b>At 31 August 2016</b> | <b>2,903</b>     | <b>2,903</b> |
|                          | <hr/> <hr/>      | <hr/> <hr/>  |
| <b>Depreciation</b>      |                  |              |
| At 1 September 2015      | 2,902            | 2,902        |
| Charge for the year      | -                | -            |
|                          | <hr/>            | <hr/>        |
| <b>At 31 August 2016</b> | <b>2,902</b>     | <b>2,902</b> |
|                          | <hr/> <hr/>      | <hr/> <hr/>  |
| <b>Net book value</b>    |                  |              |
| <b>At 31 August 2016</b> | <b>1</b>         | <b>1</b>     |
|                          | <hr/> <hr/>      | <hr/> <hr/>  |
| At 31 August 2015        | 1                | 1            |
|                          | <hr/> <hr/>      | <hr/> <hr/>  |

# The AIM Foundation

## Notes to the Financial Statements

31 August 2016

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### 8) Tangible fixed assets (continued)

| Group                    | Improvements<br>to leasehold<br>property<br>£ | Plant and<br>equipment<br>£ | Computers<br>£ | Total<br>£     |
|--------------------------|---|-----------------------------|----------------|----------------|
| <b>Cost</b>              |   |                             |                |                |
| At 1 September 2015      | 213,224                                       | 441,052                     | 2,903          | 657,179        |
| Additions                | 7,483   | 117,591                     | -              | 125,074        |
| Disposals                | -   | (61,803)                    | -              | (61,803)       |
| <b>At 31 August 2016</b> | <b>220,707</b>                                | <b>496,840</b>              | <b>2,903</b>   | <b>720,450</b> |
| <b>Depreciation</b>      |   |                             |                |                |
| At 1 September 2015      | 52,766  | 232,903                     | 2,902          | 288,571        |
| Charge for the year      | 25,191  | 47,479                      | -              | 72,670         |
| On disposals             | -   | (40,208)                    | -              | (40,208)       |
| <b>At 31 August 2016</b> | <b>77,957</b>                                 | <b>240,174</b>              | <b>2,902</b>   | <b>321,033</b> |
| <b>Net book value</b>    |   |                             |                |                |
| <b>At 31 August 2016</b> | <b>142,750</b>                                | <b>256,666</b>              | <b>1</b>       | <b>399,417</b> |
| At 31 August 2015        | 160,458                                       | 208,149                     | 1              | 368,608        |

# The AIM Foundation

## Notes to the Financial Statements

31 August 2016

### 9) Fixed assets – Investments

|                                    | Unlisted investment | Walker Crisps  | Marlborough Consultants | Wheb Ventures (unlisted) | Aquaspy       | Total             |
|------------------------------------|---------------------|----------------|-------------------------|--------------------------|---------------|-------------------|
|                                    | £                   | £              | £                       | £                        | £             | £                 |
| <b>Charity</b>                     |                     |                |                         |                          |               |                   |
| Market value b/f                   | 910,000             | 853,125        | 7,584,993               | 205,754                  | -             | 9,553,872         |
| Additions                          | -                   | 5,014          | 2,120,364               | -                        | 54,917        | 2,180,295         |
| Disposals                          | -                   | (35,465)       | (2,638,316)             | -                        | -             | (2,673,781)       |
| Realised gain / (loss) on disposal | -                   | (12,124)       | (97,149)                | -                        | -             | (109,273)         |
| Unrealised gain / (loss)           | -                   | 99,647         | 770,570                 | (32,965)                 | -             | 837,252           |
| <b>At 31 August 2016</b>           | <b>910,000</b>      | <b>910,197</b> | <b>7,740,462</b>        | <b>172,789</b>           | <b>54,917</b> | <b>9,788,365</b>  |
| <b>Group</b>                       |                     |                |                         |                          |               |                   |
| <b>At 31 August 2016</b>           |                     | <b>910,197</b> | <b>7,740,462</b>        | <b>172,789</b>           | <b>54,917</b> | <b>8,878,365</b>  |
| At 31 August 2015                  |                     | 853,125        | 7,584,993               | 205,754                  | -             | 8,643,872         |
| <b>Historical cost</b>             |                     |                |                         |                          |               |                   |
| <b>At 31 August 2016</b>           | <b>910,000</b>      | <b>501,773</b> | <b>6,222,765</b>        | <b>792,319</b>           | <b>54,917</b> | <b>10,962,868</b> |
| At 31 August 2015                  | 910,000             | 508,177        | 6,550,231               | 792,319                  | -             | 8,760,727         |

The value of listed investments at 31 August 2016 was £8,650,659 (2015: £8,438,118). All listed investments are listed in the UK stock exchange and are valued at market value.

Wheb Ventures has been valued by the investment manager.

The Aquaspy investment is convertible loan stock. This is measured at cost less impairment as a reliable measurement of fair value could not be established.

### 10) Stocks

|                | Group 2016 | Charity 2016 | Group 2015 | Charity 2015 |
|----------------|------------|--------------|------------|--------------|
|                | £          | £            | £          | £            |
| Finished goods | 708,796    | -            | 685,084    | -            |

## The AIM Foundation

### Notes to the Financial Statements

31 August 2016

#### 11) Debtors

|               | Group<br>2016<br>£ | Charity<br>2016<br>£ | Group<br>2015<br>£ | Charity<br>2015<br>£ |
|---------------|--------------------|----------------------|--------------------|----------------------|
| Trade debtors | 195,869            | -                    | 127,492            | -                    |
| Other debtors | 145,016            | 12,649               | 136,183            | 12,649               |
|               | <u>340,885</u>     | <u>12,649</u>        | <u>263,675</u>     | <u>12,649</u>        |

#### 12) Creditors: amounts falling due within one year

|                                    | Group<br>2016<br>£ | Charity<br>2016<br>£ | Group<br>2015<br>£ | Charity<br>2015<br>£ |
|------------------------------------|--------------------|----------------------|--------------------|----------------------|
| Trade creditors                    | 184,475            | -                    | 173,484            | -                    |
| Corporation tax creditor           | 12,232             | -                    | -                  | -                    |
| Other taxation and social security | 178,470            | -                    | 160,159            | -                    |
| Other creditors                    | 160,150            | -                    | 119,957            | -                    |
| Accruals and deferred income       | 9,906              | 9,906                | 14,284             | 14,284               |
|                                    | <u>545,233</u>     | <u>9,906</u>         | <u>467,884</u>     | <u>14,284</u>        |

#### 13) Provisions – Deferred taxation

|                                | Consolidated<br>£    |
|--------------------------------|----------------------|
| At 1 September 2015            | 23,538               |
| Charge / (credit) for the year | 11,761               |
| <b>At 31 August 2016</b>       | <u><b>35,299</b></u> |

Deferred taxation arises in respect of fixed asset timing differences for corporation tax purposes in Cytoplasm Limited (formally trading as Nature's Own Limited).

# The AIM Foundation

## Notes to the Financial Statements

31 August 2016

### 14) Funds

#### Unrestricted funds

|                                 | Balance at<br>1 Sep 2015<br>£ | Incoming<br>resources<br>£ | Outgoing<br>resources<br>£ | Investment<br>movements<br>£ | Balance at<br>31 Aug 2016<br>£ |
|---------------------------------|-------------------------------|----------------------------|----------------------------|------------------------------|--------------------------------|
| Charity                         | 9,115,036                     | 320,826                    | (398,549)                  | 727,979                      | 9,765,292                      |
| Subsidiaries                    | 419,528                       | 4,002,123                  | (3,934,874)                | -                            | 486,777                        |
| <b>Total unrestricted funds</b> | <b>9,534,564</b>              | <b>4,322,949</b>           | <b>(4,333,423)</b>         | <b>727,979</b>               | <b>10,252,069</b>              |

#### Restricted Funds

|                               | Balance at<br>1 Sep 2015<br>£ | Incoming<br>resources<br>£ | Outgoing<br>resources<br>£ | Transfers<br>£ | Balance at<br>31 Aug 2016<br>£ |
|-------------------------------|-------------------------------|----------------------------|----------------------------|----------------|--------------------------------|
| <b>Total restricted funds</b> | 910,000                       | -                          | -                          | -              | 910,000                        |
| <b>Total funds</b>            | <b>910,000</b>                | <b>-</b>                   | <b>-</b>                   | <b>-</b>       | <b>910,000</b>                 |

The charity owns 100% of the issued share capital of Cytoplan Limited (formally trading as Nature's Own Limited) which in turn owns 100% of the issued share capital of Nature's Own Limited (formally trading as Cytoplan Limited). These companies provide uniquely bio effective "food state" nutritional supplements which are designed to compensate for known dietary shortfalls in the population which predispose to western diseases. The goal of this work is to help optimise the health of the nation.

The investment described above is held subject to restrictive conditions imposed by the donors. The market value of the shares at the date of the original gift has been estimated by the trustees.

### 15) Analysis of group net assets between funds

|                          | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>£ |
|--------------------------|----------------------------|--------------------------|---------------------|
| Fixed assets             | 8,367,782                  | 910,000                  | 9,277,782           |
| Cash at bank and in hand | 1,415,138                  | -                        | 1,415,138           |
| Other net current assets | 504,448                    | -                        | 504,448             |
| Long term liabilities    | (35,299)                   | -                        | (35,299)            |
|                          | <b>10,252,069</b>          | <b>910,000</b>           | <b>11,162,069</b>   |

# The AIM Foundation

## Notes to the Financial Statements

31 August 2016

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### 16) Financial Instruments

#### Categorisation of financial instruments

##### Group

|  | 2016<br>£        | 2015<br>£        |
|--|------------------|------------------|
| <b>Financial assets:</b>   |                  |                  |
| Equity instruments measured at fair value through income and expense | 8,878,365        | 8,643,872        |
| Debt instruments measured at amortised cost                          | 340,885          | 263,675          |
|  | <u>9,219,250</u> | <u>8,907,547</u> |
| <b>Financial Liabilities:</b>  |                  |                  |
| Measured at amortised cost   | <u>344,625</u>   | <u>293,441</u>   |

### 17) Other financial commitments

At 31 August 2016 there were total commitments under non-cancellable operating leases as set out below:

|                         | Group          |                | Charity           |                   |
|-------------------------|----------------|----------------|-------------------|-------------------|
|                         | 2016<br>£      | 2015<br>£      | 2016<br>£         | 2015<br>£         |
| <i>Amounts payable:</i> |                |                |                   |                   |
| Within one year         | 92,528         | 80,959         | -                 | -                 |
| In two to five years    | 390,708        | 366,387        | -                 | -                 |
| Over five years         | 228,000        | 323,000        | -                 | -                 |
|                         | <u>711,236</u> | <u>770,346</u> | <u>          </u> | <u>          </u> |

### 18) Related Party Transactions

The Foundation's policy is that, where trustees or their immediate family have a connection with recipient organisations, they should declare their interest. In the period the following grants were made:

|                                      |                         |
|--------------------------------------|-------------------------|
| New Economics Foundation             | £80,000 (2015: £55,000) |
| Health Empowerment Through Nutrition | £20,000 (2015: £Nil)    |
| Devon Community Foundation           | £5,000 (2015: £5,000)   |
| Essex Community Foundation           | £27,000 (2015: £27,000) |

## The AIM Foundation

### Notes to the Financial Statements

31 August 2016

| 19) Grants payable to institutions   | 2016           | 2015           |
|--------------------------------------|----------------|----------------|
|                                      | £              | £              |
| <b>Research and Campaigning</b>      |                |                |
| <b>Nutrition and Well-being</b>      |                |                |
| Health empowerment Through Nutrition | 20,000         | -              |
| New Economics Foundation             | 80,000         | 55,000         |
| <b>Environment</b>                   |                |                |
| The Gaia Foundation                  | -              | 10,000         |
| <b>Early Years</b>                   |                |                |
| The Wave Trust                       | 25,000         | 25,000         |
| <b>Prevention</b>                    |                |                |
| <b>Early Years</b>                   |                |                |
| Impetus-PEF                          | 50,000         | 50,000         |
| <b>Young People</b>                  |                |                |
| Impetus-PEF                          | 25,000         | 25,000         |
| The Lighthouse Group                 | 20,000         | 20,000         |
| The Who Cares? Trust                 | 10,000         | 10,000         |
| Wilderness Foundation UK             | -              | 5,000          |
| Pioneer Sailing Trust                | -              | 10,000         |
| Cirdon Sailing Trust                 | 2,000          | 2,000          |
| <b>Support</b>                       |                |                |
| <b>Young People</b>                  |                |                |
| The Children's Society               | 15,000         | 45,000         |
| Essex Community Foundation           | 27,000         | 27,000         |
| East Anglian Children's Hospice      | 5,000          | 5,000          |
| Growing Wild Cornwall                | -              | 5,000          |
| <b>Community</b>                     |                |                |
| Wells For India                      | 10,000         | -              |
| Devon Community Foundation           | 5,000          | 5,000          |
| Families in Focus                    | 5,000          | 5,000          |
| Friends of the Poor South India      | -              | 2,000          |
| The Silver Line                      | 6,000          | 1,000          |
| <b>Gifts</b>                         |                |                |
| Sports Aid                           | -              | 10,000         |
| Duchenne Children's Trust            | 5,000          | -              |
| St Clare Hospice                     | 5,000          | -              |
| Other Grants < £2,000                | 7,700          | 10,000         |
|                                      | <b>322,700</b> | <b>327,000</b> |