



The AIM Foundation

Annual Report

Year ended 31 August 2018

Charity number 263294

The AIM Foundation
Year ended 31 August 2018

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The AIM Foundation

Trustees' Annual Report

Year ended 31 August 2018

The Trustees present their Report and Financial Statements for the year ended 31 August 2018. 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, usually contributing towards core costs of medium sized organisations where we feel our multi-year funding can help build capacity. The trustees make grants only to charities which have been pro-actively sought, sometimes in collaboration with other funders, and well researched, to ensure that they are soundly managed and that their project outcomes contribute towards meeting the Foundation's strategic aims and funding programmes. A full list of grants is shown at the end of 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 overall aim is to support work to promote wellbeing 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 identify and fund Research and Policy, Prevention and Support work within the agreed framework.

Across these three strategic strands of working, the Foundation is currently focused on:

- a) **Nutrition for Health and Wellbeing** – increase the understanding of the importance of nutrition and life-style for health and wellbeing
- b) **Young People** – Improving their life chances, especially around the transition from school to employment, and their emotional and mental well-being
- c) **Early Years** - Improving the emotional and social development of young children from vulnerable families

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Achievements and performance

1. RESEARCH AND POLICY

We work in collaboration with respected research bodies, campaign groups 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. We are working towards this strand being about 45% of our grant-making.

a) Nutrition and Well-Being

Dementia Research by University of Lancaster

The AIM Foundation supported the work of researching and promoting the Bredesen Protocol, a multi-factorial lifestyle and nutrition based approach to treating and reversing early onset Alzheimers. 2016's funding of initial research by the University of Lancaster, which involved peer-reviewing all the research literature of multi-factorial treatments for chronic illnesses, has resulted in the research paper being accepted for publication by Dementia journal and Garuth Chalfont promoted his research at the Alzheimer European conference in Barcelona in October 2018. In 2017 a further grant of £50,000 was made towards Phase 2, including a contribution of £10,000 gift from a relative of a person who suffered from dementia. This second phase was a case study working with GP's and other stakeholders to develop a NHS Intervention Protocol. This will then be tested in Phase 3 Feasibility Trial, which will hopefully be funded by other organisations.

b) Young People

Impetus-PEF

A new three-year grant commitment of £75,000 per annum was made to support Impetus-PEF research and policy work trying to influence government policy and decision makers to address the difficult transition some young people have from school to being employed. preventative work with disadvantaged and disengaged young people. They produced a report "Life After School" that highlighted that Further Education colleges are underperforming in helping students achieve GCSE's in English and Maths.

Young Minds

Building on the learning from last year's funding of The Royal Foundation Heads Together Campaign to reduce the stigma around mental health difficulties, we have made a new 3 year commitment of £24,000 to support the policy influencing work of Young Minds. Young Minds is the UK's leading charity championing the wellbeing and mental health of children and young people. They have led an inquiry into the impact of cyberbullying on young people's mental health and collected evidence and advice to improve best practice in commissioning and delivering adversity and trauma-informed care. In addition, they have produced clearer and new resources to help schools.

The Lighthouse Project

A second 6 months grant of £15,000 was made to cover the salary of the Founder and Director, Emmanuel Alkpan-Inwang to develop the business plan of the start-up of The Lighthouse a new and innovative children's home, which combines a strong education ethos, a stable home and excellent therapeutic support. Our funding was directed through Jamie's Farm, who are strong supporters of this project. During the year Emmanuel's vision has developed and been incubated within Catch 22,

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where he has been given business development support. This successful project is now at the stage of seeking social finance and larger grants to finance the pilot home.

c) Early Years

The Wave Trust

A final year's grant of £25,000 was made to The Wave Trust, who continues to try to reduce 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 through partnership working in pioneering communities. They want to help perinatal professionals across a population identify and support families need extra help during pregnancy and the first years of the child's emotional and social development.

Mellow-Parents

Mellow was given funding in 2016 to undertake a full independent evaluation of the impact of Mellow Babies group work with vulnerable parents. The learning has helped improve the outcomes of this work that strengthens the parent-baby attachment. Hopefully this evidence of impact will encourage more commissioning agencies to use this effective intervention and reach more beneficiaries.

2. PREVENTION

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

a) Young People

Lord Mayor's Appeal

This year AIM gave a one-off donation to the Lord Mayor's Appeal that is trying to address mental health through working with charity partners: Place2Be, Samaritans and On-side Youth Zones. In particular AIM is interested in the work of Place2Be who offers counselling in primary schools. One in five children will experience a mental health difficulty at least once in their first 11 years. "Without effective intervention, mental health conditions in young children can have a significant impact on their life chances and result in significant long-term costs." Not only do Place2Be provide evidence based in-school support for the pupils, but they also train school leaders and teachers.

Action for Happiness

A new three-year commitment of £15,000 was made to this organisation that helps people take action to reduce the number of people suffering with mental health problems, and more people feeling good, functioning well and helping others. Our grant is for their communication campaign, including updating their website.

b) Early Years

A second-year grant of £35,000 per annum was made towards maintaining and extended the regional forums of Health Visitors to help disseminate best practice and research around helping families needing support in their mental well-being around the time of birth.

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Cued Speech

In collaboration with The Sylvia Adams Trust, a new three-year grant of £22,000 per annum was made towards the core costs to increase the capacity of this small charity that helps death babies learn to communicate through making the spoken language more visual. Our funding has enabled them to obtain other significant funding from BBC Children in Need, make progress with local authorities and develop their on-line training.

3. SUPPORT

Aim supports 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.

a) Young People

The Children's Society

Their centre in East Anglia received their second of another multi-year grant of £40,000 to the Community Hidden Harm Awareness Team. They improve the physical and emotional wellbeing of children and young people whose parents are misusing substances and are victims of abuse and neglect, resulting in underachievement at school and being more prone to truancy. Our grant was significant in them being awarded another Big Lottery grant.

b) Early years

Parent's First

The second year's commitment of £25,000 supported this organisation working in deprived areas of Essex to train 'community parent' volunteers, so they can provide peer-support to mothers of infants. They have been successful in getting other funding from Reaching Communities.

c) Other Support

Water Harvest

This is small but very effective grass-roots organization (previously known as Wells for India) that provides safe clean water to rural communities. As a final legacy to Ian Marks, who has supported this community development in areas of great economic hardship for many years, AIM made a final larger donation of £20,000.

4. GIFTS

Some small one off 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.

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Trustees' Annual Report
Year ended 31 August 2018

Financial review

The comparative figures for the year ended 31 August 2017 have been restated to reflect a director's pension liability within the trading subsidiary, Cytoplan Limited, which existed prior to this date.

The effect of this restatement is to decrease unrestricted funds and net assets at 31 August 2016 by £1,309,721 and to increase provisions by £1,309,721.

The results include the audited financial statements of Cytoplan Limited and its wholly owned subsidiary, Nature's Own Limited. The results of the subsidiary are detailed in Note 4. A gift aid payment of £120,000 has been made from Cytoplan Limited to The AIM Foundation.

The consolidated surplus for the year is £1,283,218 (2017: £899,550).

The charity's own surplus for the year is £745,314 (2017: £692,079). Both periods saw gains on listed investments 2018: 901,693 (2017: £871,423).

The charity has made grants in this period of £388,000 (2017: £376,139), further details of which are set out in Note 19.

Total funds have increased in the year by £1,283,218 so that consolidated funds are in excess of £12m.

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 £11,125,116 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.

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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 9% 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 ARC Sterling Balanced Charity 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 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 including funds and investments 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.

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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 (Deceased – January 2018)
Angela Marks
Philippa Bailey
Caroline Marks
Joanna Precious
Nicholas Marks

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

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Reference and administrative details

Charity registration number	263294
Trustees	Ian Marks CBE DL (Deceased – January - 2018) Angela Marks Philippa Bailey Caroline Marks Joanna Precious Nicholas Marks
Principal Office	Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE
Bankers	Coutts & Co 440 Strand London EX4 3ZB
Solicitors	Farrer & Co 66 Lincoln Fields London WC2A 3LH
Auditors	PKF Francis Clark Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE

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Trustees' Annual Report
Year ended 31 August 2018

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: 19 May 2019

The AIM Foundation
Independent Auditors Report to the Trustees
Year ended 31 August 2018

Opinion

We have audited the financial statements of The AIM Foundation (the “Charity”) for the year ended 31 August 2018 which comprise of Group Statement of Financial Activities, Group and Parent Balance Sheets, Statement of Consolidated Cash flows 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and charity’s affairs as at 31 August 2018 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Charity 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

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 trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity’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.

The AIM Foundation
Independent Auditors Report to the Trustees
Year ended 31 August 2018

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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 trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, the trustees 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 they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

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Independent Auditors Report to the Trustees
Year ended 31 August 2018

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under S144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereafter. 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.

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 Charity's trustees, as a body, in accordance with Part 4 of the Charities (Account and Reports) Regulations 2008. 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sean Grinsted (Senior Statutory Auditor)
PKF Francis Clark
Statutory Auditor
Centenary House
Peninsula Park
Rydon Lane
EXETER
EX2 7XE

Date: 31 May 2019

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The AIM Foundation
Consolidated Statement of Financial Activities
Year Ended 31 August 2018

		Unrestricted Funds	Restricted Funds	Total 2018	Total 2017 (Restated)
	Note	£	£	£	
Income					
Donations and legacies		10,000	-	10,000	129,995
<i>Income from other trading activities:</i>					
Commercial trading operations	4	6,018,702	-	6,018,702	5,019,369
Investment income	3	206,417	-	206,417	172,585
Total income		<u>6,235,119</u>	<u>-</u>	<u>6,235,119</u>	<u>5,321,949</u>
Expenditure					
<i>Expenditure on raising funds:</i>					
Commercial trading operations	4	5,360,798	-	5,360,798	4,811,898
Investment management costs		91,252	-	91,252	85,589
Expenditure on charitable activities	5	401,544	-	401,544	396,335
Total expenditure		<u>5,853,594</u>	<u>-</u>	<u>5,853,594</u>	<u>5,293,822</u>
Net gains/ (losses) on investments	9	901,693	-	901,693	871,423
Net income/(expenditure) and net movement in funds		<u>1,283,218</u>	<u>-</u>	<u>1,283,218</u>	<u>899,550</u>
Reconciliation of funds					
Total funds brought forward		9,841,898	910,000	10,751,898	9,852,348
Total funds carried forward	14	<u><u>11,125,116</u></u>	<u><u>910,000</u></u>	<u><u>12,035,116</u></u>	<u><u>10,751,898</u></u>

All income and expenditure for the previous year was unrestricted.

The AIM Foundation
Balance Sheet
31 August 2018

	Note	2018		2017	
		Consolidated £	Charity £	Consolidated (Restated) £	Charity £
Fixed assets					
Intangible assets	7	140,964	-	-	-
Tangible assets	8	231,181	-	405,188	1
Investments	9	10,883,761	11,793,761	10,134,837	11,044,837
		<u>11,255,906</u>	<u>11,793,761</u>	<u>10,540,025</u>	<u>11,044,838</u>
Current assets					
Stocks	10	1,154,308	-	910,315	-
Debtors	11	424,648	-	229,888	-
Cash at bank and in hand		1,233,293	329,788	1,127,153	332,439
		<u>2,812,249</u>	<u>329,788</u>	<u>2,267,356</u>	<u>332,439</u>
Creditors: amounts falling due within one year	12	(656,736)	(10,864)	(687,271)	(9,906)
Net current assets		<u>2,155,513</u>	<u>318,924</u>	<u>1,580,085</u>	<u>322,533</u>
Total assets less current liabilities		13,411,419	12,112,685	12,120,110	11,367,371
Creditors: amounts falling due after one year	12	(11,495)	-	-	-
Provisions: Deferred taxation	13	(55,087)	-	(58,491)	-
Provisions: Pension liability	13	(1,309,721)	-	(1,309,721)	-
Net assets		<u>12,035,116</u>	<u>12,112,685</u>	<u>10,751,898</u>	<u>11,367,371</u>
Funds					
Restricted funds		910,000	910,000	910,000	910,000
Unrestricted funds		11,125,116	11,202,685	9,841,898	10,457,371
Total funds	14	<u>12,035,116</u>	<u>12,112,685</u>	<u>10,751,898</u>	<u>11,367,371</u>

The financial statements on pages 14 to 28 were approved by the trustees on 19 May 2019 and signed on their behalf by:-

N J MARKS

Trustee

The AIM Foundation
Consolidated Cash Flow statement
31 August 2018

	Group 2018 £	Group 2017 £
Cash flows from operating activities		
Net income for the year	1,283,218	899,550
Adjustments:		
Amortisation of intangibles	24,415	-
Depreciation	38,563	73,227
Gains on investments	(901,693)	(871,423)
Impairment of investment	2,189	-
Loss on sale of assets	901	18,523
Corporation tax expense	32,168	23,192
Corporation tax refund / (paid)	12,292	(12,232)
	<u>492,053</u>	<u>130,837</u>
Working capital adjustments:		
Increase in stock	(243,993)	(201,519)
(Increase)/decrease in debtors	(194,760)	110,997
(Decrease)/Increase in creditors	(66,904)	154,270
	<u>(13,604)</u>	<u>194,585</u>
Net cash provided by operating activities	(13,604)	194,585
Cash flows from investing activities		
Acquisition of intangible assets	(11,263)	-
Acquisition of tangible assets	(19,574)	(97,521)
Acquisition of fixed asset investments	(4,180,561)	(1,654,619)
Proceeds from sale of fixed asset investments	4,331,142	1,269,570
	<u>119,744</u>	<u>(482,570)</u>
Net cash flows from investing activities	119,744	(482,570)
Net increase/(decrease) in cash and cash equivalents	106,140	(287,985)
Cash and cash equivalents at 1 September	1,127,153	1,415,138
Cash and cash equivalents at 31 August	<u>1,233,293</u>	<u>1,127,153</u>

The AIM Foundation

Notes To The Financial Statements

31 August 2018

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 financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair view'. The departure has involved following Accounting and Reporting applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn.

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. Prior period adjustment

The comparative figures for the year ended 31 August 2017 have been restated to reflect a director's pension liability within the trading subsidiary, Cytoplan Limited, which existed prior to this date.

The effect of this restatement is to decrease unrestricted funds and net assets at 31 August 2016 by £1,309,721 and to increase provisions by £1,309,721.

c. Group accounts

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, Cytoplan Limited and Nature's Own 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.

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Notes To The Financial Statements
31 August 2018

Accounting policies (continued)

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.

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. Intangible Assets

Intangible assets are amortised straight line over the useful life of the asset.

Computer software and consultancy - 15% reducing balance

i. Fixed assets

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

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Notes to the Financial Statements
31 August 2018

Accounting policies (continued)

j. 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

k. 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.

l. 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.

m. Defined contribution 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.

n. Other Pensions

The subsidiary company provides a pension to a director. The financial statements include a provision for the expected cost of providing this pension, based on the annuity rates prevailing at the balance sheet date.

o. Irrecoverable VAT

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

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Notes to the Financial Statements
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3) Investment income

	2018	2017
	£	£
Income from listed investments	206,417	172,489
Interest receivable – charity	-	96
	<u>206,417</u>	<u>172,585</u>

4) Investment in subsidiaries

Cytoplan Limited / Nature's Own Limited

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

	2018	2017
	£	£
Summary profit and loss account		(Restated)
Turnover	6,018,702	5,019,369
	<u>6,018,702</u>	<u>5,019,369</u>
Cost of sales, distribution and administrative expenses	(5,327,729)	(4,770,183)
	<u>690,973</u>	<u>249,186</u>
Operating profit / (loss)	690,973	249,186
Loss on disposal of tangible fixed assets	(901)	(18,523)
Taxation	(32,168)	(23,192)
	<u>657,904</u>	<u>207,471</u>
Retained profit / (loss) for the year	657,904	207,471

The assets and liabilities of the subsidiaries were:

Intangible assets	140,964	-
Tangible fixed assets	231,281	405,287
Current assets	2,482,461	2,273,823
Creditors: amounts falling due within one year	(645,972)	(1,016,271)
	<u>2,208,734</u>	<u>1,662,839</u>
Total assets less current liabilities	2,208,734	1,662,839
Creditors: amounts falling due within one year	(11,495)	(1,016,271)
Deferred taxation	(55,087)	(58,491)
Pension Liability	(1,309,721)	(1,309,721)
	<u>832,431</u>	<u>588,077</u>
Aggregate share capital and reserves	832,431	588,077

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5) Charitable activities

	£	£
Grants payable (note 19)	388,000	376,139
Bank charges	1,094	1,463
Association of Charitable Foundations	1,067	155
Governance costs - Audit and accountancy	6,090	5,130
Other fees and expenses	5,293	13,448
	<u>401,544</u>	<u>396,335</u>

6) Staff costs

Total staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,270,913	1,249,374
Social security costs	105,530	101,558
Pension payments	71,708	69,963
	<u>1,448,151</u>	<u>1,420,895</u>

Particulars of employees:

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

	2018	2017
	No.	No.
Subsidiaries	<u>47</u>	<u>42</u>

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6) 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 £nil (2017: £116,390).

7) Intangible Assets

Group	Computer Software	Total
	£	£
Cost		
At 1 September 2017	-	-
Additions	11,263	11,263
Transfers	250,142	250,142
	<u> </u>	<u> </u>
At 31 August 2018	261,405	261,405
	<u> </u>	<u> </u>
Amortisation		
At 1 September 2017	-	-
Charge for the year	24,415	24,415
Transfers	96,026	96,026
	<u> </u>	<u> </u>
At 31 August 2018	120,441	120,441
	<u> </u>	<u> </u>
Net book value		
At 31 August 2018	140,964	140,964
	<u> </u>	<u> </u>
At 31 August 2017	-	-
	<u> </u>	<u> </u>

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8) Tangible fixed assets

Charity		Computers	Total	
		£	£	
Cost				
At 1 September 2017		2,903	2,903	
Disposals		(2,903)	(2,903)	
At 31 August 2018		-	-	
Depreciation				
At 1 September 2017		2,902	2,902	
Eliminated on disposal		(2,902)	(2,902)	
At 31 August 2018		-	-	
Net book value				
At 31 August 2018		-	-	
At 31 August 2017		1	1	
Group				
	Improvements to leasehold property	Plant and equipment	Computers	Total
	£	£	£	£
Cost				
At 1 September 2017	230,296	530,512	2,903	763,711
Additions	165	19,409	-	19,574
Disposals	-	(2,152)	-	(2,152)
Reclassification of intangibles	-	(250,142)	(2,903)	(253,045)
At 31 August 2018	230,461	297,627	-	528,088
Depreciation				
At 1 September 2017	100,808	254,813	2,902	358,523
Charge for the year	19,438	19,125	-	38,563
On disposals	-	(1,251)	-	(1,251)
Reclassification of intangibles	-	(96,026)	(2,902)	(98,928)
At 31 August 2018	120,246	176,661	-	296,907
Net book value				
At 31 August 2018	110,215	120,966	-	231,181
At 31 August 2017	129,488	275,699	1	405,188

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9) Fixed assets – Investments

	Unlisted investment	Walker Marlborough Crisps	Marlborough Consultants	Wheb Ventures (unlisted)	Aquaspy	Total
	£	£	£	£	£	£
Charity						
Market value b/f	910,000	977,090	9,100,642	2,189	54,917	11,044,838
Additions	-	2,680	4,177,881	-	-	4,180,561
Disposals	-	(27,526)	(4,303,616)	-	-	(4,331,142)
Impairment	-	-	-	(2,189)	-	(2,189)
Realised gain / (loss) on disposal	-	9,197	(1,168,511)	-	-	(1,159,314)
Unrealised gain / (loss)	-	(2,531)	2,063,538	-	-	2,061,007
At 31 August 2018	910,000	958,910	9,869,934	-	54,917	11,793,761
Group						
At 31 August 2018		958,910	9,869,934	-	54,917	10,883,761
At 31 August 2017		977,090	9,100,641	2,189	54,917	10,134,837
Historical cost						
At 31 August 2018	910,000	478,919	6,724,309	-	54,917	8,168,145
At 31 August 2017	910,000	494,568	6,763,226	792,319	54,917	9,015,030

The value of listed investments at 31 August 2018 was £10,828,844 (2017: £10,077,732). All listed investments are listed in the UK stock exchange and are valued at market value.

Wheb Ventures was written off during the year.

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 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Finished goods	1,154,308	-	910,315	-

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11) Debtors

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Trade debtors	261,960	-	175,348	-
Other debtors	162,688	-	54,540	-
	<u>424,648</u>	<u>-</u>	<u>229,888</u>	<u>-</u>

12) Creditors: amounts falling due within one year

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Trade creditors	235,226	-	401,742	-
Corporation tax creditor	-	-	-	-
Other taxation and social security	254,719	-	129,474	-
Other creditors	155,927	-	149,149	-
Accruals and deferred income	10,864	10,864	9,906	9,906
	<u>656,736</u>	<u>10,864</u>	<u>687,271</u>	<u>9,906</u>

Creditors: amounts falling due within one year

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Accruals and deferred income	11,495	-	-	-
	<u>11,495</u>	<u>-</u>	<u>-</u>	<u>-</u>

13 a) Provisions – Deferred taxation

	Consolidated £
At 1 September 2017	58,491
Charge / (credit) for the year	(3,404)
At 31 August 2018	<u><u>55,087</u></u>

Deferred taxation arises in respect of fixed asset timing differences for corporation tax purposes in Cytoplan Limited.

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13 b) Provisions – Other pension liability

	Consolidated (Restated) £
At 1 September 2017	1,309,721
Charge / (credit) for the year	-
At 31 August 2018	1,309,721

14) Funds

2018

Unrestricted funds

	Balance at 1 Sep 2017 (Restated) £	Incoming resources £	Outgoing resources £	Investment movements £	Balance at 31 Aug 2018 £
Charity	10,457,371	216,417	(492,796)	901,693	11,082,685
Subsidiaries	(615,473)	6,018,702	(5,360,798)	-	42,431
Total unrestricted funds	9,841,898	6,235,119	5,853,594	901,693	11,125,116

Restricted Funds

	Balance at 1 Sep 2017 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Aug 2018 £
Total restricted funds	910,000	-	-	-	910,000
Total funds	910,000	-	-	-	910,000

The charity owns 100% of the issued share capital of Cytoplan Limited which in turn owns 100% of the issued share capital of Nature's Own 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.

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14) Funds (continued)

2017 – Comparatives

Unrestricted funds

	Balance at 1 Sep 2016 (Restated)	Incoming resources	Outgoing resources	Investment movements	Balance at 31 Aug 2017 (Restated)
	£	£	£	£	£
Charity	9,765,292	302,580	(481,924)	871,423	10,457,371
Subsidiaries	(822,944)	5,019,369	(4,811,898)	-	(615,473)
Total unrestricted funds	8,942,348	5,321,949	(5,293,822)	871,423	9,841,898

Restricted Funds

	Balance at 1 Sep 2016	Incoming resources	Outgoing resources	Transfers	Balance at 31 Aug 2017
	£	£	£	£	£
Total restricted funds	910,000	-	-	-	910,000
Total funds	910,000	-	-	-	910,000

15) Analysis of group net assets between funds

2018

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fixed assets	10,345,906	910,000	11,255,906
Cash at bank and in hand	1,233,293	-	1,233,293
Other net current assets	922,220	-	922,220
Long term liabilities	(1,376,303)	-	(1,376,303)
	11,125,116	910,000	12,035,116

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19) Grants payable to institutions	2018 £	2017 £
Research and Campaigning		
Nutrition and Well-being		
Health empowerment Through Nutrition	-	20,000
Lancaster University – Dementia Review	50,000	32,139
Young People		
Impetus-PEF	75,000	75,000
Young Minds Trust	23,500	-
Jamie’s Farm – The Lighthouse Facility	15,000	15,000
Mental Well-Being		
The Royal Foundation	-	10,000
Early Years		
The Wave Trust	25,000	25,000
Mellow Parenting	-	25,000
Prevention		
Young People		
The Lighthouse Group	-	20,000
The Lord Mayors	30,000	-
Action for happiness	15,000	-
Early Years		
Institute of Health Visiting	35,000	27,000
Cued Speech Association	22,000	-
Support		
Young People		
The Children’s Society	40,000	40,000
Early Years		
Parent’s First	25,000	25,000
Other Support		
Water Harvest / Wells for India	30,000	10,000
Community		
Friends of the Poor South India	-	10,000
The Silver Line	-	1,000
Chelmsford Counselling	-	5,000
Marie Curie Cancer Care	-	1,000
Gifts		
Duchenne Children’s Trust	-	5,000
Worship Co of Plumbers	-	10,000
CoHoc – Colchester Cancer Centre	-	20,000
Cleft	500	-
Cancer Campaign	1,000	-
Essex Community Foundation	1,000	-
	388,000	376,139
	388,000	376,139