

Charity number: 1196957

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

AEONIAN FOUNDATION

MENZIES
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AEONIAN FOUNDATION

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AEONIAN FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2023

| | |
|---------------------------|---|
| Trustees | Andrew Pegg Michelle Roberts Myriam White Jeremy Hawkey |
| Charity registered number | 1196957 |
| Registered office | Menzies LLP Magna House 18-32 London Road Staines-Upon-Thames TW18 4BP |
| Independent auditors | Menzies LLP Chartered Accountants Magna House 18-32 London Road Staines-Upon-Thames TW18 4BP |
| Bankers | HSBC PLC 8 Cork Street London W1S 3LJ |
| Solicitors | BDB Pitmans LLP One Bartholomew Close London EC1A 7BL |
| Investment Advisors | HSBC PLC 8 Cork Street London W1S 3LJ |

AEONIAN FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the year ended 31 December 2023. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable incorporated organisation's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The objects of the CIO are such exclusively charitable purposes as may be determined from time to time by the charity trustees.

The Charity Trustees' current priorities are:

- advancing education of disadvantaged persons by developing their mental, physical and moral capabilities through educational services or leisure time activities;
- the relief of mental or physical illness and the preservation of health among disadvantaged persons;
- working to prevent or relieve poverty or homelessness; and
- promoting sustainable development through the preservation, conservation and protection of the environment and the prudent use of resources.

The Charity's current policy is to make grants to registered charities based in the United Kingdom and with proven track records in their particular areas of activity.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Charity achieves its objectives by supporting organisations selected by the Trustees and in particular by making grants.

c. Grant-making policies

The Trustees award grants which are most likely to further the Charity's purposes efficiently and effectively. In particular:

- the Trustees allocate the available funds according to the relevance of the organisation's work to the objects and strategic aims of the Charity, the number of individuals likely to benefit from the organisation, the quality and value of the benefit the organisation is able to provide, the resources and financial health of the organisation and the efficiency and security of the administrative systems and processes used by the organisation; and
- the Trustees will consider supporting smaller and less well-known organisations if the Trustees determine they have an ability to achieve real growth and deliver a meaningful and significant impact in furtherance of the Charity's purposes, or organisations which may be large but do not have a regular funding base as the cause is perhaps less popular.

Applications from organisations or groups which are not registered charities may be considered at the Trustees' discretion, where the trustees consider they can be satisfied that the grant is applied for charitable purposes.

The Trustees prefer not to receive unsolicited applications from organisations and these will only be considered in exceptional circumstances and will support in priority the work of organisations whose work is known to them or can be readily inspected and where they can be assured that the grant is being applied for the purposes for which it is given.

The size of grants awarded is entirely at the discretion of the Trustees of the Charity and there is no fixed size. The Trustees are willing to make grants to support both core funding and specific projects.

The Trustees intend to develop long term strategic relationships with the Charity's grant recipients and intend, therefore, to support organisations on a multi-year basis where appropriate, in order to establish a meaningful and ongoing relationship with the recipient.

AEONIAN FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees acknowledge they have a duty to avoid exposing the Charity's resources and reputation to inappropriate risk and agree, therefore, to carry out a risk assessment as to proposed grants. As part of this, the Trustees will carry out proportionate and effective due diligence, including appropriate vetting procedures (the level of which should take into account the value of the proposed grant) including due diligence on the identity and background and governance procedures of the recipient and any partners with which the recipient will work, and on the proposed use of the grant and how this will advance the Charity's objects.

The Trustees will meet approximately four times a year to consider the award of grants. Potential grant recipients will be required to submit a 'proposal' setting out the activities on which the grant would be used, the anticipated impact, as well as the projected expenditure and grant funding requirements and related timescales. All grant recipients will be asked to acknowledge the distribution, to comply with the reporting mechanisms and to sign any grant agreement provided by the Trustees. The Trustees shall receive and consider reports on grant expenditure by existing grant recipients, as required under the grant documentation entered into with the grant recipient. A comprehensive measurement system will be put in place to assess the impact of contributions and make adjustments with a formal annual review process. It is expected that the amount of funding allocated to each organisation will vary depending on their success and credible future plans but as far as possible each will be supported on a long-term basis with only gradual adjustments to funding allocations.

Achievements and performance

a. Main achievements of the Charity

The Charity made grants of £1,912,512 to supported organisations during the period (2022: £581,250). Unconditional grant commitments at the year end were £183,067 (2022: £612,540), making total grants recognised in these accounts of £2,095,579 (2022: £1,193,790).

A loan facility of £1.5M to a supported charity was agreed this year, an initial amount of £1,245,964 was drawn down with the balance being available until May 2026. This was to enable the supported charity to refinance an existing loan at a more beneficial rate of interest and to provide additional finance to enable it to continue and develop its operations.

Organisations to support were carefully selected following extensive research and dialogue with the organisations. During 2023, fourteen organisations were selected to receive support, three operating in South Africa, five in Madagascar and six in the UK. These organisations offer services in health, education, disabilities, homelessness and environmental improvement.

Each organisation was assessed to fully understand their scale and requirements and appropriate quarterly unrestricted funding grants were provided to them to enable them to build their capacity to successfully deliver more projects in subsequent years. Some specific restricted funding was provided to support rural health improvement projects in South Africa and Madagascar.

b. Investment policy and performance

The CIO will have the majority of its funds invested in a HSBC investment portfolio advised on by a professional HSBC investment manager. Whilst these funds will typically rise and fall with the global stock markets, over a long period of time they are expected to make an above inflation rate return, currently assumed to be +2%. The expected rate of return is related to the risk factor decided for the portfolio which will be reviewed from time to time. The majority will initially be invested in a general fund called a Core Multi-asset Solution (CMS) but over time a greater proportion will be assigned to higher risk, higher volatility, lower liquidity investments including private equity (PE) and funds specifically aligned with the CIO's objectives (Thematic).

All funds will be invested into collective investment funds, not individual shares, bonds or other investments.

Funds will be selected to be ethical and sustainable, initially on the basis of avoiding unethical or non-sustainable investments through negative screening. As the portfolio develops an increasing focus will be placed on selecting specific ethical and sustainable investments through positive screening.

Consideration will be given to investing a proportion of the funds into social investment funds at a lower than maximum possible expected return but this will always be balanced against the opportunity cost to the CIO of lower future funds being available for grants.

All investment decisions will be determined by the CIO's investment committee consisting of at least two trustees nominated by the majority of trustees from time to time.

AEONIAN FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Advice will always be sought from professional investment advisors, initially from HSBC Private Bank. In the event that the investment committee decide to make any investments which have not been recommended by HSBC, e.g. social investments or non-HSBC approved funds, they will seek explicit majority approval from the full board of trustees.

The investment committee will report to the full board of trustees annually on investment performance and any material changes in investment strategy, risk profile, investment advisors or fund managers.

During the period a gain of £1,996,458 was made on investments in 2023.

Financial review

No donations were received in the period to December 2023 (2022: donations and tax recovered of £34,492,315). Investment income amounted to £706,479 (2022: £148,589).

After deducting grants paid and overhead costs and accounting for investment gains the charity made a net surplus of £344,825 (2022: £33,016,011).

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future given the substantial reserves. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

Total funds at the year end were £33,360,836 (2022: £33,016,011) The Charity does not maintain specific reserves but a substantial proportion of its investment portfolio is held in liquid investments which can be withdrawn at short notice (£34,875,837) (2022: £26,578,194). In addition HSBC provide a Lombard Loan facility secured on the investments held with them from which funds may be drawn down on demand.

The Trustees wish to use funds to support the chosen charities with an amount to be allotted each year.

c. Principal funding

The funding of the Charity has come from donations, which are invested to produce investment income and capital growth.

Structure, governance and management

a. Constitution

Aeonian Foundation is registered as a charitable incorporated organisation (CIO) and was set up under a constitution dated 6 December 2021.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the constitution.

c. Policies adopted for the induction and training of Trustees

All trustees register for the Institute of Chartered Accountants in England and Wales online trustee training course and complete the modules which are relevant to their role and the requirements of the foundation.

d. Related party relationships

None

AEONIAN FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

e. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The main risk considered by the Trustees is investment performance and the Trustees have appointed HSBC Private Banking to manage the investment portfolio on their behalf.

Plans for future periods

The charity intends to extend its support to approximately Fifteen organisations by the end of 2024 and provide significant extra project grants to nine organisations it started supporting in 2022.

The budget for 2024 has been agreed by the trustees at £2.5m with the majority of the prospective projects identified and plans being developed. All supported organisations will continue to receive appropriate levels of unrestricted funding to ensure they have the resources required to execute this expanded level of project work.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial period. Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

Auditors

The auditors, Menzies LLP, have indicated their willingness to continue in office. The Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Signed by:



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Andrew Pegg

Chair

Date: 24 September 2024

AEONIAN FOUNDATION

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEONIAN FOUNDATION

Opinion

We have audited the financial statements of Aeonian Foundation (the 'Charity') for the year ended 31 December 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)" in preference to the "Accounting and Reporting by Charities: Statements of Recommended Practice" issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn. This has been done in order for the financial statements to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in other respects 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

AEONIAN FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEONIAN FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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.

AEONIAN FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEONIAN FOUNDATION (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including the Charities Act 2011 and the Data Protection Act 2018. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Charity is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur. We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas; posting of fraudulent journal entries, authorisation, processing, and payment of fraudulent grant claims and timing of revenue recognition.

Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Reviewing the system for authorising grant payments,
- Challenging assumptions and judgments made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

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

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


AEONIAN FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEONIAN FOUNDATION (CONTINUED)

Use of our report

This report is made solely to the Trustees in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees for our audit work, for this report, or for the opinions we have

for and signed by:


Menzies LLP

Chartered Accountants
Statutory Auditor
Magna House
18-32 London Road
Staines-Upon-Thames
TW18 4BP

Date: 26-Sep-2024

Menzies LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

AEONIAN FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--|------|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | |
| Donations and legacies | 3 | - | - | 34,492,315 |
| Investments | 4 | 706,479 | 706,479 | 148,589 |
| Total income | | 706,479 | 706,479 | 34,640,904 |
| Expenditure on: | | | | |
| Raising funds | 5 | 139,861 | 139,861 | 54,766 |
| Charitable activities | 7 | 2,218,251 | 2,218,251 | 1,193,362 |
| Total expenditure | | 2,358,112 | 2,358,112 | 1,248,128 |
| Net (expenditure)/income before net gains/(losses) on investments | | (1,651,633) | (1,651,633) | 33,392,776 |
| Net gains/(losses) on investments | | 1,996,458 | 1,996,458 | (376,765) |
| Net movement in funds | | 344,825 | 344,825 | 33,016,011 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 33,016,011 | 33,016,011 | - |
| Net movement in funds | | 344,825 | 344,825 | 33,016,011 |
| Total funds carried forward | | 33,360,836 | 33,360,836 | 33,016,011 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 13 to 22 form part of these financial statements.

AEONIAN FOUNDATION

REGISTERED NUMBER:

BALANCE SHEET AS AT 31 DECEMBER 2023

| | Note | 2023 £ | 2022 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Investments | 11 | 34,875,837 | 26,578,194 |
| Social investments | 12 | 1,245,964 | - |
| | | <u>36,121,801</u> | <u>26,578,194</u> |
| Current assets | | | |
| Debtors | 13 | 19,628 | 6,918,797 |
| Cash at bank and in hand | | 3,893 | 484,125 |
| | | <u>23,521</u> | <u>7,402,922</u> |
| Creditors: amounts falling due within one year | 14 | (2,770,386) | (902,605) |
| Net current liabilities / assets | | <u>(2,746,865)</u> | <u>6,500,317</u> |
| Total assets less current liabilities | | <u>33,374,936</u> | <u>33,078,511</u> |
| Creditors: amounts falling due after more than one year | 15 | (14,100) | (62,500) |
| Total net assets | | <u><u>33,360,836</u></u> | <u><u>33,016,011</u></u> |
| Charity funds | | | |
| Unrestricted funds | 17 | 33,360,836 | 33,016,011 |
| Total funds | | <u><u>33,360,836</u></u> | <u><u>33,016,011</u></u> |

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Signed by:

Andy Pegg

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Andrew Pegg

Chair

Date: 24 September 2024

The notes on pages 13 to 22 form part of these financial statements.

AEONIAN FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

| | 2023 £ | 2022 £ |
|---|--------------------|---------------------|
| Cash flows from operating activities | | |
| Net cash from operating activities (Note 19) | 4,113,251 | 26,955,844 |
| Cash flows from investing activities | | |
| Proceeds from sale of investments | 1,139,861 | - |
| Purchase of investments | (8,694,641) | (26,948,135) |
| Dividends and interest | 706,479 | 148,589 |
| Net cash used in investing activities | (6,848,301) | (26,799,546) |
| Cash flows from financing activities | | |
| Cash inflows from new borrowing | 3,254,818 | 327,827 |
| Repayments of borrowing | (1,000,000) | - |
| Net cash provided by financing activities | 2,254,818 | 327,827 |
| Change in cash and cash equivalents in the year | (480,232) | 484,125 |
| Cash and cash equivalents at the beginning of the year | 484,125 | - |
| Cash and cash equivalents at the end of the period (Note 18) | 3,893 | 484,125 |

The notes on pages 13 to 22 form part of these financial statements

AEONIAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

The Aeonian Foundation is a Charitable Incorporated Organisation, and incorporated in England & Wales. The registered address can be found on page 1 and principal activities are set out in the Trustees' Annual Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Aeonian Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The charity has significant reserves amounting to £33,360,836 backed by an investment portfolio. The trustees therefore consider the charity has more than adequate resources to enable it to continue its operations for at least twelve months from the date of approval of these financial statements and for the foreseeable future. The financial statements are accordingly prepared on the going concern basis.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of investment management.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

AEONIAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.4 Expenditure (continued)

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

2.7 Investments

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

Social Investments held as fixed assets are shown at cost less provision for impairment.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

AEONIAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3. Income from donations and legacies

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--------------------|------------------------------------|-----------------------------|-----------------------------|
| Donations | - | - | 27,610,316 |
| Gift Aid Recovered | - | - | 6,881,999 |
| | - | - | 34,492,315 |
| <i>Total 2022</i> | <i>34,492,315</i> | <i>34,492,315</i> | |

4. Investment income

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|------------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Income from listed investments | 657,733 | 657,733 | 111,791 |
| Interest received on cash deposits | 10,019 | 10,019 | 36,798 |
| Interest received on loans | 38,727 | 38,727 | - |
| | 706,479 | 706,479 | 148,589 |
| <i>Total 2022</i> | <i>148,589</i> | <i>148,589</i> | |

AEONIAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

5. Investment management costs

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|----------------------------|------------------------------------|-----------------------------|-----------------------------|
| Investment management fees | 139,861 | 139,861 | 54,766 |
| <i>Total 2022</i> | <i>54,766</i> | <i>54,766</i> | |

6. Analysis of grants

Grants have been awarded to the following organisations in support of the Charity's grant making programme:-

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| SEED Madagascar | 322,295 | 160,004 |
| Feedback Madagascar | 336,430 | 157,500 |
| Africa Tikkun | 36,000 | 36,000 |
| Treloar Trust | 75,000 | 75,000 |
| Solar Aid | 153,958 | 105,490 |
| Step by Step | 117,060 | 75,000 |
| Money for Madagascar | 391,684 | 331,046 |
| Starfish Greathearts Foundation | 117,285 | 56,250 |
| Bulldog Trust | 141,000 | - |
| Khula Education | 135,000 | 30,000 |
| Learn, Achieve, Become | 20,000 | - |
| Yateley Industries For The Disabled Ltd | 71,089 | 167,500 |
| The Big Give Trust | 118,378 | - |
| Headroom Young Peoples | 60,400 | - |
| | 2,095,579 | 1,193,790 |

AEONIAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

7. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2023 £ | Total 2023 £ | Total 2022 £ |
|-------------------|------------------------------------|--------------------|--------------------|
| Direct costs | 2,218,251 | 2,218,251 | 1,193,362 |
| <i>Total 2022</i> | 1,193,362 | 1,193,362 | |

8. Analysis of expenditure by activities

| | Grant funding of activities 2023 £ | Support costs 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|--|-------------------------------|-----------------------------|-----------------------------|
| Activities | 2,095,759 | 122,492 | 2,218,251 | 1,193,362 |
| <i>Total 2022</i> | 1,193,790 | (428) | 1,193,362 | |

Analysis of support costs

| | Activities 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-----------------------|-------------------------|-----------------------------|-----------------------------|
| Bank interest | 4,075 | 4,075 | 3,506 |
| Currency gains/losses | 3,843 | 3,843 | (37,269) |
| Loan interest paid | 70,959 | 70,959 | - |
| Governance costs | 43,615 | 43,615 | 33,335 |
| | 122,492 | 122,492 | (428) |
| <i>Total 2022</i> | (428) | (428) | |

AEONIAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

9. Auditors' remuneration

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | 11,190 | 8,700 |
| Fees payable to the Charity's auditor in respect of: | | |
| Preparation of financial statements in accordance with Charities SORP | 4,410 | 2,400 |
| All non-audit services not included above | 9,795 | 12,558 |

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022 - £NIL).

11. Fixed asset investments

| | Listed investments £ |
|---------------------------|----------------------------|
| Cost or valuation | |
| At 1 January 2023 | 26,578,194 |
| Additions | 7,448,676 |
| Disposals | (1,139,861) |
| Revaluations | 1,996,458 |
| Foreign exchange movement | (7,630) |
| At 31 December 2023 | 34,875,837 |
| Net book value | |
| At 31 December 2023 | 34,875,837 |
| At 31 December 2022 | 26,578,194 |

AEONIAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12. Social investments

| | Mixed motive investments £ | Total £ |
|-----------------------------|----------------------------------|------------------|
| Cost or valuation | | |
| Additions | 1,245,964 | 1,245,964 |
| | <u>1,245,964</u> | <u>1,245,964</u> |
| Impairment provision | | |
| | <u>-</u> | <u>-</u> |
| Net book value | | |
| At 31 December 2023 | <u>1,245,964</u> | <u>1,245,964</u> |
| At 31 December 2022 | <u>-</u> | <u>-</u> |

Social investments comprise:

Mixed motive investments

A long term loan facility of up to £1.5m was made to Yateley Industries for the Disabled Limited, one of the Aeonian Foundation's supported charities, to enable it to restructure its operations, of which £1,245,964 had been drawn down by the year end. The loan is repayable in 15 years and bears interest at 1% over Bank of England Base Rate.

13. Debtors

| | 2023 £ | 2022 £ |
|----------------------------|---------------|------------------|
| Due within one year | | |
| Other debtors | 19,628 | 6,918,797 |
| | <u>19,628</u> | <u>6,918,797</u> |

14. Creditors: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------|------------------|----------------|
| Bank loans | 2,582,645 | 327,827 |
| Trade creditors | - | 11,514 |
| Accruals and deferred income | 18,774 | 13,224 |
| Grants payable | 168,967 | 550,040 |
| | <u>2,770,386</u> | <u>902,605</u> |

AEONIAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

15. Creditors: Amounts falling due after more than one year

| | 2023 £ | 2022 £ |
|----------------|-----------|-----------|
| Grants payable | 14,100 | 62,500 |

16. Financial instruments

| | 2023 £ | 2022 £ |
|--|------------|------------|
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | 34,875,837 | 26,578,194 |

Financial assets measured at fair value through income and expenditure comprise listed investments.

17. Statement of funds

Statement of funds - current year

| | Balance at 1 January 2023 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2023 £ |
|---------------------------|-----------------------------------|-------------|------------------|-------------------------|--|
| Unrestricted funds | | | | | |
| General Funds | 33,016,011 | 706,479 | (2,358,112) | 1,996,458 | 33,360,836 |

Statement of funds - prior year

| | | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2022 £ |
|---------------------------|--|-------------|------------------|-------------------------|--|
| Unrestricted funds | | | | | |
| General Funds | | 34,640,904 | (1,248,128) | (376,765) | 33,016,011 |

AEONIAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|-------------------------------------|------------------------------------|-----------------------------|
| Fixed asset investments | 34,875,837 | 34,875,837 |
| Social investments | 1,245,964 | 1,245,964 |
| Current assets | 57,697 | 57,697 |
| Creditors due within one year | (2,804,562) | (2,804,562) |
| Creditors due in more than one year | (14,100) | (14,100) |
| Total | 33,360,836 | 33,360,836 |

19. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2023 £ | 2022 £ |
|--|------------------|-------------------|
| Net income for the year (as per Statement of Financial Activities) | 344,825 | 33,016,011 |
| Adjustments for: | | |
| (Gains)/Losses on investments (net of foreign exchange movements) | (1,996,458) | 369,941 |
| Dividends and interest from investments | (706,479) | (148,589) |
| Decrease/(Increase) in debtors | 6,899,169 | (6,918,797) |
| (Decrease)/Increase in creditors | (435,437) | 637,278 |
| Currency losses on investments | 7,631 | - |
| Net cash provided by operating activities | 4,113,251 | 26,955,844 |

20. Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|--|--------------|----------------|
| Cash in hand | 3,893 | 484,125 |
| Total cash and cash equivalents | 3,893 | 484,125 |

AEONIAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

21. Analysis of changes in net debt

| | At 1 January 2023 | Cash flows | At 31 December 2023 |
|--------------------------|----------------------|--------------------|---------------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 484,125 | (480,232) | 3,893 |
| Debt due within 1 year | (327,827) | (2,254,818) | (2,582,645) |
| | <u>156,298</u> | <u>(2,735,050)</u> | <u>(2,578,752)</u> |

22. Related party transactions

During the year the charity received donations of £Nil (2022: £27,610,316) from Mr Andy Pegg, one of the trustees.