

Charity number: 1124268  
Company number: 6480049

THE ASDA FOUNDATION

A Company Limited by Guarantee

Reports and Financial Statements  
31 December 2020

## CONTENTS

The Trustees' Annual Report	3
Strategic Report	7
Trustees' Responsibilities Statement	9
Independent Auditor's Report	10
Statement of Financial Activities	13
Summary Income and Expenditure Account	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Accounts	17

**Principal Office**

ASDA House  
Southbank  
Great Wilson Street  
Leeds  
LS11 5AD

**Bankers**

Natwest Bank PLC  
8 Park Row  
Leeds  
LS1 5HD

**Solicitors**

Wrigleys Solicitors LLP  
19 Cookridge Street  
Leeds  
LS2 3AG

**Auditors**

Ernst & Young LLP  
1 Bridgewater Place  
Water Lane  
Leeds  
LS11 5QR

## THE TRUSTEES' ANNUAL REPORT

The trustees are pleased to present their report together with the financial statements of The ASDA Foundation ('ASDA Foundation') for the year ended 31 December 2020.

### REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1124268

Company number: 6480049

### DIRECTORS AND TRUSTEES

The ASDA Foundation ("ASDA Foundation", "the Foundation" or "the Charity") was incorporated in England on 22 January 2008 as a charitable company limited by guarantee. The Charity's key principle is to further its charitable objects (the objects and main activities are detailed on page 5). The directors are its trustees for the purposes of charity law and throughout this report are collectively referred to as 'the trustees'.

The trustees serving during the year and since the year end were as follows:

Andrew Murray	Chair Trustee (up to and including 31 March 2020) Independent Trustee (from 1 April 2020)
John Cookman	Deputy Chair Independent Trustee
Alexandra Clare Askew	Secretary
Susan Hennessey	Independent Trustee (appointed 1 June 2020)
Patricia Anne Mitchell	Independent Trustee (appointed 1 July 2020)
Simon James Ward Lewis	Independent Trustee (appointed 1 June 2020)
Carolyn Heaney	Independent Trustee (resigned 30 September 2020)
Jane Earnshaw	Trustee
Jessica Elisabeth Hodgson	Trustee (appointed 1 June 2020)
Jason Martin	Trustee
Jodie Tate	Trustee (appointed 1 February 2021)
Eliesabeth Anne Massey	Trustee (resigned 31 December 2020)

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

ASDA Foundation was originally established as a Charitable Trust. It was incorporated as a charitable company limited by guarantee on 22 January 2008 and ASDA Foundation's governing document is now its Memorandum and Articles of Association. ASDA Foundation is registered with the Charity Commission (charity number 1124268).

#### Appointment of trustees

There are currently nine trustees (also known as company directors) who are also the members of the charity. If the chair of the trustees is appointed from amongst those trustees who are employees of ASDA Stores Limited ("ASDA Stores", company number 464777), a deputy is appointed from the trustees who are not employees of ASDA Stores to ensure that any potential conflicts of interest can be managed. At the date of signing these accounts neither the chair nor the deputy are employees of ASDA Stores. All conflicts must be declared at the beginning of each trustee meeting. Any votes that are considered to have a benefit to ASDA Stores are voted on by independent trustees only. The chair has a casting vote in the event of an equality of votes.

## THE TRUSTEES' ANNUAL REPORT (CONTINUED)

### STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

During 2019, the articles were updated to require that the board of trustees comprises between five and twelve trustees. Prior to this, the articles required that the board of trustees must comprise between six and twelve trustees.

The articles currently require that the board of trustees will be constituted at all times as follows:

- a minimum of three trustees who will be employees of ASDA Stores;
- a minimum of two trustees who will not be employees of ASDA Stores.

Trustees who are not employees of ASDA Stores have relevant third sector/charity skills and/or experience, including grant-making experience.

Trustees are appointed by ordinary resolution, by a decision of the trustees or by ASDA Stores. They retire by rotation from the board after three years in office but are eligible for re-election.

#### **Trustee induction and training**

New trustees are provided with an induction pack including key constitutional documents, the Charity's accounts and relevant Charity Commission guidance. They are offered trustee training to ensure they are fully aware of their legal obligations under company law and charity law, of the content of the Memorandum and Articles of Association and the decision-making processes for the Charity. Before trustees may vote at any meeting of the trustees, they must sign a declaration confirming their willingness to act as a charity trustee and only in the best interests of the ASDA Foundation (and not as a representative of ASDA Stores).

#### **Achievements, performance and financial review**

Achievements, performance and financial review of the Charity's activities in the year are detailed in the Strategic Report.

#### **Management and administration**

Trustees have delegated the recruitment, payroll and human resource requirements for all ASDA Foundation staff to ASDA Stores. This team of eight ASDA Stores colleagues (the "Foundation Team") is made up of the Senior Foundation Manager, the Foundation Manager, two Foundation advisors and four Foundation Coordinators.

This structure is reviewed by the Trustees and any changes to this structure are approved by the Trustees. The terms of the delegation are set out in a formal agreement between ASDA Foundation and ASDA Stores.

ASDA Foundation's strategic and operational management is led by the Senior Foundation Manager, who manages ASDA Foundation and issues reports to the trustees. The board of trustees make the final decision on all charitable donations. The ASDA Foundation Senior Manager is also appointed as Company Secretary.

The board of trustees meets quarterly (and, in any event, must meet at least once in each year) to agree donations and discuss matters requiring attention.

In line with the current grant agreement, financial support is provided to ASDA Foundation by ASDA Stores, and the ASDA Foundation meets on a monthly basis with a financial representative from ASDA Stores to review the monthly management accounts.

#### **Trustees' responsibilities in relation to the Financial Statements**

The trustees must comply with the requirements of the Companies Act and of the Charities Act as to keeping financial records, the audit of accounts and the preparation and transmission to the Charity Commission and Companies House of:

- annual returns;
- annual reports;
- strategic report; and
- annual statements of account.

## THE TRUSTEES' ANNUAL REPORT (CONTINUED)

Accounting records relating to ASDA Foundation must be made available for inspection by any trustee at any time during normal office hours and may be made available for inspection by members who are not trustees if the trustees so decide.

A copy of ASDA Foundation's latest available report and financial statements must be supplied on request to any trustee or member. A copy must also be supplied, within two months, to any other person who makes a written request and pays the Charity's reasonable costs.

### **Charitable objects, main objectives and activities**

ASDA Foundation's charitable objects are as follows:

- to provide or assist in the provision for persons who by reason of their youth, age or infirmity or disablement, poverty or social and economic circumstances, have need of such facilities, or for members of the public at large in the United Kingdom of facilities, for recreation or other leisure-time occupation in the interest of social welfare with the object of improving the conditions of life for the persons for whom the facilities are primarily intended;
- to make donations or provide assistance for the relief of poverty, the advancement of education, the advancement of religion, the advancement of health and the advancement of citizenship or community development; and
- to further such purposes which are charitable under the laws of England and Wales.

In furthering those objects, ASDA Foundation's main activities are:

- to fund local grant giving programmes focusing on grass roots entities to build resilient communities and improve lives as agreed by the trustees;
- to administer funds raised through stores for other charities. Donation income and expenditure to all charities is disclosed in the Statement of Financial Activities;
- to provide financial support to those colleagues and immediate family members who have found themselves in significant financial hardship; and
- to provide emergency support to communities in the event of a disaster within the UK.

### **Foundation guidelines**

In line with its charitable objects, ASDA Foundation's main aim is to make donations to charities and local good causes. Donations can be applied for in the form of Transforming Communities and Improving Lives Grants and Green Token Giving Grants, all of which aim to build resilient communities whilst also supporting communities through crisis. Colleagues of ASDA Stores raising funds for their chosen local charities/communities may also apply to ASDA Foundation for Match Funding.

As a result of the coronavirus pandemic, ASDA Foundation grant activity throughout 2020 focused on supporting communities through the pandemic from the provision of personal hygiene in care settings through to supporting children returning to the classroom and ensuring communities supported those most in need with food provision.

Each grant round has tailored criteria and guidance which can be found on the Asda Foundation website.

### **Compliance with Charities SORP requirements**

In setting objectives, the trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Commission in exercising their powers and duties.

### **Fundraising**

ASDA Foundation is funded by donations from ASDA Stores and commission income in relation to the National Lottery received by ASDA Stores. Where funds are received into the Foundation in relation to fundraising activity in ASDA Stores, ASDA Foundation ensures that the funds are transferred to the relevant charity promptly and spent on the purposes for which they have been raised. In 2020, this related to one charity, Cash for Kids.

ASDA Foundation is not aware of any complaints relating to such fundraising activity, but it works closely with ASDA Stores to ensure compliance with charity law and to ensure any fundraising conforms to

## THE TRUSTEES' ANNUAL REPORT (CONTINUED)

recognised standards. Should any such complaints ever arise, the Chair would raise them with the trustees. ASDA Foundation and ASDA Stores are aware of the importance of protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate and the nature of the way in which funds are raised means that the risks of abuse are inherently low.

### **Reserves policy**

ASDA Foundation maintains reserves at a level sufficient to meet its objectives. This also enables funding to remain available for projects which last longer than one year, as well as any commitments for strategic partnerships beyond one year.

#### *Restricted and unrestricted reserves policy*

ASDA Foundation's policy on restricted funds is to separately record donations and other sources of fundraising. All of these incoming resources have been donated to the specified charity for their intended purpose. Restricted funds carried forward are £5,362 which will be distributed in a subsequent period in line with agreed terms.

The trustees have a policy of designating unrestricted funds for specific purposes. The majority of unrestricted funds are utilised through ASDA Foundation grant programmes. Unrestricted funds carried forward are £5,081,723. At the date of approval of the financial statements, the majority of these funds are awaiting allocation by the trustees and will be distributed in a subsequent period. A proportion of these funds have been allocated by the trustees and contracts have been entered into for specific donation amounts.

### **Relationship with other charities**

As described above, our charitable fundraising is organised locally. Donation income and expenditure to all charities is disclosed in the Statement of Financial Activities.

### **Trustees' statement as to disclosure of information to auditors**

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow trustees and the Charity's advisers, each trustee has taken all the steps that he/she is obliged to take as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Reappointment of auditors**

The auditors Ernst & Young LLP are deemed to be reappointed as auditors.

### **Going concern**

The key source of income for the charity is expected to be donations from customers and ASDA Stores Limited. The charity has a sufficient level of unrestricted cash balances at the date of approval of these financial statements that, even in light of any uncertainties relating to the impact of the Coronavirus pandemic on the level of donation income, these cash balances are considered adequate to meet the normal level of committed expenses and donations up to 30<sup>th</sup> September 2022. As a consequence, the trustees have no concerns about the liquidity risk or the going concern of the charity. These financial statements are therefore prepared on a going concern basis, under the historical cost convention.

Approved by the trustees and signed on their behalf by

*Andy Murray*

A Murray  
Chair and Independent Trustee  
15 September 2021

## STRATEGIC REPORT

### Achievements and performance

During 2020, ASDA Foundation supported 21 significant community projects, which have made a real difference to local communities and the people who live there. These projects addressed a wide range of social and community issues and included:

- redevelopment of community centres;
- full accessibility toilet facilities; and,
- kitchen work programmes.

With major flooding across the UK during early 2020, ASDA Foundation responded with hundreds of Emergency Grants to communities and families devastated by the loss of their homes.

Significant donations were given across the South of England and South Wales supporting in the immediate aftermath of the floods hitting and the subsequent clean up operations.

### Key Performance Indicators

Key performance indicators are detailed below:

	<i>Year ended</i> 2020	<i>Year ended</i> 2019
	£	£
Restricted donations	96,997	191,579
Unrestricted donations	4,482,867	4,516,297
Net expenditure	(1,191,046)	(944,860)
Net cash outflow	<u>(1,171,272)</u>	<u>(821,239)</u>

### Financial review

During the year, donations totalling £4,482,867 (2019: £4,516,297) were made from unrestricted funds to support local grant giving programmes.

Restricted funds of £80,925 (2019: £137,345) were raised by ASDA Stores colleagues and customers in relation to various national campaigns.

At the year-end, ASDA Foundation had total closing funds and net assets of £5,087,085 (2019: £6,278,131) broken down as follows:

	<i>Balance at 31</i> <i>December</i> 2020	<i>Balance at 31</i> <i>December</i> 2019
	£	£
Restricted funds	5,362	21,434
Unrestricted funds	<u>5,081,723</u>	<u>6,256,697</u>

ASDA Foundation funds continue to be in surplus and the Charity maintains reserves at a level sufficient to meet its objectives.

### Plans for future periods

ASDA Foundation will continue to fund our Grant Giving Programmes, with a renewed focus on Transforming Communities and Improving Lives which will make a real long-term difference to local people and their communities.

With the ongoing coronavirus pandemic, ASDA Foundation will continue to deliver crisis support in 2021 with a move towards rebuilding resilient communities as the nation comes out of the pandemic. The grant programmes will remain flexible and broad, and the board of trustees are committed to providing a fast and reactive response to the needs of communities as they emerge.



## STRATEGIC REPORT

### Principal Risks and Uncertainties

All monies are held as cash in bank accounts under the Charity's name. The key source of income for the charity is expected to be donations from ASDA Stores Limited. The charity has a sufficient level of unrestricted cash balances at the date of approval of these financial statements that, even in light of any uncertainties relating to the impact of the Coronavirus pandemic on the level of donation income, these cash balances are considered adequate to meet the normal level of committed expenses and donations for the foreseeable future. As a consequence, the trustees have no concerns about the liquidity risk or the going concern of the charity.

The trustees have reviewed the major risks to which the Charity is exposed. Appropriate systems and procedures have been established to manage or mitigate those risks. Risks identified included:

- the risk of funding causes/organisations which are not charitable or for the public benefit. ASDA Foundation has a detailed assessments system in place to ensure that projects funded are charitable and it undertakes due diligence on all potential grantees. A number of trustees with considerable charity sector experience have been appointed and the Foundation is a member of the Association of Charitable Foundations. ASDA Foundation also specifies the purposes for which a grant is given and includes relevant safeguards in its grant agreements;
- the risk of fraud or other financial mishandling of charity assets. ASDA Foundation works with external advisors and ASDA Stores to regularly review its approval systems and financial processes, to reduce the risk of fraud either internally or from third parties. The approval process is documented and is subject to review by the trustees. The ASDA Stores Anti-Corruption Compliance team form part of this approval process and review certain applications prior to trustee approval and payment;
- the potential risk to the independence of ASDA Foundation in its dealings with ASDA Stores, given the necessarily close relationship ASDA Foundation has with its principal funder and the back-office support ASDA Stores provides to the Foundation. ASDA Foundation has developed a clear strategy that is independent of ASDA Stores' own giving strategy. The Foundation also ensures there are at least two trustees who are not employed by ASDA Stores on the board, to ensure independent decision-making, and it takes independent legal advice. A conflicts of interest policy is in place, which requires trustees who have a conflict of interest to absent themselves from certain decisions and, where ASDA Foundation has a chair who is an employee of ASDA Stores, the deputy chair must be independent of ASDA Stores and leads on matters where the chair might have a conflict of interest;
- the risk that ASDA Foundation is inadequately publicised. The trustees consider that significant progress has been made in mitigating this risk and receive a considerable number of applications for grants. Actions have included the formation of a website and a wide range of promotional activities.
- The risk relating to the sale of ASDA Group Limited, which is the immediate parent of the ASDA Foundation's principal donor, ASDA Stores Limited and the future commitment to operate with a Foundation in place. The Foundation has ensured the reserves level would include all contractual obligations the Foundation has over multiple years.

Approved by the trustees and signed on their behalf by

*Andy Murray*

A Murray  
Chair and Independent Trustee  
15 September 2021

### **TRUSTEES' RESPONSIBILITIES STATEMENT**

Company Law and Law applicable to charities in England and Wales requires the trustees to prepare the Report and Financial Statements for each financial year which give a true and fair view of ASDA Foundation's financial activities during the year and of its financial position at the year end. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice 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 ASDA Foundation will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of ASDA Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the articles of association. They are also responsible for safeguarding the assets of ASDA Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASDA FOUNDATION**

We have audited the financial statements of The ASDA Foundation for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 9, 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 FRS 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period up to 30th September 2022.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASDA FOUNDATION (CONTINUED)**

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report or the trustees' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (International Accounting Standards in conformity with the requirements of the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice) and the relevant tax laws and regulations in the UK.
- We understood how The ASDA Foundation Limited is complying with those by making enquiries of management, the Trustees, the ASDA Group Limited legal department, the ASDA Group Limited Group Ethics & Compliance team, and the ASDA Group Limited Internal Audit department. We corroborated our enquiries through our review of board minutes and papers and inspection of commentary in the management accounts.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was a susceptibility to fraud. We considered controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing donations and unrepresented cheques and were designed to provide reasonable assurance that the financial statements were free from material fraud and error.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing donation disbursements and donation receipts, with a focus on unusual donators or recipients and large or unusual transactions based on our understanding of the business. We also performed enquiries of management, the Trustees, the ASDA Group Limited legal department, the ASDA Group Limited Group Ethics & Compliance team, and the ASDA Group Limited Internal Audit department. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with the requirements of the relevant accounting standards, and UK legislation.

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

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Victoria Venning (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Leeds  
17 September 2021

# The ASDA Foundation

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2020

	Year ended 31 December 2020			Year ended 31 December 2019			
	Notes	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
<b>INCOME</b>							
<b>Income from charitable activities:</b>							
ASDA Stores Limited		3,464,529	-	3,464,529	3,830,000	-	3,830,000
Children in Need		-	-	-	-	-	-
Cash For Kids		-	80,925	80,925	-	137,345	137,345
Sundry income		112,031	-	112,031	121,102	-	121,102
Interest received		7,419	-	7,419	16,783	-	16,783
<b>Total income</b>		<b>3,583,979</b>	<b>80,925</b>	<b>3,664,904</b>	<b>3,967,885</b>	<b>137,345</b>	<b>4,105,230</b>
<b>EXPENDITURE</b>							
<b>Expenditure on charitable activities:</b>							
Children in Need		-	-	-	-	17,916	17,916
Pedal Power		-	-	-	-	15,551	15,551
Cash For Kids		-	96,997	96,997	-	158,112	158,112
Other charitable donations	3	4,482,867	-	4,482,867	4,516,297	-	4,516,297
Administration costs		276,086	-	276,086	342,214	-	342,214
<b>Total Expenditure</b>		<b>4,758,953</b>	<b>96,997</b>	<b>4,855,950</b>	<b>4,858,511</b>	<b>191,579</b>	<b>5,050,090</b>
<b>Net expenditure</b>		<b>(1,174,974)</b>	<b>(16,072)</b>	<b>(1,191,046)</b>	<b>(890,626)</b>	<b>(54,234)</b>	<b>(944,860)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(1,174,974)</b>	<b>(16,072)</b>	<b>(1,191,046)</b>	<b>(890,626)</b>	<b>(54,234)</b>	<b>(944,860)</b>
<i>Reconciliation of funds</i>							
Fund balances brought forward	2,3	6,256,697	21,434	6,278,131	7,147,323	75,668	7,222,991
Fund balances carried forward		5,081,723	5,362	5,087,085	6,256,697	21,434	6,278,131

All of the income and expenditure is in respect of continuing activities. There were no gains and losses in the year other than those included in the statement of financial activities.

The notes to the accounts form part of these financial statements.

# The ASDA Foundation

---

## SUMMARY INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2020

	<i>Year ended</i> 2020 £	<i>Year ended</i> 2019 £
<b>INCOME</b>		
Donations received	3,545,454	3,967,345
Interest received	7,419	16,783
Sundry income	112,031	121,102
	<hr/>	<hr/>
	3,664,904	4,105,230
	<hr/>	<hr/>
<b>EXPENDITURE</b>		
Restricted fund donations	96,997	191,579
Expenses and unrestricted fund donations	4,758,953	4,858,511
	<hr/>	<hr/>
	4,855,950	5,050,090
	<hr/>	<hr/>
<b>NET EXPENDITURE FOR THE YEAR</b>	<b>(1,191,046)</b>	<b>(944,860)</b>

Donations received comprise £3,464,529 (2019: £3,830,000) unrestricted and £80,925 (2019: £137,345) restricted funds.

A detailed analysis of donations received and expenditure is provided in the Statement of Financial Activities.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities which, together with the notes to the accounts, provides full information on the movements during the year in the funds of ASDA Foundation.

# The ASDA Foundation

BALANCE SHEET  
As at 31 December 2020

Registered company no: 6480049

	Notes	31 December 2020			31 December 2019		
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
<b>CURRENT ASSETS</b>							
Debtors	7	60,941	8,230	69,171	55,615	8,417	64,032
Cash at bank in hand		5,192,097	(2,868)	5,189,229	6,347,484	13,017	6,360,501
<b>TOTAL CURRENT ASSETS</b>		<b>5,253,038</b>	<b>5,362</b>	<b>5,258,400</b>	<b>6,403,099</b>	<b>21,434</b>	<b>6,424,533</b>
<b>CURRENT LIABILITIES</b>							
Creditors - amounts falling due within one year	8	(171,315)	-	(171,315)	(146,402)	-	(146,402)
<b>TOTAL NET CURRENT ASSETS</b>		<b>5,081,723</b>	<b>5,362</b>	<b>5,087,085</b>	<b>6,256,697</b>	<b>21,434</b>	<b>6,278,131</b>
<b>TOTAL NET ASSETS</b>		<b>5,081,723</b>	<b>5,362</b>	<b>5,087,085</b>	<b>6,256,697</b>	<b>21,434</b>	<b>6,278,131</b>
<b>THE FUNDS OF THE CHARITY</b>	2,3	<b>5,081,723</b>	<b>5,362</b>	<b>5,087,085</b>	<b>6,256,697</b>	<b>21,434</b>	<b>6,278,131</b>

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (FRS 102) and FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The notes to the accounts form part of these financial statements.

Approved by the trustees and signed of their behalf by

*Andy Murray*

A Murray  
Chair and Independent Trustee  
15 September 2021



# The ASDA Foundation

## CASH FLOW STATEMENT For the year ended 31 December 2020

	Year ended 2020			Year ended 2019		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
<b>Cash flows used in operating activities</b>						
Net expenditure for the year	(1,174,974)	(16,072)	(1,191,046)	(890,626)	(54,234)	(944,860)
<i>Adjustments to reconcile net expenditure to net cash flows:</i>						
Interest income	(7,419)	-	(7,419)	(16,783)	-	(16,783)
<i>Changes in working capital</i>						
(Increase)/decrease in debtors	(5,326)	187	(5,139)	1,261	19,522	20,783
Increase in creditors	24,913	-	24,913	102,838	-	102,838
<b>Net cash flows used in operating activities</b>	<b>(1,162,806)</b>	<b>(15,885)</b>	<b>(1,178,691)</b>	<b>(803,310)</b>	<b>(34,712)</b>	<b>(838,022)</b>
<b>Cash flows from investing activities</b>						
Interest income	7,419	-	7,419	16,783	-	16,783
Net decrease in cash and cash equivalents	(1,155,387)	(15,885)	(1,171,272)	(786,527)	(34,712)	(821,239)
Cash and cash equivalents at start of year	6,347,484	13,017	6,360,501	7,134,011	47,729	7,181,740
<b>Cash and cash equivalents at end of year</b>	<b>5,192,097</b>	<b>(2,868)</b>	<b>5,189,229</b>	<b>6,347,484</b>	<b>13,017</b>	<b>6,360,501</b>

### 1. ACCOUNTING POLICIES

#### **Basis of preparation**

The financial statements of The ASDA Foundation have been prepared in compliance 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 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The principal policies adopted in the preparation of the financial statements are set out below.

The key source of income for the charity is expected to be donations from customers and ASDA Stores Limited. The charity has a sufficient level of unrestricted cash balances at the date of approval of these financial statements that, even in light of any uncertainties relating to the impact of the Coronavirus pandemic on the level of donation income, these cash balances are considered adequate to meet the normal level of committed expenses and donations up to 30<sup>th</sup> September 2022. As a consequence, the trustees have no concerns about the liquidity risk or the going concern of the charity. These financial statements are therefore prepared on a going concern basis, under the historical cost convention.

#### **Income**

ASDA Stores funds ASDA Foundation. This income is recognised on an accruals basis. These funds are donated by ASDA Foundation to projects and local good causes. Supporting local good causes and sustainable projects in the surrounding areas of ASDA Stores makes a real long-term difference to local communities.

#### **Expenditure**

Expenditure is recognised on an accruals basis and comprises:

- donations to local charitable good causes;
- governance costs, which relate to the salary of employees of ASDA Stores, for administering and distributing funds, of all projects;
- legal fees for all documentation relating to the trust, trustee retirement and appointment;
- audit fees; and
- trustees' expenses.

All other costs associated with organising and running the charity are borne by ASDA Stores.

#### **Debtors**

Debtors are stated at their nominal amount (discounted if material) and reduced by appropriate allowances for estimated irrecoverable amounts, if applicable.

#### **Creditors**

Creditors are non-interest bearing and are stated at their nominal value.

# The ASDA Foundation

## NOTES TO THE ACCOUNTS

As at 31 December 2020

### 2. RESTRICTED FUNDS

ASDA Foundation has restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

The income funds of ASDA Foundation include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	<i>Balance 31 December 2019</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Balance 31 December 2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cash For Kids	21,434	80,925	(96,997)	5,362
	<u>21,434</u>	<u>80,925</u>	<u>(96,997)</u>	<u>5,362</u>

The total for the charity represents money raised over the year by ASDA Stores colleagues and customers.

### 3. UNRESTRICTED FUNDS

The income funds of ASDA Foundation include unrestricted funds comprising the following unexpended balances of donations and grants held on trust which the trustees are free to use in accordance with the charitable objects.

	<i>Balance at 31 December 2019</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Balance at 31 December 2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
ASDA Stores Limited	4,993,622	3,464,529	(4,482,867)	3,975,284
Sundry income and administration costs	1,193,044	112,031	(276,086)	1,028,989
Investment income	70,031	7,419	-	77,450
	<u>6,256,697</u>	<u>3,583,979</u>	<u>(4,758,953)</u>	<u>5,081,723</u>

# The ASDA Foundation

## NOTES TO THE ACCOUNTS

As at 31 December 2020

### 3. UNRESTRICTED FUNDS (CONTINUED)

The below table summarises expenditure on unrestricted funds:

#### BREAKDOWN OF UNRESTRICTED FUNDS

	<i>Year ended 31 December 2020</i>
	<i>£</i>
<i>Grants to institutions</i>	
Green Token Giving	1,842,693
Local impact	778,057
Significant Community projects	274,334
Top Up Colleague Fundraising grants	1,094
Other charitable expenditure	1,527,278
<b>Total grants to institutions</b>	<b>4,423,456</b>
<i>Grants to individuals</i>	
Hardship requests from ASDA colleagues	59,411
<i>Administration costs</i>	276,086
<b>Total expenditure on unrestricted funds</b>	<b>4,758,953</b>

Cheques granted to institutions and individuals with a value over £10,000 are disclosed in note 6.

### 4. ADMINISTRATIVE COSTS

The amount payable to the Charity's auditor for the audit of the Charity's financial statements is £6,510 (2019: £6,385).

ASDA Stores received £210,541 payment at cost for their contribution to the administrative support of the ASDA Foundation (2019: £228,331).

The average number of employees for the year was none (2019: none). No employee benefits were paid in the year (2019: none). The administration activities of the Charity are performed by the Foundation Team, who are employees of ASDA Stores Limited. Further details of the Foundation Team are included in The Trustees' Annual Report.

### 5. TRANSACTIONS WITH TRUSTEES

There were no Trustee expenses (2019: £718).

No emoluments were paid to trustees in relation to their qualifying services as a trustee by ASDA Foundation for the year ended 31 December 2020 (2019: £nil).

**6. DONATIONS OVER £10,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED  
31 DECEMBER 2020**

	£
Royal Voluntary Service	460,158
Crisis UK	287,100
University of Leeds	180,000
Independent Domestic Abuse Services	165,000
The Duke of Edinburgh's Award Charter	127,500
Jane Tomlinson's Run For All	90,000
National Schizophrenia Fellowship	41,600
Significant Project - Tattyreagh Gaelic Athletic Club	30,000
Significant Project - Firthmoor & District Community Association	25,127
Significant Project - Old Leake Community Centre	25,000
Significant Project - Luss Hall Mangement Committee	20,789
Significant Project - Community in Partnership Knowle West	16,802
Significant Project - Heaton Norris Pavilion Community Centre	14,887
Significant Project - Parkhead Housing Association	14,600
Significant Project - Grant Parish Church Development	13,307
Significant Project - Village Hall Ropsley	11,565
Significant Project - Venus	11,536
Significant Project - PKAVS Mental Health and Wellbeing Hub	10,563

# The ASDA Foundation

## NOTES TO THE ACCOUNTS

As at 31 December 2020

### 7. DEBTORS

	<i>Balance at 31 December 2020 £</i>	<i>Balance at 31 December 2019 £</i>
Restricted	8,230	8,417
Unrestricted	<u>60,941</u>	<u>55,615</u>
<b>Total</b>	<b><u>69,171</u></b>	<b><u>64,032</u></b>

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>Balance at 31 December 2020 £</i>	<i>Balance at 31 December 2019 £</i>
Accruals	66,793	108,474
Other creditors	<u>104,522</u>	<u>37,928</u>
	<b><u>171,315</u></b>	<b><u>146,402</u></b>

### 9. RELATED PARTIES

ASDA Stores provides funding to The ASDA Foundation through an annual lump sum donation and money paid to ASDA Stores from the National Lottery. ASDA Foundation then distributes these funds to charitable good causes and sustainable projects.

During the year, ASDA Stores donated £3,464,529 (2019: £3,830,000). ASDA Stores received £210,541 payment at cost for their contribution to the administrative support of the ASDA Foundation (2019: £228,331).

At the year end, ASDA Stores owed The ASDA Foundation £60,941 in relation to unrestricted funds (2019: £55,615) and £8,230 in relation to restricted funds (2019: £8,417). The ASDA Foundation owed ASDA Stores £nil in relation to unrestricted funds (2019: nil).