

Charity number: 1124268
Company number: 6480049

THE ASDA FOUNDATION

A Company Limited by Guarantee

Reports and Financial Statements
31 December 2021

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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
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LS2 3AG

Auditors

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

THE TRUSTEES' ANNUAL REPORT

The trustees present their report together with the financial statements of The ASDA Foundation ('ASDA Foundation') for the year ended 31 December 2021.

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:

Helen Selby	Chair
	Trustee (appointed 10 June 2022)
John Cookman	Deputy Chair
	Independent Trustee
Susan Hennessey	Independent Trustee
Patricia Anne Mitchell	Independent Trustee
Simon James Ward Lewis	Independent Trustee
Andrew Murray	Independent Trustee (resigned 8 March 2022)
Meghan Farren	Trustee (appointed 8 March 2022 and resigned 14 July 2022)
Jane Earnshaw	Trustee
Jessica Elisabeth Hodgson	Trustee (resigned 22 July 2022)
Jason Martin	Trustee
Jodie Tate	Trustee (appointed 1 February 2021)
Alexandra Clare Askew	Secretary

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 eight 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. 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)

The articles require that the board of trustees comprises between five 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 experience to add value to the board of trustees and enable the Charity to progress in line with its strategic ambitions.

Trustees are appointed by an 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 process, payroll and human resource requirements for all ASDA Foundation staff to ASDA Stores. ASDA Foundation trustees remain in control of determining the team requirements and the team structure. The team of eight ASDA Stores colleagues is made up of the Senior Foundation Manager, the Foundation Manager, two Foundation advisors and four Foundation Coordinators. 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. ASDA Foundation also has two Trustee sub-committees which meet between quarterly meetings and have delegated authority to make decisions. These sub-committees are: Giving and Risk Committee and Finance Committee.

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.

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.

THE TRUSTEES' ANNUAL REPORT (CONTINUED)

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 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 2021 focused on supporting communities during the lockdowns through the provision of food, hygiene, zoom activities and wellbeing. As the year progressed, grants focused on supporting bringing communities back together in person.

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 an annual donation from ASDA Stores and commission income in relation to the National Lottery received by ASDA Stores.

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.

THE TRUSTEES' ANNUAL REPORT (CONTINUED)

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 £nil.

The trustees have a policy of designating unrestricted funds for specific purposes. The majority of unrestricted funds are utilised through ASDA Foundation grant programmes. The amount of unrestricted funds carried forward as at 31 December 2021 was £4,469,228.

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.

Going concern

The only income for the Charity is from ASDA Stores Limited. The Charity has a sufficient level of unrestricted cash balances at the date of approval of these financial statements to meet the normal level of committed expenses and donations up to 31 December 2023. As a consequence, the trustees have no concerns about the liquidity risk or the going concern status of the Charity. These financial statements are therefore, prepared on a going concern basis, under the historical cost convention.

Reappointment of auditors

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

Approved by the trustees and signed on their behalf by

H K Selby

Helen Selby
Chair and Trustee
16 September 2022

STRATEGIC REPORT

Achievements and performance

Transforming Communities and Improving Lives Grants

With the impact of COVID-19 being felt in all communities, ASDA Foundation gave more Transforming Communities Improving Lives (TCIL) Grants than any previous year. During the year, two TCIL grant rounds were launched. 896 groups were supported through 'Supporting Community Through Lockdown' Grants totalling £365,663 and Bringing Communities Back Together supported 1,268 groups, with donations totalling £971,024. To further support communities, ASDA Foundation funded a store programme, enabling ASDA Community Champions to take product off the shelves to quickly support communities in need. ASDA Foundation funded the donation of all these products.

Significant Projects

During 2021, ASDA Foundation supported the final 3 significant community projects awarded in 2020, 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.

This programme was suspended during the COVID-19 pandemic. A new larger value programme to support communities will launch in 2022. This new Investing in Spaces and Places grant will provide funding of up to £25,000 and will focus on providing a safe, inclusive space for people to be together. These spaces will be:

- Repairing Spaces
- Renovating Places
- Transforming Outside Spaces

Green Token Giving Grant Programme

During 2020, instore voting for Green Token Giving was suspended due to the COVID-19 pandemic and donations were made to groups without a vote. In 2021, Green Token Giving relaunched online, providing customers with an opportunity to vote online for their chosen local cause. Across 2021, 2,975 groups collectively received over 2 million digital votes with a total donation of £889,000.

Community Emergency Grants

Every year, ASDA Foundation is committed to supporting communities during times of crisis with emergency funding. In 2021, significant storms were experienced across the UK including Storm Christoph and Storm Arwen. Both caused significant damage and destruction to people's homes, with many families evacuated. ASDA Foundation Emergency Grants support families in the immediate aftermath with clothes, cleaning products, bedding and food. The aim is to support families in those initial 48 hours to make a difference.

Partnership

Following ASDA Foundation strategic reprioritisation to focus the distribution of funds to grassroots community groups, ASDA Foundation has reduced the number of large partnerships with organisations delivering on a broader national scale. In 2021, we continued to support our remaining partners.

The Duke of Edinburgh Award continue to provide more young people with an inclusive opportunity to take part using funding to break down barriers to participation. Following a difficult 2020 due to the pandemic, ASDA Foundation extended the final year of the partnership with Run for All into 2021 enabling thousands of people to be active and raise money for causes important to them. Into University of Leeds completed their final year of partnership with ASDA Foundation continuing to tackle barriers and access to learning.

Digital Exclusion Project

The provision of education during the Covid-19 pandemic, resulted in many children learning from home and digital exclusion was a major barrier for many families. Working with ASDA Stores and Dell, ASDA Foundation joined forces with both organisations funding data bundles for laptops donated by ASDA to over 7,000 children.

STRATEGIC REPORT (CONTINUED)

Key Performance Indicators

Key performance indicators are detailed below:

	<i>Year ended</i> 2021	<i>Year ended</i> 2020
	£	£
Restricted donations	9,065	96,997
Unrestricted donations	4,001,254	4,482,867
Net expenditure	(617,857)	(1,191,046)
Net cash outflow	(720,734)	(1,171,272)

Financial review

During the year, donations totalling £4,001,254 (2020: £4,482,867) were made from unrestricted funds to support local grant giving programmes.

Restricted funds of £3,703 (2020: £80,925) 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 £4,469,228 (2020: £5,087,085) broken down as follows:

	<i>Balance at 31</i> <i>December</i> 2021	<i>Balance at 31</i> <i>December</i> 2020
	£	£
Restricted funds	-	5,362
Unrestricted funds	4,469,228	5,081,723

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

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, 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 status of the Charity.

STRATEGIC REPORT (CONTINUED)

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 assessment 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 include regular updates to the website and a wide range of promotional activities.
- The risk relating to the financial health 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 includes all contractual obligations the Foundation has over multiple years.

Plans for future periods

ASDA Foundation will continue to fund Grant Giving Programmes, with a renewed focus on building resilient communities for the future whilst supporting during times of crisis such as floods, fires and emerging community issues such as cost of living crisis. The COVID-19 pandemic also fell into the Foundation crisis work and has demonstrated the need for flexibility and broad criteria, enabling the Charity to pivot and respond quickly to the emerging needs of communities and in the future.

Approved by the trustees and signed on their behalf by



Helen Selby
Chair and Trustee
16 September 2022

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

Opinion

We have audited the financial statements of The ASDA Foundation for the year ended 31 December 2021 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 charity's affairs as at 31 December 2021 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. 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 31st December 2023.

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.

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

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 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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 directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation 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 10, 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.

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

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 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 is complying with those frameworks by making enquiries of management, the Trustees, the ASDA Group Limited Legal & 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 un-presented 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 donors 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 Group Legal & 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASDA FOUNDATION
(Continued)

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 charitable company and the charitable 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

21 September 2022
Date.....

The ASDA Foundation

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2021

	Notes	Year ended 31 December 2021			Year ended 31 December 2020		
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
INCOME							
Income from charitable activities:							
ASDA Stores Limited	3	3,600,000	-	3,600,000	3,464,529	-	3,464,529
Cash For Kids	2	-	3,703	3,703	-	80,925	80,925
Sundry income	3	145,663	-	145,663	112,031	-	112,031
Interest received	3	419	-	419	7,419	-	7,419
Total income		3,746,082	3,703	3,749,785	3,583,979	80,925	3,664,904
EXPENDITURE							
Expenditure on charitable activities:							
Cash For Kids	2	-	9,065	9,065	-	96,997	96,997
Other charitable donations	3	4,001,254	-	4,001,254	4,482,867	-	4,482,867
Administration costs	3	357,323	-	357,323	276,086	-	276,086
Total Expenditure		4,358,577	9,065	4,367,642	4,758,953	96,997	4,855,950
Net expenditure		(612,495)	(5,362)	(617,857)	(1,174,974)	(16,072)	(1,191,046)
NET MOVEMENT IN FUNDS		(612,495)	(5,362)	(617,857)	(1,174,974)	(16,072)	(1,191,046)
<i>Reconciliation of funds</i>							
Fund balances brought forward		5,081,723	5,362	5,087,085	6,256,697	21,434	6,278,131
Fund balances carried forward		4,469,228	-	4,469,228	5,081,723	5,362	5,087,085

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 (2020: £nil).

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 2021

	<i>Year ended</i> 2021 £	<i>Year ended</i> 2020 £
INCOME		
Donations received	3,603,703	3,545,454
Interest received	419	7,419
Sundry income	145,663	112,031
	<hr/>	<hr/>
	3,749,785	3,664,904
EXPENDITURE		
Restricted fund donations	9,065	96,997
Expenses and unrestricted fund donations	4,358,577	4,758,953
	<hr/>	<hr/>
	4,367,642	4,855,950
	<hr/>	<hr/>
NET EXPENDITURE FOR THE YEAR	(617,857)	(1,191,046)

Donations received comprise £3,600,000 (2020: £3,464,529) unrestricted and £3,703 (2020: £80,925) 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 2021

Registered company no: 6480049

	Notes	31 December 2021			31 December 2020		
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
CURRENT ASSETS							
Debtors	7	49,416	-	49,416	60,941	8,230	69,171
Cash at bank in hand		4,468,495	-	4,468,495	5,192,097	(2,868)	5,189,229
TOTAL CURRENT ASSETS		4,517,911	-	4,517,911	5,253,038	5,362	5,258,400
CURRENT LIABILITIES							
Creditors - amounts falling due within one year	8	(48,683)	-	(48,683)	(171,315)	-	(171,315)
TOTAL NET CURRENT ASSETS		4,469,228	-	4,469,228	5,081,723	5,362	5,087,085
TOTAL NET ASSETS		4,469,228	-	4,469,228	5,081,723	5,362	5,087,085
THE FUNDS OF THE CHARITY	2,3	4,469,228	-	4,469,228	5,081,723	5,362	5,087,085

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

H K Selby

Helen Selby
Chair and Trustee
16 September 2022

The ASDA Foundation

CASH FLOW STATEMENT For the year ended 31 December 2021

	Year ended 2021			Year ended 2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Cash flows used in operating activities						
Net expenditure for the year	(612,495)	(5,362)	(617,857)	(1,174,974)	(16,072)	(1,191,046)
<i>Adjustments to reconcile net expenditure to net cash flows:</i>						
Investment income	(419)	-	(419)	(7,419)	-	(7,419)
<i>Changes in working capital</i>						
Decrease/(increase) in debtors	11,525	8,230	19,755	(5,326)	187	(5,139)
(Decrease)/increase in creditors	(122,632)	-	(122,632)	24,913	-	24,913
Net cash flows used in operating activities	(724,021)	2,868	(721,153)	(1,162,806)	(15,885)	(1,178,691)
Cash flows from investing activities						
Investment income	419	-	419	7,419	-	7,419
Net (decrease)/increase in cash and cash equivalents	(723,602)	2,868	(720,734)	(1,155,387)	(15,885)	(1,171,272)
Cash and cash equivalents at start of year	5,192,097	(2,868)	5,189,229	6,347,484	13,017	6,360,501
Cash and cash equivalents at end of year	4,468,495	-	4,468,495	5,192,097	(2,868)	5,189,229

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), the Companies Act 2006 and the Charities Act 2011. The Charity is incorporated and domiciled in England under the Companies Act 2006, as a private company limited by guarantee, The Charity is a public benefit entity and its registered office is ASDA House, Great Wilson Street, Southbank, Leeds, LS11 5AD. The principal policies adopted in the preparation of the financial statements are set out below.

Going Concern

The only income for the Charity is from ASDA Stores Limited. The Charity has a sufficient level of unrestricted cash balances at the date of approval of these financial statements to meet the normal level of committed expenses and donations up to 31 December 2023. As a consequence, the trustees have no concerns about the liquidity risk or the going concern status 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.

Sundry Income

For a variety of reasons, certain amounts raised as donations are not cashed by recipient charities. When such circumstances arise, the ASDA Foundation Management Team investigate to determine the reasons for this and, where appropriate the original payment is cancelled and a new payment is raised. Where this occurs, the cancellation and the new payment are accounted for within donations. In instances where investigation deems it to be inappropriate to raise a new payment, and where the original payment has been accounted for as a donation in the prior year, the cancellation of the original payment is accounted for as a credit within sundry income.

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;
- marketing fees;
- bank charges; 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 2021

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 2020</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Balance 31 December 2021</i>
	£	£	£	£
Cash For Kids	5,362	3,703	(9,065)	-
	<u>5,362</u>	<u>3,703</u>	<u>(9,065)</u>	<u>-</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 2020</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Balance at 31 December 2021</i>
	£	£	£	£
ASDA Stores Limited	3,975,284	3,600,000	(4,001,254)	3,574,030
Sundry income and administration costs	1,028,989	145,663	(357,323)	817,329
Investment income	77,450	419	-	77,869
	<u>5,081,723</u>	<u>3,746,082</u>	<u>(4,358,577)</u>	<u>4,469,228</u>

The ASDA Foundation

NOTES TO THE ACCOUNTS

As at 31 December 2021

3. UNRESTRICTED FUNDS (CONTINUED)

The below table summarises expenditure on unrestricted funds:

	<i>Year ended 31 December 2021 £</i>
<i>Grants to institutions</i>	
Transforming Communities Improving Lives Grant Programmes	1,954,870
Green Token Giving	971,600
Partnerships	446,500
Digital Inclusion	437,990
Match Funding Colleague Fundraising grants	36,016
Significant Community projects	29,000
Emergency Community Grants	23,953
Other charitable expenditure	56,308
	<hr/>
Total grants to institutions	3,956,237
<i>Grants to individuals</i>	
Hardship requests from ASDA colleagues	45,017
	<hr/>
Administration costs	357,323
	<hr/>
Total expenditure on unrestricted funds	4,358,577
	<hr/> <hr/>

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 £6,600 (2020: £6,510).

ASDA Stores received payments at cost totalling £286,836 for their contribution to the administrative support of the ASDA Foundation (2020: £210,541).

The average number of employees for the year was none (2020: none). No employee benefits were paid in the year (2020: 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

Trustee expenses were £71 (2020: £nil).

No emoluments were paid to trustees in relation to their qualifying services as a trustee by ASDA Foundation for the year ended 31 December 2021 (2020: £nil).

The ASDA Foundation

NOTES TO THE ACCOUNTS

As at 31 December 2021

6. DONATIONS OVER £10,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED 31 DECEMBER 2021

	£
University of Leeds	180,000
Jane Tomlinson's Run For All	139,000
The Duke of Edinburgh's Award Charter	127,500
Significant Project - Moordown Community Association	15,000
Breast Cancer Now	17,524

7. DEBTORS

	<i>Balance at 31 December 2021</i>	<i>Balance at 31 December 2020</i>
	£	£
Restricted	-	8,230
Unrestricted	49,416	60,941
Total	<u>49,416</u>	<u>69,171</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>Balance at 31 December 2021</i>	<i>Balance at 31 December 2020</i>
	£	£
Accruals	6,600	66,793
Amounts owed to ASDA Stores Limited	41,783	-
Other creditors	300	104,522
Total	<u>48,683</u>	<u>171,315</u>

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 £3,600,000 (2020: £3,464,529). ASDA Stores received payments at cost totalling £286,836 for their contribution to the administrative support of the ASDA Foundation (2020: £210,541).

At the year end, ASDA Stores owed The ASDA Foundation £49,416 in relation to unrestricted funds (2020: £60,941) and £nil in relation to restricted funds (2020: £8,230). The ASDA Foundation owed ASDA Stores £41,783 for administration costs in relation to unrestricted funds (2020: nil).