

Charity number: 1124268  
Company number: 6480049

THE ASDA FOUNDATION

A Company Limited by Guarantee

Reports and Financial Statements  
31 December 2015

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**Principal Office**

ASDA House  
Southbank  
Great Wilson Street  
Leeds  
LS11 5AD

**Bankers**

Natwest Bank PLC  
8 Park Row  
Leeds  
LS1 1QS

**Solicitors**

Pinsent Masons LLP  
1 Park Row  
Leeds  
LS1 5AB

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 2015.

### REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1124268

Company number: 6480049

### DIRECTORS AND TRUSTEES

ASDA Foundation was incorporated in England and Wales on 22 January 2008 as a charitable company limited by guarantee. The company's key principle is to maintain its charitable objects, main objectives and activities as 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:

Alex Simpson	Chair and Trustee (appointed 26 June 2015)
John Cookman	Deputy Chair and Independent Trustee
Alison Seabrooke	Independent Trustee
David Wickert	Independent Trustee (resigned 11 June 2015)
Annmarie Rocks	Trustee
Dominic Burch	Trustee (resigned 21 March 2016)
Elisabeth Smith	Independent Trustee (resigned 23 February 2016)
Emily Neild	Trustee (appointed 16 February 2015; resigned 17 August 2015)
Gerald Oppenheim	Independent Trustee
Helen Milford	Trustee (resigned 16 February 2015)
James Jefcoate	Trustee
Lorraine Jackson	Independent Trustee
Lynne Tooms	Trustee
Munazah Dar	Trustee (resigned 5 January 2016)
Jane Earnshaw	Trustee (appointed 11 December 2015)
Francesca Haynes	Trustee (appointed 23 February 2016)
Paul Rowland	Trustee (appointed 16 March 2016)

### FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland

The Charity has transitioned from previously extant UK Generally Accepted Accounting Practice (UK GAAP) to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") for all periods presented.

Reconciliation of equity from UK GAAP to FRS 102 as at 1 January 2014 and 31 December 2014 and net income for the year ended 31 December 2014 is shown in note 10.

## THE TRUSTEES' ANNUAL REPORT (CONTINUED)

### 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 eleven trustees (also known as company directors) who are also the members of the charity. The chair of the trustees is currently appointed from amongst those trustees who are employees of ASDA Stores Limited (company number 464777) and a deputy is appointed from the trustees who are not employees of ASDA to ensure that any potential conflicts of interest can be managed. The chair has a casting vote in the event of an equality of votes.

Under the current articles, the board of trustees must comprise between three and twelve trustees. The articles currently require that the board of trustees will be constituted as follows:

At all times a minimum of

- four trustees will be employees of ASDA Stores Limited;
- four trustees will not be employees of ASDA Stores Limited.

Trustees who are not employees of ASDA have relevant third sector and charity skills and experience.

Trustees are appointed by ordinary resolution, by a decision of the trustees or by ASDA. 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, and 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 Limited).

#### Management and administration

ASDA Foundation's day to day management is performed by the 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 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.

Financial support is provided to ASDA Foundation by ASDA Stores Limited and the Foundation Manager meets on a monthly basis with a financial representative from ASDA Stores Limited to review the monthly management accounts. The annual accounts are externally audited each year, in accordance with the charities SORP (Statement of Recommended Practice).

#### Achievements, performance and financial review

Achievements, performance and financial review of the Charity's activities in the year are detailed in the Strategic Report on page 7 of these accounts.

## THE TRUSTEES' ANNUAL REPORT (CONTINUED)

### 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 Charities 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.

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 or the saving of lives 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 objectives are:

- to fund local grant giving programmes and initiatives as agreed by the trustees;
- to administer funds raised for Tickled Pink, Children in Need, Orchid, British Heart Foundation, Whizz Kidz, Sporting Chance and Tommy's, which are ASDA's national campaigns;
- to provide financial support to those colleagues and immediate family members who have found themselves in significant financial hardship; and
- to provide emergency support in the event of a disaster. When overseas disasters occur, ASDA customers and colleagues support the appeal through the Disasters Emergency Committee.

### Foundation guidelines

ASDA Foundation's main objective is to make donations to local good causes. Colleagues of ASDA Stores Limited raise funds for their local charities/communities and many apply to ASDA Foundation for further funding where the following guidelines are applied, for a minimum of two trustees to approve:

- teams of colleagues raising money for a good cause - ASDA Foundation will make a reasonable donation depending on the number of colleagues involved, local good cause and amount raised
- one colleague raising money for a good cause - £100 max
- sponsored activity e.g. London Marathon - £50 per colleague
- colleague teams raising money for close immediate family - £500 max

### 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.

**THE TRUSTEES' ANNUAL REPORT (CONTINUED)**

**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.

*Restricted and unrestricted reserves policy*

ASDA Foundation's policy on restricted funds is to separately record donations and other sources of fundraising, where the fundraising is restricted to ASDA Foundation's chosen national charities or other specified charities. The majority of these incoming resources have been donated to the specified charities for their intended purpose. Restricted funds carried forward are £115,467 and 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 on projects which make a real long term sustainable difference to local communities, as well as supporting the local good causes our colleagues support. Unrestricted funds carried forward are £8,008,496. The majority of these are awaiting allocation by the trustees and will be distributed in a subsequent period.

**Relationship with other charities**

As described above, our charitable fundraising is generally organised locally and ASDA Stores Limited colleagues work closely with local community charities. In addition, the trustees supported major appeals this year and have co-ordinated stores' fund raising for Tickled Pink, Orchid, Tommy's, Children in Need, British Heart Foundation and Whizz Kidz.

**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 group's auditor, 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.

Approved by the trustees and signed on their behalf by



A Simpson  
Chair and Trustee  
29 July 2016

## STRATEGIC REPORT

### Achievements and performance

During 2015 ASDA colleagues and customers raised £1,510,523 in total for Tickled Pink, Tommy's, Children in Need, Orchid, Whizz Kidz, Jamgara, British Heart Foundation and Disasters (2014: £3,480,807). ASDA Foundation administered these funds.

ASDA Foundation also supported 35 significant community projects, which have made a real difference to local communities and the people who work there. These projects addressed a wide range of social and community issues and included:

- redevelopment of youth and community centres;
- the purchase of equipment for a community youth engagement scheme, where disadvantaged young people are provided with opportunities to engage in sporting and leisure activities in an informal setting, and are provided with education and advice on a range of issues;
- funding an improvement scheme to the play area of a large community park;
- developing unused land to create community gardens; and
- provide the funding for the Community Life Initiative, supporting local charities and good causes.

### Key Performance Indicators

- Restricted donations in the year totalled £2,081,942 (2014: £4,336,941)
- Unrestricted donations in the year totalled £4,640,863 (2014: £3,179,030)
- Net movement in funds in the year was £1,260,903 (2014: £1,105,573)
- Net increase in cash in the year was £1,455,004 (2014: £1,154,384)

### Financial review

Total net assets of ASDA Foundation as at 31 December 2015 were £8,123,963 (2014: £6,863,060).

Of the restricted funds: £499,226 (2014: £2,320,725) was raised by ASDA Stores colleagues for Tickled Pink (previously Breast Cancer Care and Breast Cancer Now); £338,948 (2014: £384,000) for Tommy's; £82,682 (2014: £46,927) for Children in Need; £305,145 (2014: £207,333) for Orchid; £236,145 (2014: £291,486) for Whizz Kidz; £13,502 (2014: £194,195) for British Heart Foundation; £33,326 (2014: £36,141) for Disasters; £1,549 for Jamgara (2014:nil). Collected monies are distributed to the relevant charity within one year. All funds raised for Breast Cancer Care and Breast Cancer Now are distributed equally to these charities.

Donations previously received for Breast Cancer Now and Breast Cancer Care are now administered through an affiliated charity, ASDA Tickled Pink. All amounts donated to Tickled Pink are subsequently donated to Breast Cancer Care and Breast Cancer Now.

ASDA Foundation funds continue to be in surplus and it 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.

### Plans for future periods

ASDA Foundation will continue to fund sustainable projects which will make a real long term difference to local people and their communities. In addition, during 2016 ASDA Foundation will administer funds raised to support the following national campaigns:

- Tickled Pink
- Children in Need
- Tommy's
- Orchid
- Disasters
- Whizz Kidz
- Jamgara
- British Heart Foundation
- Cash For Kids



## STRATEGIC REPORT (CONTINUED)

### Principal Risks and Uncertainties

All monies are held as cash in bank accounts under the charity's name. The key sources of income for the charity are ASDA Stores Limited and The National Lottery, both of which will continue generating funds as a going concern for the foreseeable future, therefore 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 and addressed during the year under review 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 potential grantees. A number of trustees with considerable charity sector experience have been appointed and the Foundation has joined the Association of Charitable Foundations. ASDA Foundation also specifies the purposes for which a grant is given and includes certain safeguards in its grant agreements;
- the potential risk to ASDA Foundation's assets. Investment advice has been sought and the trustees are reviewing their investment strategy and the way in which ASDA Foundation's assets are invested;
- the risk of fraud or other financial mishandling of charity assets. ASDA Foundation works with external advisors and ASDA Stores Limited 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 potential risk to the independence of ASDA Foundation in its dealings with ASDA Stores Limited, given the necessarily close relationship ASDA Foundation has with its principal funder and the back-office support ASDA Stores Limited provides to the Foundation. ASDA Foundation ensures there are roughly equal numbers of trustees who are not employed by ASDA 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 Limited, the deputy chair must be independent of ASDA Stores Limited 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 risks relating to the appropriate authorisation of charitable payments and the payment process: At the trustees' request, both ASDA Foundation's voting system and payment approval procedures have been documented, in order to provide them with clarity over their ambit of giving. ASDA Foundation works with ASDA Stores Limited to monitor and improve the payment process.

Approved by the trustees and signed on their behalf by



A Simpson  
Chair and Trustee  
29 July 2016

## **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 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 2015 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and related notes 1 to 11. 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".

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

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 they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 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.

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

In our opinion the information given in the Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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.

Ernst & Young LLP

Victoria Venning (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Manchester

1 August 2016

# The ASDA Foundation

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2015

	Year ended 31 December 2015			Year ended 31 December 2014		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
<b>INCOME</b>						
<b>Income from charitable activities:</b>						
ASDA Stores Limited	6,200,000	-	6,200,000	4,980,000	-	4,980,000
Breast Cancer Now and Breast Cancer Care*	-	-	-	-	2,320,725	2,320,725
ASDA Tickled Pink*	-	499,226	499,226	-	-	-
Orchid	-	305,145	305,145	-	207,333	207,333
Children in Need	-	82,682	82,682	-	46,927	46,927
Tommy's	-	338,948	338,948	-	384,000	384,000
Jamgara	-	1,549	1,549	-	-	-
Disasters	-	33,326	33,326	-	36,141	36,141
Whizz Kidz	-	236,145	236,145	-	291,486	291,486
British Heart Foundation	-	13,502	13,502	-	194,195	194,195
<b>Other income</b>	507,291	-	507,291	304,307	-	304,307
<b>Income from investments</b>	13,712	-	13,712	5,382	-	5,382
<b>Total income</b>	<u>6,721,003</u>	<u>1,510,523</u>	<u>8,231,526</u>	<u>5,289,689</u>	<u>3,480,807</u>	<u>8,770,496</u>
<b>EXPENDITURE</b>						
<b>Expenditure on charitable activities:</b>						
Breast Cancer Now and Breast Cancer Care*	-	-	-	-	2,278,694	2,278,694
ASDA Tickled Pink*	-	499,226	499,226	-	807,582	807,582
Orchid	-	376,722	376,722	-	162,366	162,366
Children in Need	-	136,198	136,198	-	223,774	223,774
Tommy's	-	704,661	704,661	-	346,051	346,051
Sporting Chance	-	-	-	-	597	597
Jamgara	-	1,428	1,428	-	7,597	7,597
Disasters	-	61,794	61,794	-	76,982	76,982
Whizz Kidz	-	236,145	236,145	-	291,486	291,486
British Heart Foundation	-	65,768	65,768	-	141,812	141,812
Other charitable donations	4,640,863	-	4,640,863	3,179,030	-	3,179,030
Administration costs	247,818	-	247,818	148,952	-	148,952
<b>Total Expenditure</b>	<u>4,888,681</u>	<u>2,081,942</u>	<u>6,970,623</u>	<u>3,327,982</u>	<u>4,336,941</u>	<u>7,664,923</u>
<b>Net income / (expenditure)</b>	<u>1,832,322</u>	<u>(571,419)</u>	<u>1,260,903</u>	<u>1,961,707</u>	<u>(856,134)</u>	<u>1,105,573</u>
<b>NET MOVEMENT IN FUNDS</b>	<u>1,832,322</u>	<u>(571,419)</u>	<u>1,260,903</u>	<u>1,961,707</u>	<u>(856,134)</u>	<u>1,105,573</u>
<i>Reconciliation of funds</i>						
Fund balances brought forward	6,176,174	686,886	6,863,060	4,214,467	1,543,020	5,757,487
Fund balances carried forward	<u>8,008,496</u>	<u>115,467</u>	<u>8,123,963</u>	<u>6,176,174</u>	<u>686,886</u>	<u>6,863,060</u>

\* Donations previously received for Breast Cancer Now and Breast Cancer Care are now administered through an affiliated charity, ASDA Tickled Pink. Monies collected are donated to Tickled Pink and subsequently donated to Breast Cancer Care and Breast Cancer Now.

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 on pages 15 to 23 form part of these financial statements.

# The ASDA Foundation

## SUMMARY INCOME AND EXPENDITURE ACCOUNT for the year ended 31 December 2015

	<i>Year ended 2015 £</i>	<i>Year ended 2014 £</i>
<b>INCOME</b>		
Donations received	7,710,523	8,460,807
Interest received (gross)	13,712	5,382
Sundry income	507,291	304,307
	<u>8,231,526</u>	<u>8,770,496</u>
<b>EXPENDITURE</b>		
Restricted fund donations	2,081,942	4,336,941
Expenses and unrestricted fund donations	4,888,681	3,327,982
	<u>6,970,623</u>	<u>7,664,923</u>
<b>NET INCOME FOR THE YEAR</b>	<u>1,260,903</u>	<u>1,105,573</u>

Donations received comprise £6,200,000 (2014: £4,980,000) unrestricted and £1,510,523 (2014: £3,480,807) restricted funds. A detailed analysis is provided in the Statement of Financial Activities.

Detailed analysis of expenditure is provided in the Statement of Financial Activities.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 11 which, together with the notes to the financial statements on pages 15 to 23, provides full information on the movements during the year on all the funds of ASDA Foundation.

# The ASDA Foundation

## BALANCE SHEET As at 31 December 2015

Registered company no: 6480049

	<i>Notes</i>	<i>31 December 2015</i>			<i>31 December 2014</i>		
		<i>Restricted</i>	<i>Unrestricted</i>	<i>Total</i>	<i>Restricted</i>	<i>Unrestricted</i>	<i>Total</i>
		<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>CURRENT ASSETS</b>							
Debtors	8	13,182	-	13,182	118,559	-	118,559
Cash at bank in hand		134,383	8,101,299	8,235,682	589,504	6,191,174	6,780,678
<b>TOTAL CURRENT ASSETS</b>		<u>147,565</u>	<u>8,101,299</u>	<u>8,248,864</u>	<u>708,063</u>	<u>6,191,174</u>	<u>6,899,237</u>
<b>CURRENT LIABILITIES</b>							
Creditors - amounts falling due within one year	9	(32,098)	(92,803)	(124,901)	(21,177)	(15,000)	(36,177)
<b>TOTAL NET CURRENT ASSETS</b>		<u>115,467</u>	<u>8,008,496</u>	<u>8,123,963</u>	<u>686,886</u>	<u>6,176,174</u>	<u>6,863,060</u>
<b>TOTAL NET ASSETS</b>		<u>115,467</u>	<u>8,008,496</u>	<u>8,123,963</u>	<u>686,886</u>	<u>6,176,174</u>	<u>6,863,060</u>
<b>THE FUNDS OF THE CHARITY</b>	2.3	<u>115,467</u>	<u>8,008,496</u>	<u>8,123,963</u>	<u>686,886</u>	<u>6,176,174</u>	<u>6,863,060</u>

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 on pages 15 to 23 form part of these financial statements.

Approved by the trustees and signed of their behalf by



A Simpson  
Chair and Trustee  
29 July 2016

# The ASDA Foundation

## CASH FLOW STATEMENT

As at 31 December 2015

	Year ended 2015			Year ended 2014		
	<i>Restricted</i>	<i>Unrestricted</i>	<i>Total</i>	<i>Restricted</i>	<i>Unrestricted</i>	<i>Total</i>
	£	£	£	£	£	£
<b>Cash flows from operating activities</b>						
Net income/(expenditure) for the year	(571,419)	1,832,322	1,260,903	(856,134)	1,961,707	1,105,573
<i>Adjustments to reconcile net income to net cash flows:</i>						
Investment income	-	(13,712)	(13,712)	-	(5,382)	(5,382)
<i>Changes in working capital</i>						
Decrease in debtors	105,377	-	105,377	12,634	-	12,634
Increase in creditors	10,921	77,803	88,724	21,177	15,000	36,177
<b>Net cash flows from operating activities</b>	<b>(455,121)</b>	<b>1,896,413</b>	<b>1,441,292</b>	<b>(822,323)</b>	<b>1,971,325</b>	<b>1,149,002</b>
<b>Cash flows from investing activities</b>						
Investment income	-	13,712	13,712	-	5,382	5,382
<b>Net increase in cash and cash equivalents</b>	<b>(455,121)</b>	<b>1,910,125</b>	<b>1,455,004</b>	<b>(822,323)</b>	<b>1,976,707</b>	<b>1,154,384</b>
Cash and cash equivalents at start of year	589,504	6,191,174	6,780,678	1,411,827	4,214,467	5,626,294
<b>Cash and cash equivalents at end of year</b>	<b>134,383</b>	<b>8,101,299</b>	<b>8,235,682</b>	<b>589,504</b>	<b>6,191,174</b>	<b>6,780,678</b>

NOTES TO THE ACCOUNTS

As at 31 December 2015

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements of The ASDA Foundation have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), the Charities Act 1993 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The principal policies adopted in the preparation of the financial statements are set out below.

The key sources of income for the charity are ASDA Stores Limited and The National Lottery, both of which will continue generating funds as a going concern for the foreseeable future, therefore 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 Limited funds ASDA Foundation with an annual lump sum donation, agreed by the company and trustees each year. Profits from the mid-week National Lottery are also donated. These funds are donated by ASDA Foundation to projects and local good causes which have been nominated by colleagues. Supporting their local good causes and sustainable projects makes a real long term difference to local communities.

Additional income is received from fundraising for the national charities, Tommy's, Children in Need, Orchid and Disasters.

**Expenditure**

Expenditure comprises:

- donations to local charitable good causes;
- governance costs, which relate to the salary of the Foundation Manager, for administering and distributing funds, and fundraising activities of all projects including Children in Need, Orchid, Disasters and Tommy's;
- 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 charity events are borne by ASDA Stores Limited.

**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.

**Exceptional items**

Exceptional items are stated at their nominal amount and included in the Statement of Financial Activities under the relevant heading.



# The ASDA Foundation

## NOTES TO THE ACCOUNTS

As at 31 December 2015

### 2. RESTRICTED FUNDS

ASDA Foundation has a number of 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 at 31 December 2014</i>	<i>Fund transfer</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Balance at 31 December 2015</i>
	£	£	£	£	£
Breast Cancer Now and Breast Cancer Care *	807,582	(807,582)	-	-	-
Asda Tickled Pink *	(807,582)	807,582	499,226	(499,226)	-
Orchid	84,197	-	305,145	(376,722)	12,620
Children In Need	136,198	-	82,682	(136,198)	82,682
Tommy's	369,282	-	338,948	(704,661)	3,569
Pedal Power	16,332	-	-	-	16,332
Whizz Kidz	-	-	236,145	(236,145)	-
British Heart Foundation	52,383	-	13,502	(65,768)	117
Jamgara	-	-	1,549	(1,428)	121
Disasters	28,494	-	33,326	(61,794)	26
	<u>686,886</u>	<u>-</u>	<u>1,510,523</u>	<u>(2,081,942)</u>	<u>115,467</u>

\* Donations previously received for Breast Cancer Now and Breast Cancer Care are now administered through an affiliated charity, ASDA Tickled Pink. Monies collected are donated to Tickled Pink and subsequently donated to Breast Cancer Care and Breast Cancer Now. Monies owed to Breast Cancer Care and Breast Cancer Now at 31 December 2014 have been settled by Asda Tickled Pink.

The totals for each charity represent money raised over the year by ASDA colleagues and donations from the profits of ASDA stores on certain products.

NOTES TO THE ACCOUNTS

As at 31 December 2015

**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.

Within these funds are monies collected through ASDA Stores Limited for a particular purpose; these are hence transferred to that charity's restricted fund for distribution:

	<i>Balance at 31 December 2014</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Balance at 31 December 2015</i>
	£	£	£	£
ASDA Stores Limited	4,939,501	6,200,000	(4,640,863)	6,498,638
Sundry income and administration costs	1,229,304	507,291	(247,818)	1,488,777
Investment income	7,369	13,712	-	21,081
	<u>6,176,174</u>	<u>6,721,003</u>	<u>(4,888,681)</u>	<u>8,008,496</u>

**4. ADMINISTRATIVE COSTS**

The amount payable to the company's auditor for the audit of the company financial statements is £5,115 (2014: £15,000).

ASDA Stores Limited received £93,921 payment at cost for their contribution to the administrative support of the ASDA Foundation (2014: £75,892).

The average number of employees for the year was none (2014: none). No employee benefits were paid in the year (2014: none).

**5. TRANSACTIONS WITH TRUSTEES**

Five trustees (2014: Five) were reimbursed £8,625 for travel expenses to the trustees' quarterly meetings (2014: £6,502).

No emoluments were paid to Trustees in relation to their qualifying services as a trustee by ASDA Foundation for the year ended 31 December 2015 (2014: £nil).

NOTES TO THE ACCOUNTS

As at 31 December 2015

**6. DONATIONS OVER £1,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED 31 DECEMBER 2015**

Active Communities Network - United Kingdom Projects	383,536
Silver Line	250,000
Social Investment Business Foundation	250,000
Active Communities Network - Northern Ireland Project	169,560
Fareshare	142,500
Run For All	136,698
Trussell Trust	79,875
Motability	73,506
Tommy's - Parking Fine donations *	73,506
InUnity	65,060
Into University	57,500
Leeds Rugby Foundation	55,400
Big World Impact partnership	50,000
Positive Youth Foundation	48,050
Hardship requests from individuals	47,192
Significant Community Project - TX Outreach Programme	36,173
Tommy's - Helpline funding *	29,661
Significant Community Project - Reidvale Adventure Play Association	25,608
Significant Community Project - Hospitality and Hope	25,274
Significant Community Project - YMCA Northumberland	20,166
Community Grant Programme - Christ Church Pitsmoor	20,000
Community Grant Programme - Middleton Popstars Academy	20,000
Significant Community Project - Simon On The Streets	20,000
Charities Aid Foundation	18,896
Community Grant Programme - Ride High	18,500
Community Grant Programme - MAHDLO (Oldham Youth Zone)	18,421
Significant Community Project - Torglen Community Hall	18,125
Community Grant Programme - Woking Furniture Project Ltd	18,000
Significant Community Project - Burnley Boys and Girls Club	17,600
Significant Community Project - Lancashire Association of Boys and Girls Clubs	15,500
Significant Community Project - Soft Touch Arts Ltd	15,000
Community Grant Programme - St Michael's Hospice	14,975
Significant Community Project - Arts 4 Wellbeing	14,900
Significant Community Project - Burnley Wood Community Centre	14,826
Significant Community Project - Stockport CP Society	14,817
Significant Community Project - Auckland Youth & Community Centre Ltd	13,690
Significant Community Project - Hainworth Wood Community Centre	13,600
Significant Community Project - Bonny Downs Community Association	13,188
Grocery Aid	12,863
Significant Community Project - Over the Wall	11,826
Significant Community Project - Goal Line Youth Trust	10,807
Significant Community Project - Ravelrig Riding For the Disabled	10,500
Significant Community Project - Orbiston Centre	10,235

\* Donations from unrestricted funds as agreed by the trustees

NOTES TO THE ACCOUNTS

As at 31 December 2015

**6. DONATIONS OVER £1,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED  
31 DECEMBER 2015 (CONTINUED)**

	£
50th Birthday Grant - The Scottish Centre of Personal Safety	10,000
50th Birthday Grant - Youth & Community Trust	10,000
50th Birthday Grant - Brandwood Community Centre	10,000
50th Birthday Grant - St Martin's Community Resource Centre	10,000
50th Birthday Grant - Thumbs Up	10,000
National - Scottish Business in the Community	10,000
Significant Community Project - Burnley FC In The Community	10,000
50th Birthday Grant - Cramlington Voluntary Youth Project Ltd	9,905
50th Birthday Grant - Blaen Bran Community Woodland	9,900
50th Birthday Grant - Ardenglen HA Social Committee	9,720
50th Birthday Grant - Community Focus	9,700
50th Birthday Grant - Kent Search and Rescue	9,672
50th Birthday Grant - One Good Turn	9,000
50th Birthday Grant - Manchester City FC City In The Community Foundation	8,925
50th Birthday Grant - Community Wise Ltd	8,905
50th Birthday Grant - Phoenix Community & Youth Project	8,834
50th Birthday Grant - Chadwell Heath Community Centre	8,694
Significant Community Project - Butts Ash Community Association	8,544
Significant Community Project - St Annes Neighbourhood Centre	8,544
50th Birthday Grant - St Marys Community Centre	8,436
Significant Community Project - Warning Zone	8,366
50th Birthday Grant - Cancer Campaign In Suffolk	8,304
50th Birthday Grant - Fiddington Village Hall	8,255
50th Birthday Grant - Living Lights	8,199
Significant Community Project - Tomorrows Women's Wirral	8,172
50th Birthday Grant - Stopsley Baptist Church	8,134
50th Birthday Grant - Bermondsey Community Kitchen	8,000
50th Birthday Grant - Middleton Elderly Aid	8,000
50th Birthday Grant - The St Edmundsbury Sailing & Canoeing Association	8,000
Significant Community Project - Cowran Care Ltd	8,000
50th Birthday Grant - St Matthews Community Halls	7,900
50th Birthday Grant - Home-Start Wirral	7,835
Significant Community Project - Marton United Reformed Church	7,780
50th Birthday Grant - Linton Lane Centre	7,725
50th Birthday Grant - Carers Choices	7,500
50th Birthday Grant - South Wye Development Trust	7,313
50th Birthday Grant - The Hubb Community Resource Centre	7,000
50th Birthday Grant - St Annes Community Centre	6,995
Community Grant - The Philadelphia Network Ltd	6,929
Community Grant Programme - Action Foundation	6,876
50th Birthday Grant - Seagoe Youth Group	6,805
Community Grant - Bonny Downs Community Association	6,746
Significant Community Project - Whitefield Methodist Church	6,666
Tiny Life	6,621

NOTES TO THE ACCOUNTS

As at 31 December 2015

**6. DONATIONS OVER £1,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)**

	£
Community Grant Programme - Penistone Cinema Organ Trust	6,563
Significant Community Project - Swineshead Parish Council	6,450
50th Birthday Grant - Community Together CIC	6,180
50th Birthday Grant - Saint Mark's Day Centre for the Elderly	6,006
Significant Community Project - Newmains Community Trust Ltd	6,000
50th Birthday Grant - Nuneaton and North Warwickshire Equestrian Centre	5,996
50th Birthday Grant - Green Meadow Riding for the Disabled	5,850
50th Birthday Grant - South Tyneside Positive Activities	5,606
50th Birthday Grant - Youth Information & Counselling Centre	5,435
Significant Community Project - Warriors In The Community	5,420
50th Birthday Grant - Good Morning East Antrim	5,320
Carlisle Floods	5,235
50th Birthday Grant - East Shropshire Talking Newspaper	5,215
Community Grant Programme - Nottinghamshire Hospice Ltd	5,040
50th Birthday Grant - Friends of the YMCA in Hawsworth Wood	5,003
50th Birthday Grant - Streets2Homes	4,951
Significant Community Project - Newmains Community Trust Ltd	4,929
50th Birthday Grant - John Clements Sports and Community Trust	4,909
50th Birthday Grant - Huntly - Logie Durno Hall Committee	4,843
50th Birthday Grant - Haldene Youth Services	4,842
Community Grant Programme - Mersey Island Community Association	4,686
50th Birthday Grant - Clay County Cat Care	4,652
Significant Community Project - Stockport Cerebral Palsy	4,626
50th Birthday Grant - Cadder Hills Community Cafe	4,622
Community Grant - Space 2 Leeds	4,515
50th Birthday Grant - The John Clements Sports and Community Trust	4,441
50th Birthday Grant - Rush 2 The Den	4,279
Significant Community Project - The Grocott Centre Ltd	4,242
50th Birthday Grant - Hestia Radio Community Interest Company	4,197
Significant Community Project - Xplode Magazine	4,175
50th Birthday Grant - Nuneaton & North Warwickshire Equestrian Centre	4,004
50th Birthday Grant - Home Start Antrim	4,000
Significant Community Project - Donwell Community Association	3,960
50th Birthday Grant - Logie Durno Hall Committee	3,907
50th Birthday Grant - Northgate Ward Community Centre	3,700
50th Birthday Grant - Clay County Cat Care	3,655
Significant Community Project - Warning Zone	3,610
Candle Lighters	3,609
Community Grant Programme - Reading Ukrainian Community Centre	3,567
Significant Community Project - Over The Wall	3,539
Community Grant - Penistone Cinema Organ Trust	3,511
50th Birthday Grant - Cadder Hills Community Cafe	3,500
Community Grant Programme - The Penistone Cinema Organ Trust	3,357
Significant Community Project - TX Outreach Programme	3,348

NOTES TO THE ACCOUNTS

As at 31 December 2015

**6. DONATIONS OVER £1,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED  
31 DECEMBER 2015 (CONTINUED)**

	£
50th Birthday Grant - Fylde CAB Ltd	3,250
Community On-Line Grant - The Philadelphia Network Ltd	3,050
50th Birthday Grant - Gateway Ltd	3,036
50th Birthday Grant- The Café Project	3,002
Loughside Football Club	3,000
50th Birthday Grant - Forever Families	2,918
50th Birthday Grant - Hullbridge Senior Citizen Welfare Council	2,800
HOPE Worldwide	2,713
50th Birthday Grant - Getaway Girls	2,649
Playful Anywhere	2,500
50th Birthday Grant - Wear Valley Women's Aid	2,459
50th Birthday Grant - Radley Common Luncheon Club	2,400
50th Birthday Grant - Fylde Citizens Advice Bureau Ltd	2,250
50th Birthday Grant- Bethel Community Church	2,175
50th Birthday Grant - St Matthews Community Hall	2,100
50th Birthday Grant - Home Start Antrim	2,000
50th Birthday Grant - Creative Care Scotland	2,000
50th Birthday Grant - Staffs Search & Rescue	2,000
Salvation Army Community Hall	2,000
Significant Community Project - Brynmawr Millennium Terence Garden	2,000
50th Birthday Grant - Wilsthorpe Road Allotment Association	1,977
50th Birthday Grant - Butterflies After Stroke Club	1,950
50th Birthday Grant - Butterflies After Stroke Club	1,825
50th Birthday Grant - Seagoe Youth Group	1,804
50th Birthday Grant - Rochdale Talking Newspaper	1,800
Significant Community Project - Phoenix ADHD Project	1,800
Help For Heroes	1,644
50th Birthday Grant - CATCH	1,515
50th Birthday Grant - Age-Link	1,505
Martin House	1,429
Significant Community Project - The Albermarle Ltd	1,424
Ashton-Under-Lyne Emmaus Group	1,350
Local Impact - Highland Disability Sport	1,300
50th Birthday Grant - Logie Durno Hall	1,250
50th Birthday Grant - Forever Families	1,217
50th Birthday Grant - South Wye Development Trust - 1st invoice	1,187
Community Grant Programme - Space2 Leeds	1,150
Simon On The Streets	1,122
Community On-Line Grant - Penistone Cinema Organ Trust	1,061
50th Birthday Grant - Phoenix Community & Youth Project	1,058
Derby City Mission	1,000
Rotary Club of Sowerby Bridge	1,000
Alva Primary School	1,000
Cransley Hospice	1,000
Hereford Macmillan Cancer Support	1,000
Kent, Surrey and Sussex Air Ambulance	1,000
Local Impact - Bethel Community Church	1,000

NOTES TO THE ACCOUNTS

As at 31 December 2015

**6. DONATIONS OVER £1,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)**

	£
Local Impact - Blantyre Soccer Academy	1,000
Local Impact - Charles Young Centre	1,000
Local Impact - Christ Church	1,000
Local Impact - East Renfrewshire Chamber Of Commerce	1,000
Local Impact - Friends of Broadhurst	1,000
Local Impact - Friends of Starbank Park	1,000
Local Impact - George Eliot Courtyard Garden	1,000
Local Impact - Hounslow Housing	1,000
Local Impact - Jubilee Community Support Centre	1,000
Local Impact - Kids Out'District 1200 Zones 2 & 3	1,000
Local Impact - Kirkshaws Neighbourhood Centre	1,000
Local Impact - Newmains & District Gala Day	1,000
Local Impact - Omagh Community Church	1,000
Local Impact - Q20 Theatre	1,000
Local Impact - Bourne Free	1,000
Local Impact - St Paul's Church	1,000
Local Impact - Royal Voluntary Service Chatham	1,000
Local Impact - Taunton East Development Trust	1,000
Local Impact - The Cyrenians Ltd	1,000
Local Impact - Tipton Community Association Ltd	1,000
Local Impact - Warriors in the Community	1,000
Local Impact - Living Well With Dementia N.H.S Lanarkshire	1,000
Martin House Children's Hospice	1,000
St Eanswythe's Primary School PTFA	1,000
St Nicholas Hospice	1,000
The Duke of York Community Initiative	1,000
The Little Sisters of the Poor	1,000
Totton & Eling Christmas Lights	1,000
Walsall Pride For All	1,000

All donations in the year were to institutions with the exception of £47,192, paid to individual colleagues and immediate family members who have found themselves in significant financial hardship.

**7. EXCEPTIONAL ITEMS**

During the prior year there was a misappropriation of funds of £160,000 to Murley Dance Company, which was reported as a serious incident to the Charity Commission in 2014. Following this finding, the systems and processes of ASDA Foundation were reviewed and where appropriate changes were made. More details on the risk management for ASDA Foundation are included in the Strategic Report on page 8. This amount has been included within the resources expended, unrestricted section under "other charitable donations" on the Statement of Financial Activities prior year comparative and within net income for the prior year on the Cash Flow statement. During the prior year, ASDA Stores paid a donation by way of a gift to ASDA Foundation to match any misappropriated funds.

# The ASDA Foundation

## NOTES TO THE ACCOUNTS

As at 31 December 2015

### 8. DEBTORS

	<i>Balance at 31 December 2015 £</i>	<i>Balance at 31 December 2014 £</i>
Donations owed by ASDA Stores Limited	13,182	118,559

Monies awaiting transfer from ASDA Stores Limited are settled within three months.

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

	<i>Balance at 31 December 2015 £</i>	<i>Balance at 31 December 2014 £</i>
Accruals	20,115	15,000
Amounts owed to ASDA Tickled Pink	32,098	21,177
Other creditors	72,688	-
	124,901	36,177

Other creditors represent cheques over six months old awaiting re-issue.

### 10. TRANSITION TO FRS 102

For all periods up to and including the year ended 31 December 2014, the Charity prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Charity has prepared in accordance with FRS 102.

Accordingly, the Charity has prepared individual financial statements which comply with FRS 102 for applicable periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Charity has started from an opening balance sheet as at 1 January 2014, the Charity's date of transition to FRS 102, and made those changes in accounting policies and other restatements required for the first time adoption of FRS 102. Due to the nature of the balances in the Charity, no adjustments have been identified on transition to FRS 102 and consequently, no reconciliations of previously reported equity or net income are presented in this note.

### 11. RELATED PARTIES

ASDA Stores Limited provides funding to The ASDA Foundation through an annual lump sum donation and profit made on sales of the mid week National Lottery. ASDA Foundation then distributes these funds to charitable good causes and sustainable projects. During the year ASDA Stores Limited donated £6,200,000 (2014: £4,980,000). At the year end, ASDA Stores Limited owed The ASDA Foundation £13,182 (2014: £118,559).

At the year end, The ASDA Foundation owed ASDA Tickled Pink, an ASDA affiliated charity, £32,098 (2014: £21,177).