

Charity number: 1124268  
Company number: 6480049

**THE ASDA FOUNDATION**

**A Company Limited by Guarantee**

**Reports and Financial Statements  
31 December 2016**

## CONTENTS

The Trustees' Annual Report	3
Strategic Report	7
Trustees' Responsibilities Statement	9
Independent Auditor's Report	10
Statement of Financial Activities	11
Summary Income and Expenditure Account	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Accounts	15

**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 2016.

### REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1124268  
Company number: 6480049

### DIRECTORS AND TRUSTEES

ASDA Foundation ("the Charity") was incorporated in England on 22 January 2008 as a charitable company limited by guarantee. The Charity'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
John Cookman	Deputy Chair and Independent Trustee
Alison Seabrooke	Independent Trustee
Annmarie Rocks	Trustee
Dominic Burch	Trustee (resigned 21 March 2016)
Elisabeth Smith	Independent Trustee (resigned 23 February 2016)
Gerald Oppenheim	Independent Trustee
James Jefcoate	Trustee (employed by International Procurement & Logistics Limited)
Lorraine Jackson	Independent Trustee (resigned 14 March 2017)
Lynne Tooms	Trustee (resigned 26 October 2016)
Munazah Dar	Trustee (resigned 5 January 2016)
Jane Earnshaw	Trustee
Francesca Haynes	Trustee (appointed 23 February 2016; resigned 5 December 2016)
Paul Rowland	Trustee (appointed 16 March 2016; resigned 26 October 2016)
Jason Martin	Independent Trustee (appointed 2 December 2016)
Nicole Tallant	Trustee (appointed 17 February 2017)
Carolyn Heaney	Independent Trustee (appointed 9 March 2017)

## 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 ten 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.

#### 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, Orchid, Children in Need, Tommy's, Disasters, Pedal Power, Cash 4 Kids and British Heart Foundation which are ASDA's national campaigns during the year;
- 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 (up to a maximum of £1,000)
- one colleague raising money for a good cause - up to a maximum of £100
- sponsored activity e.g. 10k runs, Marathons - £50 per colleague
- colleague teams raising money for close immediate family - up to a maximum of £500

## THE TRUSTEES' ANNUAL REPORT (CONTINUED)

### **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.

### **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 £236,608 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 £10,251,705. 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, Children in Need, Tommy's, Jamgara, Disasters, Cash 4 Kids and British Heart Foundation.

### **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 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



J Cookman  
Deputy Chair and Independent Trustee  
20 July 2017

## STRATEGIC REPORT

### Achievements and performance

During 2016 ASDA colleagues and customers raised £784,160 in total for Tickled Pink, Orchid, Children In Need, Tommy's, Jamgara, Disasters, Cash 4 Kids and British Heart Foundation (2015: £1,510,523). ASDA Foundation administered these funds.

ASDA Foundation also supported 36 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 community centres;
- the purchase of equipment and mini buses for disadvantaged community groups and centres;
- funding improvement schemes such as community parks;

### Key Performance Indicators

- Restricted donations in the year totalled £663,019 (2015: £2,081,942)
- Unrestricted donations in the year totalled £4,445,817 (2015: £4,640,863)
- Net movement in funds in the year was £2,364,350 (2015: £1,260,903)
- Net increase in cash in the year was £2,418,869 (2015: £1,455,004)

### Financial review

Total net assets of ASDA Foundation as at 31 December 2016 were £10,488,313 (2015: £8,123,963).

Of the restricted funds: £525,559 (2015: £499,226) was raised by ASDA Stores colleagues for Tickled Pink (previously Breast Cancer Care and Breast Cancer Now); £34,294 (2015: £305,145) for Orchid; £79,109 (2015: £82,682) for Children in Need; £3,878 (2015: £338,948) for Tommy's; £12,498 (2015: £1,549) for Jamgara; £nil (2015: £33,326) for Disasters; 2016 £nil (2015: £236,145) for Whizz Kidz; £128,696 (2015: £nil) for Cash 4 Kids; £126 (2015: £13,502) for British Heart Foundation. Collected monies are distributed to the relevant charity within one year. All funds raised for Tickled Pink are distributed equally by Tickled Pink 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 our Grant Giving Programmes with the addition of Hunger Grants which will make a real long term difference to local people and their communities. In addition, during 2017 ASDA Foundation will administer funds raised to support the following national campaigns:

- Tickled Pink
- Children in Need
- Disasters
- 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 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 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 is a member of 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 and ASDA Stores Limited's anti-corruption team help to audit successful applicants prior to payment;
- 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.

Approved by the trustees and signed on their behalf by



J Cookman  
Deputy Chair and Independent Trustee  
20 July 2017

### **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 2016 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 9. 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 2016 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Annual Report is consistent with the financial statements.
- The Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirement

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

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report and Trustees' annual report.

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

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

Ernst & Young LLP

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

21 July 2017

# The ASDA Foundation

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2016

	Year ended 31 December 2016			Year ended 31 December 2015		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b>INCOME</b>						
<b>Income from charitable activities:</b>						
ASDA Stores Limited	6,600,000	-	6,600,000	6,200,000	-	6,200,000
ASDA Tickled Pink*	-	525,559	525,559	-	499,226	499,226
Orchid	-	34,294	34,294	-	305,145	305,145
Children in Need	-	79,109	79,109	-	82,682	82,682
Tommy's	-	3,878	3,878	-	338,948	338,948
Jamgara	-	12,498	12,498	-	1,549	1,549
Disasters	-	-	-	-	33,326	33,326
Whizz Kidz	-	-	-	-	236,145	236,145
Cash 4 Kids	-	128,696	128,696	-	-	-
British Heart Foundation	-	126	126	-	13,502	13,502
<b>Other income</b>	300,512	-	300,512	507,291	-	507,291
<b>Income from investments</b>	17,440	-	17,440	13,712	-	13,712
<b>Total income</b>	<u>6,917,952</u>	<u>784,160</u>	<u>7,702,112</u>	<u>6,721,003</u>	<u>1,510,523</u>	<u>8,231,526</u>
<b>EXPENDITURE</b>						
<b>Expenditure on charitable activities:</b>						
ASDA Tickled Pink*	-	525,559	525,559	-	499,226	499,226
Orchid	-	42,663	42,663	-	376,722	376,722
Children in Need	-	82,774	82,774	-	136,198	136,198
Tommy's	-	7,447	7,447	-	704,661	704,661
Pedal Power	-	516	516	-	-	-
Jamgara	-	4,060	4,060	-	1,428	1,428
Disasters	-	-	-	-	61,794	61,794
Whizz Kidz	-	-	-	-	236,145	236,145
British Heart Foundation	-	-	-	-	65,768	65,768
Other charitable donations	4,445,817	-	4,445,817	4,640,863	-	4,640,863
Administration costs	228,926	-	228,926	247,818	-	247,818
<b>Total Expenditure</b>	<u>4,674,743</u>	<u>663,019</u>	<u>5,337,762</u>	<u>4,888,681</u>	<u>2,081,942</u>	<u>6,970,623</u>
<b>Net income / (expenditure)</b>	<u>2,243,209</u>	<u>121,141</u>	<u>2,364,350</u>	<u>1,832,322</u>	<u>(571,419)</u>	<u>1,260,903</u>
<b>NET MOVEMENT IN FUNDS</b>	<u>2,243,209</u>	<u>121,141</u>	<u>2,364,350</u>	<u>1,832,322</u>	<u>(571,419)</u>	<u>1,260,903</u>
<i>Reconciliation of funds</i>						
Fund balances brought forward	8,008,496	115,467	8,123,963	6,176,174	686,886	6,863,060
Fund balances carried forward	<u>10,251,705</u>	<u>236,608</u>	<u>10,488,313</u>	<u>8,008,496</u>	<u>115,467</u>	<u>8,123,963</u>

\* Donations previously received for Breast Cancer Now and Breast Cancer Care have been administered through an affiliated charity, ASDA Tickled Pink during the year. 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 2016

	<i>Year ended 2016 £</i>	<i>Year ended 2015 £</i>
<b>INCOME</b>		
Donations received	7,384,160	7,710,523
Interest received (gross)	17,440	13,712
Sundry income	300,512	507,291
	<u>7,702,112</u>	<u>8,231,526</u>
<b>EXPENDITURE</b>		
Restricted fund donations	663,019	2,081,942
Expenses and unrestricted fund donations	4,674,743	4,888,681
	<u>5,337,762</u>	<u>6,970,623</u>
<b>NET INCOME FOR THE YEAR</b>	<u>2,364,350</u>	<u>1,260,903</u>

Donations received comprise £6,600,000 (2015: £6,200,000) unrestricted and £784,160 (2015: £1,510,523) 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 2016

Registered company no: 6480049

	<i>Notes</i>	<i>31 December 2016</i>			<i>31 December 2015</i>		
		<i>Restricted £</i>	<i>Unrestricted £</i>	<i>Total £</i>	<i>Restricted £</i>	<i>Unrestricted £</i>	<i>Total £</i>
<b>CURRENT ASSETS</b>							
Debtors	7	-	-	-	13,182	-	13,182
Cash at bank in hand		339,145	10,315,406	10,654,551	134,383	8,101,299	8,235,682
<b>TOTAL CURRENT ASSETS</b>		<u>339,145</u>	<u>10,315,406</u>	<u>10,654,551</u>	<u>147,565</u>	<u>8,101,299</u>	<u>8,248,864</u>
<b>CURRENT LIABILITIES</b>							
Creditors - amounts falling due within one year	8	(102,537)	(63,701)	(166,238)	(32,098)	(92,803)	(124,901)
<b>TOTAL NET CURRENT ASSETS</b>		<u>236,608</u>	<u>10,251,705</u>	<u>10,488,313</u>	<u>115,467</u>	<u>8,008,496</u>	<u>8,123,963</u>
<b>TOTAL NET ASSETS</b>		<u>236,608</u>	<u>10,251,705</u>	<u>10,488,313</u>	<u>115,467</u>	<u>8,008,496</u>	<u>8,123,963</u>
<b>THE FUNDS OF THE CHARITY</b>	2.3	<u>236,608</u>	<u>10,251,705</u>	<u>10,488,313</u>	<u>115,467</u>	<u>8,008,496</u>	<u>8,123,963</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



J Cookman  
Deputy Chair and Independent Trustee  
20 July 2017

# CASH FLOW STATEMENT

For the year ended 31 December 2016

	Year ended 2016			Year ended 2015		
	<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	121,141	2,243,209	2,364,350	(571,419)	1,832,322	1,260,903
<i>Adjustments to reconcile net income to net cash flows:</i>						
Investment income	-	(17,440)	(17,440)	-	(13,712)	(13,712)
<i>Changes in working capital</i>						
Decrease in debtors	13,182	-	13,182	105,377	-	105,377
Increase/(Decrease) in creditors	70,439	(29,102)	41,337	10,921	77,803	88,724
<b>Net cash flows from operating activities</b>	<b>204,762</b>	<b>2,196,667</b>	<b>2,401,429</b>	<b>(455,121)</b>	<b>1,896,413</b>	<b>1,441,292</b>
<b>Cash flows from investing activities</b>						
Investment income	-	17,440	17,440	-	13,712	13,712
<b>Net increase in cash and cash equivalents</b>	<b>204,762</b>	<b>2,214,107</b>	<b>2,418,869</b>	<b>(455,121)</b>	<b>1,910,125</b>	<b>1,455,004</b>
Cash and cash equivalents at start of year	134,383	8,101,299	8,235,682	589,504	6,191,174	6,780,678
<b>Cash and cash equivalents at end of year</b>	<b>339,145</b>	<b>10,315,406</b>	<b>10,654,551</b>	<b>134,383</b>	<b>8,101,299</b>	<b>8,235,682</b>

---

NOTES TO THE ACCOUNTS

As at 31 December 2016

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

The key 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 ASDA's national charities which during the year were, ASDA Tickled Pink, Orchid, Children in Need, Tommy's, Disasters and Cash 4 Kids.

**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 ASDA Tickled Pink, Orchid, Children in Need, Tommy's, Disasters and Cash 4 Kids;
- 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.



## NOTES TO THE ACCOUNTS

As at 31 December 2016

### 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 2015</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Balance at 31 December 2016</i>
	£	£	£	£
Asda Tickled Pink*	-	525,559	(525,559)	-
Orchid	12,620	34,294	(42,663)	4,251
Children In Need	82,682	79,109	(82,774)	79,017
Tommy's	3,569	3,878	(7,447)	-
Pedal Power	16,332	-	(516)	15,816
Cash 4 Kids	-	128,696	-	128,696
British Heart Foundation	117	126	-	243
Jamgara	121	12,498	(4,060)	8,559
Disasters	26	-	-	26
	<u>115,467</u>	<u>784,160</u>	<u>(663,019)</u>	<u>236,608</u>

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

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.

# The ASDA Foundation

## NOTES TO THE ACCOUNTS

As at 31 December 2016

### 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 2015</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Balance at 31 December 2016</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
ASDA Stores Limited	6,498,638	6,600,000	(4,445,817)	8,652,821
Sundry income and administration costs	1,488,777	300,512	(228,926)	1,560,363
Investment income	21,081	17,440	-	38,521
	<u>8,008,496</u>	<u>6,917,952</u>	<u>(4,674,743)</u>	<u>10,251,705</u>

### 4. ADMINISTRATIVE COSTS

The amount payable to the charity's auditor for the audit of the charity's financial statements is £5,115 (2015: £6,138).

ASDA Stores Limited received £156,625 payment at cost for their contribution to the administrative support of the ASDA Foundation (2015: £93,921).

The average number of employees for the year was none (2015: none). No employee benefits were paid in the year (2015: none).

### 5. TRANSACTIONS WITH TRUSTEES

Three trustees (2015: Five) were reimbursed £2,205 for travel expenses to the trustees' quarterly meetings (2015: £8,625).

No emoluments were paid to Trustees in relation to their qualifying services as a trustee by ASDA Foundation for the year ended 31 December 2016 (2015: £nil).

NOTES TO THE ACCOUNTS

As at 31 December 2016

**6. DONATIONS OVER £1,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED  
31 DECEMBER 2016**

Leeds Community Foundation	380,000
Silver Line	375,000
Active Communities Network - United Kingdom Projects	250,500
Royal Voluntary Service	175,190
Active Communities Network - Northern Ireland Project	162,000
Active Communities Network - London Project	146,000
Run for All	145,000
The Duke of Edinburgh Award	120,000
University of Leeds	115,000
Fareshare	105,000
Hardship requests from individuals	61,366
Significant Project - Addaction	52,832
Active Communities Communities Network - Big World Impact	50,000
Positive Youth Foundation	48,050
Leeds Rhinos	41,600
Significant Project - Greets Green Community Enterprises	35,830
Tommy's - Phone Line	31,400
Significant Project - Donaghmore District Community Associaton	30,000
Significant Project - Buchan Dial a Community Bus	27,573
Significant Project - Blyth Star Enterprises Ltd	26,790
Significant Project - Deen City Farm	25,000
Significant Project - St Werburghs City Farm	20,712
Disasters - Addington Funds - Farming Charity	20,000
Significant Project - Advising London	18,671
Significant Project - Hampshire Search and Rescue	15,905
Significant Project - Aireborough Voluntary Services to the Elderly	15,067
Significant Project - Gloucestershire Bike Project Community Interest Company	13,500
Significant Project - West Bann Development	13,480
Significant Project - Horizon Church Sutton	11,908
Significant Project - Framwellgate Moor Youth & Community Association	10,747
Significant Project - Charles Young Centre	10,086
Significant Project - Framwellgate Moor Youth & Community Association	9,688
Significant Project - Parent Action for Safe Play	8,827
Significant Project - St Raphael's Edible Garden	8,819
Significant Project - Citizens Advice Bureau	8,500
Significant Project - Parent Action For Safe Play	6,982
Significant Project - Firwood Community Centre	6,623
Significant Project - The Salvation Army	5,623
Significant Project - The Adults Children and Young People Centre Ltd	5,000

NOTES TO THE ACCOUNTS

As at 31 December 2016

**6. DONATIONS OVER £1,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED  
31 DECEMBER 2016 (CONTINUED)**

	£
Significant Project - Food Nation Community Interest Company	4,934
50th Birthday Grant - The Salvation Army	4,377
50th Birthday Grant - Age Concern	4,118
50th Birthday Grant - Antrim Youth Information and Counselling Centre	3,839
Local Impact - Arthurlie Juniors Youth Football Academy	3,700
Radcliffe Floods	3,445
Significant Project - Holcome & Blue Bell Hill Cricket Club	2,981
Significant Project - Albermarle Centre Ltd	2,644
Farnworth Floods	2,591
Significant Project - Saint Philip's Church Parochial Church Council	2,500
Significant Project - Haworth Riding For The Disabled	2,314
Significant Project - Stawell and Sutton Mallet Village Hall	2,000
Local Impact - Ware Football Club Academy	2,000
Local Impact - Beeston Juniors	2,000
Local Impact - Milngavie Football Club	2,000
Local Impact - Special Olympics Redditch	2,000
Local Impact - Burton Rugby Football Club	2,000
Local Impact - Alfs Blackbelt Academy	2,000
Local Impact - William Perry ABC	2,000
Local Impact - Bury Football Club Juniors and Youth	2,000
Local Impact - Hillfield Swifts Football Club	2,000
Local Impact - Bilton Ajax Junior Football Club	2,000
Local Impact - Summerston Boys Club	2,000
50th Birthday Grant - Age Link	1,995
Local Impact - Gleniffer Thistle	1,980
Calder Valley Floods	1,865
Local Impact - Chadderton Park Football Club	1,847
Local Impact - Nemesis Allstars	1,820
Local Impact - Byron Milan Boys Football Club	1,800
Local Impact - Reddish Villa Junior Football Club	1,734
Local Impact - Someries Youth Football Club	1,693
Significant Project - Holcome and Blue Bell Hill Cricket Club	1,674
Significant Project - Marton United Reformed Church	1,642
Local Impact - Strike Soccer School	1,625
Local Impact - Canton Liberal Football Club	1,500
Local Impact - Smart Money Credit Union	1,450
Local Impact - Hull United Affiliated Football Club	1,421
Local Impact - Mosborough Rugby Union Football Club	1,365
50th Birthday Grant - Saint Mary's Community Centre	1,360
Local Impact - Dukinfield Youth Junior Football Club	1,325
Local Impact - Rossvale Football Club	1,320
Local Impact - Barry Athletic Cricket Youth Section	1,300

NOTES TO THE ACCOUNTS

As at 31 December 2016

**6. DONATIONS OVER £1,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED  
31 DECEMBER 2016 (CONTINUED)**

	£
Local Impact - Eddlewood Boys Club	1,300
Local Impact - Eastleigh Junior Football U14's	1,274
Huntley Floods	1,244
Local Impact - Thurmaston Magpies	1,230
Local Impact - Elm United Football Club	1,205
Local Impact - Llanyafon Football Club	1,200
Local Impact - Lincoln Moorlands Railway Ladies Football Club	1,179
50th Birthday Grant - Haldane Youth Services	1,169
Local Impact - Tyne & Wear Affiliated Football Club	1,152
Local Impact - Kirkintilloch Rob Roy	1,150
Local Impact - Omagh Hockey Club	1,104
50th Birthday Grant - Community Wise Limited	1,096
Local Impact - Bellfield Royals 2001	1,080
Local Impact - Leamington and Warwick Sea Cadets	1,080
Local Impact - Barton Rovers Eagles	1,061
Local Impact - Dalziel Rugby Club	1,050
Local Impact - Ystrad Rhondda Mini and Juniors	1,034
Local Impact - Oakdale Mini Rugby	1,030
Local Impact - Newmains Hammers 2003	1,027
Children's Heart Surgery Fund	1,022
Local Impact - Santiago Colts Sirens	1,020
Local Impact - Wilne Football Club	1,006
Local Impact - Douglas Youth Football Club	1,004
Local Impact - Wasp Community Club	1,002
Darent Valley Hospital Charity Fund	1,000
Clatterbridge Cancer Care	1,000
Second Chance Project	1,000
Saint John's Hospice	1,000
Cransley Hospice	1,000
Derby City Mission	1,000
Local Impact - Community Action Norwich	1,000
Local Impact - Hampden Boys Club	1,000
Local Impact - Avoncroft Cricket Club	1,000
Local Impact - Age UK Boston and South Holland	1,000
Local Impact - Moston Brook Friends Group Treasurers Account	1,000
Local Impact - Kids Out District	1,000
Local Impact - Urban Outreach	1,000
Local Impact - Canolfan Pentre	1,000
Local Impact - Newton Sports Junior Football Club	1,000
Local Impact - Cambuslang Rugby Club Junior Section	1,000
Local Impact - Black Country Wanderers Football Club	1,000
Local Impact - Tullibody, Cambus and Glenochil Community Council	1,000

NOTES TO THE ACCOUNTS

As at 31 December 2016

**6. DONATIONS OVER £1,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED  
31 DECEMBER 2016 (CONTINUED)**

	£
Local Impact - Aspire Football Club	1,000
Local Impact - Orbiston Neighbourhood Centre	1,000
Local Impact - Mearns Kirk Helping Hands	1,000
Local Impact - Dunbartonshire Disability Sports Club	1,000
Local Impact - East Ayrshire Churches Homelessness Action	1,000
Local Impact - Lightburn Elderly Association Project	1,000
Local Impact - Cumbria Wheelchair Sports Club	1,000
Local Impact - Toros Football Club	1,000
Local Impact - Newport Corinthians Junior Football Club	1,000
Local Impact - Durkar Devils Junior Football Club	1,000
Local Impact - The Mosses Community Association	1,000
Local Impact - Vikings 2009 Wheelchair Basketball Club	1,000
Local Impact - Pill Harriers Rugby Football Club	1,000
Local Impact - Ballyvea Football Club	1,000
Local Impact - Merthyr Ladies Netball Club	1,000
Local Impact - Cutsyke Raidettes	1,000
Local Impact - West Sutton Little League	1,000
Local Impact - Warrington Salvation Army	1,000
Local Impact - Gorseinon Town Council	1,000
Local Impact - Portgordon Bowling Club	1,000
Local Impact - Sandal Girls Rugby	1,000
Local Impact - Wrockwardine Wood Junior Football Club	1,000
Local Impact - Finnart Sports Club	1,000
Local Impact - Friends For Active Community Engagement	1,000
Local Impact - Rathenraw Youth Scheme	1,000
Local Impact - The Rotary Club Of Radcliffe	1,000
Local Impact - Holy Trinity Luncheon Club	1,000
Local Impact - The Salvation Army	1,000
Local Impact - Blackpool Cricket Club	1,000
Local Impact - Edwin Court Social Fund	1,000
Local Impact - Ashes to Gold	1,000
Local Impact - Millom Court Residents Social Fund	1,000
Local Impact - Age UK	1,000
Local Impact - Worcester City Youth 2014	1,000
Local Impact - Silverdale Care Home	1,000
Local Impact - Leeds City Juniors Football Club	1,000
Local Impact - Ulster Baseball and Softball Club	1,000
Local Impact - Good Morning Colin	1,000
Local Impact - Lions Charitable Trust	1,000
Local Impact - Charles Young Centre	1,000
Local Impact - Christ Church Hengrove	1,000
Local Impact - Kyle Stroke Group	1,000
Local Impact - Inchgarth Community Centre	1,000
Local Impact - Barrhead Amateur Boxing Club	1,000

NOTES TO THE ACCOUNTS

As at 31 December 2016

**6. DONATIONS OVER £1,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED  
31 DECEMBER 2016 (CONTINUED)**

	£
Local Impact - Evermoor Enterprises	1,000
Local Impact - Tipton Community Association Ltd	1,000
Local Impact - The Salvation Army	1,000
Local Impact - South Wye Development Trust	1,000
Local Impact - Landport Community Centre Association	1,000
Local Impact - Stockport NHS Foundation Trust	1,000
Local Impact - Serve	1,000
Local Impact - Chadderton Together	1,000
Local Impact - Ballymoney Youth Academy	1,000
Local Impact - The Kings Church	1,000
Local Impact - Irvine Meadow Youth 2003	1,000
Local Impact - Kilwinning Sports Club Boys 04's	1,000
Local Impact - Sutton and District Athletic Club	1,000
Local Impact - Coatbridge Helping Hands	1,000
Local Impact - Rotary Club of Dartmoor Vale	1,000
Local Impact - North Down YMCA	1,000
Local Impact - Sedgley Park Rugby Union Football Club	1,000
Local Impact - Handsworth Boys U16's	1,000
Local Impact - Royal Antediuivian Order of Buffaloes	1,000
Local Impact - Gosportarians	1,000
Local Impact - Weoley Castle Working Mens club	1,000
Local Impact - The Over 50's Club	1,000
Local Impact - Gaerwen Football Club	1,000
Local Impact - Lambhill Action Group	1,000
Local Impact - Roseberry Centre	1,000
Local Impact - Motivated Minds	1,000
Local Impact - People With a Mission Ministries	1,000
Local Impact - Kirkcaldy Rugby Football Club	1,000
Local Impact - Newington Day Centre	1,000
Local Impact - Greenhope Oasis	1,000
Local Impact - Omagh Community Church	1,000
Local Impact - South Woodham Ferrers Village Hall	1,000
Local Impact - OWLS Ladies Hockey Club	1,000
Local Impact - Parents Consortium	1,000
Local Impact - Sheffield Steelers Junior Football Club	1,000
Local Impact - Warrington Radio	1,000
Clayton Green Floods	1,000
Skelmersdale Floods	1,000
York Floods	1,000
Wigan Floods	1,000
Daubhill Floods	1,000

All donations in the year were to institutions with the exception of £61,366, paid to individual colleagues and immediate family members who have found themselves in significant financial hardship.

NOTES TO THE ACCOUNTS

As at 31 December 2016

**7. DEBTORS**

	<i>Balance at 31 December 2016 £</i>	<i>Balance at 31 December 2015 £</i>
Donations owed by ASDA Stores Limited	-	13,182

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

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

	<i>Balance at 31 December 2016 £</i>	<i>Balance at 31 December 2015 £</i>
Accruals	6,138	20,115
Amounts owed to ASDA Tickled Pink	50,741	32,098
Amounts owed to ASDA Stores Limited	51,796	-
Other creditors	57,563	72,688
	<u>166,238</u>	<u>124,901</u>

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

**9. 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 £6,600,000 (2015: £6,200,000). ASDA Stores Limited received £156,625 payment at cost for their contribution to the administrative support of the ASDA Foundation (2015: £93,921).

At the year end, The ASDA Foundation owed ASDA Stores Limited, £51,796 (2015: ASDA Stores Limited owed The ASDA Foundation £13,182).

At the year end, The ASDA Foundation owed ASDA Tickled Pink, an ASDA affiliated charity, £50,741 (2015: £32,098).