

Charity number: 1124268
Company number: 6480049

THE ASDA FOUNDATION

A Company Limited by Guarantee

**Reports and Financial Statements
31 December 2018**

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THE TRUSTEES' ANNUAL REPORT

The trustees present their report together with the financial statements of The ASDA Foundation ("ASDA Foundation") for the year ended 31 December 2018.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1124268

Company number: 6480049

DIRECTORS AND TRUSTEES

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

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

Andrew Murray Chair and Trustee (appointed 1st May 2018)

Alex Simpson Chair and Trustee (resigned 1st May 2018)

John Cookman Deputy Chair and Independent Trustee

Joanna Berry Independent Trustee (appointed 25 January 2018, resigned 22 February 2018)

Gerald Oppenheim Independent Trustee (resigned 15 June 2018)

Carolyn Heaney Independent Trustee

Alison Seabrooke Independent Trustee

Jane Earnshaw Trustee

Jason Martin Trustee

Annmarie Rocks Trustee

Eliesabeth Anne Massey Trustee (appointed 24 January 2019)

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 eight 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 ("ASDA Stores", 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. All conflicts must be declared at the beginning of each trustee meeting. Any votes that are considered to have a benefit to ASDA Stores are voted on by independent trustees only. The chair has a casting vote in the event of an equality of votes.

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

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

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

Per the articles in place during 2018, the board of trustees were to be constituted as follows:

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

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

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 8 of these accounts.

THE TRUSTEES' ANNUAL REPORT (CONTINUED)

Management and administration

Trustees have delegated the recruitment, payroll and human resource requirements for all ASDA Foundation staff to ASDA Stores. This team of six ASDA Stores colleagues is made up of the Foundation Manager, the Senior Coordinator and four Foundation Coordinators.

ASDA Foundation's operational 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.

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

Trustees' responsibilities in relation to the Financial Statements

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

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

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

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, 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, 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 activities are:

- to fund local grant giving programmes, national strategic partnerships and initiatives as agreed by the trustees;
- to administer funds raised for ASDA's national campaigns. Donation income and expenditure to all charities is disclosed on page 14;
- 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 within the UK. When overseas disasters occur, ASDA customers and colleagues support the appeal through the Disasters Emergency Committee.

THE TRUSTEES' ANNUAL REPORT (CONTINUED)

Foundation guidelines

In line with its charitable objects, ASDA Foundation's main aim is to make donations to charities and local good causes. Donations can be applied for in the form of Significant and Local Impact Grants and Green Token Giving funding. Colleagues of ASDA Stores raising funds for their chosen local charities/communities may also 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 £2,000)
- one or two colleagues raising money for a good cause - up to a maximum of £300
- sponsored activity e.g. 10k runs, marathons - £100 per colleague

Compliance with Charities SORP requirements

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

Fundraising

ASDA Foundation is principally funded by donations from ASDA Stores and commission income in relation to the National Lottery received by ASDA Stores. Where funds are received into the Foundation in relation to a fundraising campaign of ASDA Stores, ASDA Foundation ensures that the campaign has been approved by the trustees in advance and that funds are transferred to the relevant charity promptly and spent on the purposes for which they have been raised.

ASDA Foundation is not aware of any complaints relating to such campaigns, but it works closely with ASDA Stores to ensure the compliance of charity law and to ensure any fundraising conforms to recognised standards. Should any such complaints ever arise, the Chairman would raise them with the trustees. ASDA Foundation and ASDA Stores are aware of the importance of protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate and the nature of the way in which funds are raised means that the risks of abuse are inherently low.

Reserves policy

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

Restricted and unrestricted reserves policy

ASDA Foundation's policy on restricted funds is to separately record donations and other sources of fundraising, 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 £75,668, which will be distributed in a subsequent period in line with agreed terms, whilst ensuring sufficient reserves are maintained to meet ASDA Foundation's administrative costs.

The trustees have a policy of designating unrestricted funds for specific purposes. The majority of unrestricted funds are utilised on projects which make a long-term sustainable difference and provide funding for the good causes our colleagues support. Unrestricted funds carried forward are £7,147,323. The majority of these funds have been allocated to grant making or strategic partnerships, or are awaiting allocation by the trustees and will be distributed in a subsequent period.

A portion of the unrestricted funds carried forward have been designated for additional charitable activities linked to the ASDA Foundation's 30th anniversary activities throughout 2019, and for new initiatives to support the ASDA Foundation trustees' strategic development as part of their commitment to support 'Connected Communities.'

THE TRUSTEES' ANNUAL REPORT (CONTINUED)

Relationship with other charities

As described above, our charitable fundraising is organised locally and ASDA Stores colleagues work closely with local community charities. Donation income and expenditure to all charities is disclosed on page 14.

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

A handwritten signature in black ink, appearing to read 'A Murray', with a long, sweeping horizontal stroke extending to the right.

A Murray
Chair and Trustee
2 August 2019

STRATEGIC REPORT

Achievements and performance

During 2018 ASDA Foundation supported 45 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

Key performance indicators are detailed below:

	<i>Year ended 2018 £</i>	<i>Year ended 2017 £</i>
Restricted donations	337,913	940,842
Unrestricted donations	5,760,016	5,427,886
Net expenditure	(1,765,609)	(1,499,713)
Net cash outflow	<u>(1,585,035)</u>	<u>(1,887,776)</u>

Financial review

During the year, donations totalling £5,760,016 (2017: £5,427,886) were made from unrestricted funds to support local grant giving programmes.

Restricted funds of £191,083 (2017: £926,732) were raised by ASDA Stores colleagues and customers in relation to various national campaigns. During the year, ASDA Stores assumed responsibility for supporting national campaigns other than Cash For Kids which continues to be administered by ASDA Foundation.

STRATEGIC REPORT (CONTINUED)

Financial review (continued)

At the year-end, ASDA Foundation had total closing funds and net assets of £7,222,991 (2017: £8,988,600) broken down as follows:

	<i>Balance at 31 December 2018 £</i>	<i>Balance at 31 December 2017 £</i>
Restricted funds	75,668	222,498
Unrestricted funds	7,147,323	8,766,102

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 and national strategic partnerships, with a focus on connected communities which will make a real long term difference to local people and their communities. In addition, during 2019 ASDA Foundation will administer funds raised to support the following charities and good causes:

- Disasters relief
- Cash For Kids

During the 2019 annual strategic planning process, trustees will review ASDA Foundation's grant-making priorities and how to build on its strategic partnerships, grant-making capacity and impact at a community level. Within this process, trustees will consider the operational environment, such as the likely impact on the communities the ASDA Foundation reaches as a result of the UK leaving the European Union. Trustees will analyse any potential statutory, regulatory, financial and operational risks arising from this process and identify any required mitigating actions.

STRATEGIC REPORT (CONTINUED)

Principal Risks and Uncertainties

All monies are held as cash in bank accounts under the Charity's name. The key source of income for the Charity is ASDA Stores which is expected to 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 relevant 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 to regularly review its approval systems and financial processes, to reduce the risk of fraud either internally or from third parties. The approval process is documented and is subject to review by the trustees. The ASDA Stores Anti-Corruption Compliance team form part of this approval process and review certain applications prior to trustee approval and payment;
- the potential risk to the independence of ASDA Foundation in its dealings with ASDA Stores, given the necessarily close relationship ASDA Foundation has with its principal funder and the back-office support ASDA Stores provides to the Foundation. ASDA Foundation has developed a clear strategy that is independent of ASDA Stores own giving strategy. The Foundation also ensures there are 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, the deputy chair must be independent of ASDA Stores and leads on matters where the chair might have a conflict of interest;
- the risk that ASDA Foundation is inadequately publicised: the trustees consider that significant progress has been made in mitigating this risk and receive a considerable number of applications for grants. Actions have included the formation of a website and a wide range of promotional activities.

Approved by the trustees and signed on their behalf by



A Murray
Chair and Trustee
2 August 2019

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 2018 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 3 to 7, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Ernst & Young LLP

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

2 August 2019

The ASDA Foundation

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2018

	Year ended 31 December 2018			Year ended 31 December 2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
INCOME						
Income from charitable activities:						
ASDA Stores Limited	4,215,000	-	4,215,000	4,000,000	-	4,000,000
ASDA Tickled Pink	-	4,504	4,504	-	470,940	470,940
Orchid	-	393	393	-	53,943	53,943
Children in Need	-	17,914	17,914	-	229,658	229,658
Tommy's	-	-	-	-	55	55
Jamgara	-	-	-	-	-	-
Disasters relief	-	-	-	-	-	-
Cash For Kids	-	168,272	168,272	-	172,136	172,136
Other income	131,443	-	131,443	151,684	-	151,684
Income from investments	12,395	-	12,395	2,332	-	2,332
Total income	4,358,838	191,083	4,549,921	4,154,016	926,732	5,080,748
EXPENDITURE						
Expenditure on charitable activities:						
ASDA Tickled Pink	-	4,504	4,504	-	470,940	470,940
Orchid	-	8,165	8,165	-	50,422	50,422
Children in Need	-	162,902	162,902	-	145,771	145,771
Tommy's	-	55	55	-	-	-
Pedal Power	-	265	265	-	-	-
Jamgara	-	5,181	5,181	-	3,378	3,378
Disasters relief	-	-	-	-	26	26
Cash For Kids	-	156,841	156,841	-	270,062	270,062
British Heart Foundation	-	-	-	-	243	243
Other charitable donations	5,760,016	-	5,760,016	5,427,886	-	5,427,886
Administration costs	217,601	-	217,601	211,733	-	211,733
Total Expenditure	5,977,617	337,913	6,315,530	5,639,619	940,842	6,580,461
Net (expenditure)/ income	(1,618,779)	(146,830)	(1,765,609)	(1,485,603)	(14,110)	(1,499,713)
NET MOVEMENT IN FUNDS	(1,618,779)	(146,830)	(1,765,609)	(1,485,603)	(14,110)	(1,499,713)
<i>Reconciliation of funds</i>						
Fund balances brought forward	8,766,102	222,498	8,988,600	10,251,705	236,608	10,488,313
Fund balances carried forward	7,147,323	75,668	7,222,991	8,766,102	222,498	8,988,600

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 18 to 22 form part of these financial statements.

The ASDA Foundation

SUMMARY INCOME AND EXPENDITURE ACCOUNT for the year ended 31 December 2018

	<i>Year ended 2018 £</i>	<i>Year ended 2017 £</i>
INCOME		
Donations received	4,406,083	4,926,732
Interest received (gross)	12,395	2,332
Sundry income	131,443	151,684
	<u>4,549,921</u>	<u>5,080,748</u>
EXPENDITURE		
Restricted fund donations	337,913	940,842
Expenses and unrestricted fund donations	5,977,617	5,639,619
	<u>6,315,530</u>	<u>6,580,461</u>
NET LOSS FOR THE YEAR	<u>(1,765,609)</u>	<u>(1,499,713)</u>

Donations received comprise £4,215,000 (2017: £4,000,000) unrestricted and £191,083 (2017: £926,732) restricted funds.

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

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 14 which, together with the notes to the financial statements on pages 18 to 22, provides full information on the movements during the year in the funds of ASDA Foundation.

The ASDA Foundation

BALANCE SHEET As at 31 December 2018


Registered company no: 6480049

		31 December 2018			31 December 2017		
	Notes	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
CURRENT ASSETS							
Debtors	7	56,876	27,939	84,815	-	421,132	421,132
Cash at bank in hand		7,134,011	47,729	7,181,740	8,958,499	(191,724)	8,766,775
TOTAL CURRENT ASSETS		7,190,887	75,668	7,266,555	8,958,499	229,408	9,187,907
CURRENT LIABILITIES							
Creditors - amounts falling due within one year	8	(43,564)	-	(43,564)	(192,397)	(6,910)	(199,307)
TOTAL NET CURRENT ASSETS		7,147,323	75,668	7,222,991	8,766,102	222,498	8,988,600
TOTAL NET ASSETS		7,147,323	75,668	7,222,991	8,766,102	222,498	8,988,600
THE FUNDS OF THE CHARITY	2,3	7,147,323	75,668	7,222,991	8,766,102	222,498	8,988,600

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 18 to 22 form part of these financial statements.

Approved by the trustees and signed of their behalf by


A Murray
Chair and Trustee
2 August 2019

The ASDA Foundation

CASH FLOW STATEMENT

For the year ended 31 December 2018

	Year ended 2018			Year ended 2017		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Cash flows used in operating activities						
Net expenditure for the year	(1,618,779)	(146,830)	(1,765,609)	(1,485,603)	(14,110)	(1,499,713)
<i>Adjustments to reconcile net expenditure to net cash flows:</i>						
Investment income	(12,395)	-	(12,395)	(2,332)	-	(2,332)
<i>Changes in working capital</i>						
Decrease/(increase) in debtors	(56,876)	393,193	336,317	-	(421,132)	(421,132)
(Decrease)/increase in creditors	(148,833)	(6,910)	(155,743)	128,696	(95,627)	33,069
Net cash flows used in operating activities	(1,836,883)	239,453	(1,597,430)	(1,359,239)	(530,869)	(1,890,108)
Cash flows from investing activities						
Investment income	12,395	-	12,395	2,332	-	2,332
Net (decrease)/increase in cash and cash equivalents	(1,824,488)	239,453	(1,585,035)	(1,356,907)	(530,869)	(1,887,776)
Cash and cash equivalents at start of year	8,958,499	(191,724)	8,766,775	10,315,406	339,145	10,654,551
Cash and cash equivalents at end of year	7,134,011	47,729	7,181,740	8,958,499	(191,724)	8,766,775

NOTES TO THE ACCOUNTS

As at 31 December 2018

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of The ASDA Foundation have been prepared in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The principal policies adopted in the preparation of the financial statements are set out below.

The key source of income for the charity is ASDA Stores who 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 funds ASDA Foundation. This income is recognised on an accruals basis. 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.

Expenditure

Expenditure is recognised on an accruals basis and 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;
- 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.

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 2018

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 2017</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Balance at 31 December 2018</i>
	£	£	£	£
Asda Tickled Pink	-	4,504	(4,504)	-
Orchid	7,772	393	(8,165)	-
Children In Need	162,904	17,914	(162,902)	17,916
Tommy's	55	-	(55)	-
Pedal Power	15,816	-	(265)	15,551
Cash For Kids	30,770	168,272	(156,841)	42,201
Jamgara	5,181	-	(5,181)	-
	<u>222,498</u>	<u>191,083</u>	<u>(337,913)</u>	<u>75,668</u>

The totals for each charity represent money raised over the year by ASDA colleagues and customers.

3. UNRESTRICTED FUNDS

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

	<i>Balance at 31 December 2017</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Balance at 31 December 2018</i>
	£	£	£	£
ASDA Stores Limited	7,224,935	4,215,000	(5,760,016)	5,679,919
Sundry income and administration costs	1,500,314	131,443	(217,601)	1,414,156
Investment income	40,853	12,395	-	53,248
	<u>8,766,102</u>	<u>4,358,838</u>	<u>(5,977,617)</u>	<u>7,147,323</u>

NOTES TO THE ACCOUNTS

As at 31 December 2018

3. UNRESTRICTED FUNDS (CONTINUED)

The below table summarises expenditure on unrestricted funds:

	<i>Balance at 31 December 2018 £</i>
<i>Grants to institutions</i>	
Green Token Giving	1,368,350
Local impact	776,784
Significant Community projects	676,389
The Silver Line	500,000
Jane Tomlinson's Run For All	398,540
Royal Voluntary Service	325,081
Crisis	213,700
Top Up Colleague Fundraising grants	209,938
Great Ormond Street Hospital	200,000
Young Minds Trust	196,790
Active Communities Network Limited	172,000
Independent Domestic Abuse Services	134,118
The Duke of Edinburgh Award	105,232
Cash for Kids - Holiday Hunger for Scotland	100,000
Leeds Community Foundation	63,539
Other charitable expenditure	251,736
Total grants to institutions	5,692,197
<i>Grants to individuals</i>	
Hardship requests from ASDA colleagues	67,819
<i>Administration costs</i>	217,601
Total expenditure on unrestricted funds	5,977,617

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

4. ADMINISTRATIVE COSTS

The amount payable to the Charity's auditor for the audit of the Charity's financial statements is £6,199 (2017: £6,138).

ASDA Stores received £140,248 payment at cost for their contribution to the administrative support of the ASDA Foundation (2017: £178,408).

The average number of employees for the year was none (2017: none). No employee benefits were paid in the year (2017: none).

NOTES TO THE ACCOUNTS

As at 31 December 2018

5. TRANSACTIONS WITH TRUSTEES

Two trustees (2017: two) were reimbursed £639 for travel expenses to the trustees' quarterly meetings (2017: £705).

No emoluments were paid to trustees in relation to their qualifying services as a trustee by ASDA Foundation for the year ended 31 December 2018 (2017: £nil).

6. DONATIONS OVER £10,000 FROM UNRESTRICTED FUNDS FOR THE YEAR ENDED 31 DECEMBER 2018

	£
The Silver Line	500,000
Jane Tomlinson's Run For All	398,540
Royal Voluntary Service	325,081
Crisis	213,700
Great Ormond Street Hospital	200,000
Young Minds Trust	196,790
Active Communities Network Limited	172,000
Independent Domestic Abuse Services	134,118
The Duke of Edinburgh Award	105,232
Cash for Kids - Holiday Hunger for Scotland	100,000
Hardship requests from ASDA colleagues	67,819
Leeds Community Foundation	63,539
Significant Project - First Steps Women's Centre	35,000
Significant Project - Beragh Red Knights Gaelic Athletic Association	35,000
Significant Project - Glenboig Neighbourhood House	33,675
Significant Project - St Andrew's Hospice	30,000
Significant Project - The Streetly Association	28,702
Significant Project - Newry Street Unite	28,153
Significant Project - Healthy n Happy Community Development Trust	26,647
Significant Project - Warrington Salvation Army	25,164
Significant Project - Hospital NHS Trust Charity Account	25,000
Significant Project - Stockport NHS Foundation Trust	20,000
Significant Project - Shrewsbury House	20,000
Significant Project - Forget Me Not Children's Hospice	20,000
Significant Project - Heaton Community Centre	19,500
Significant Project - Basingstoke Citizens Advice Bureau	19,194
Significant Project - Cycling Without Age Scotland	18,795
Significant Project - Mirfield Team Parish House	18,655
Significant Project - Gateway Church	18,315
Top up - Cash for Kids	18,120
Significant Project - Sudbury Neighbourhood Centre	18,000
Significant Project - The Prince's Trust	18,000
Age Peterhead	15,000
Significant Project - Springfield Community Association	15,000
Significant Project - Drumchapel Life	14,000
Significant Project - Kirkwood Hospice	11,839
Significant Project - East End Youth & Community Trust	10,644
Significant Project - Sinnington Village Hall	10,000

The ASDA Foundation

NOTES TO THE ACCOUNTS

As at 31 December 2018

7. DEBTORS

	<i>Balance at 31 December 2018 £</i>	<i>Balance at 31 December 2017 £</i>
Donations owed by ASDA Stores Limited	84,815	421,132

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>Balance at 31 December 2018 £</i>	<i>Balance at 31 December 2017 £</i>
Accruals	6,199	6,138
Amounts owed to ASDA Tickled Pink	-	6,910
Amounts owed to ASDA Stores Limited	1,225	145,122
Other creditors	36,140	41,137
	43,564	199,307

9. RELATED PARTIES

ASDA Stores 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 donated £4,215,000 (2017: £4,000,000). ASDA Stores received £140,248 payment at cost for their contribution to the administrative support of the ASDA Foundation (2017: £178,408).

At the year end, ASDA Stores owed The ASDA Foundation £56,876 in relation to unrestricted funds (2017: £nil) and £27,939 in relation to restricted funds (2017: £421,132). The ASDA Foundation owed ASDA Stores £1,225 in relation to unrestricted funds (2017: £145,122).

At the year end, The ASDA Foundation owed ASDA Tickled Pink, an ASDA affiliated charity, £nil (2017: £6,910).