

Company number: 6480049

Charity number: 1124268

THE ASDA FOUNDATION

A Company Limited by Guarantee

Reports and Financial Statements
31 December 2023

The ASDA Foundation

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The ASDA Foundation

REFERENCE AND ADMINISTRATIVE DETAILS

Company number	6480049
Country of registration	England & Wales
Charity number	1124268
Country of incorporation	United Kingdom

Registered office and operational address

ASDA House
Southbank
Great Wilson Street
Leeds
LS11 5AD

DIRECTORS AND TRUSTEES

The ASDA Foundation was incorporated in England on 22 January 2008 as a charitable company limited by guarantee and registered as a charity on 31 May 2008. The Charity's key principle is to further its charitable objects (the objects and main activities are detailed on page 4). 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:

Karl Doyle	Chair Trustee (appointed 7 October 2023)
Helen Selby	Chair Trustee (left office 9 June 2023)
Jodie Tate	Trustee (appointed Interim Chair 13 June 2023, left office 7 October 2023)
Susan Hennessey	Independent Trustee (left office 1 October 2023)
Patricia Mitchell	Independent Trustee (left office 1 October 2023)
Simon Lewis	Independent Trustee (left office 1 January 2024)
Rehman Minshall	Independent Trustee
Margaret Jones	Independent Trustee (appointed 6 September 2024)
Jane Earnshaw	Trustee
Jason Martin	Trustee (left office 1 October 2023)
Mark Benton	Trustee (appointed 10 April 2023)
Sarah Ashby	Trustee (appointed 1 March 2023 and appointed as an Independent Trustee on 12 September 2023, left office 5 July 2024)
Lewis Oldroyd	Independent Trustee (left office 5 July 2024)
Kelly Hart	Independent Trustee (appointed 1 October 2023, left office 5 July 2024)
Kristian Horabin	Trustee (appointed 1 January 2024, left office 5 July 2024)
Matthew Leach	Independent Trustee (appointed 1 October 2023, left office 5 July 2024)
Claudia McVie	Independent Trustee (appointed 12 September 2023, left office 25 July 2024)
Benjamin Wittenberg	Independent Trustee (appointed 1 October 2023, left office 5 July 2024)
Brian Boyle	Trustee (appointed 1 January 2024, left office 1 May 2024)

The ASDA Foundation

Secretary

Tracy Butler

Secretary (appointed 18 January 2024)

Alexandra Askew

Secretary (left office 18 January 2024)

Bankers

Natwest Bank PLC

8 Park Row

LEEDS

LS1 5HD

Auditors

Sayer Vincent LLP

Chartered Accountants and Statutory Auditor

110 Golden Lane

LONDON

EC1Y 0TG

The ASDA Foundation

THE TRUSTEES' ANNUAL REPORT

The trustees present their report together with the financial statements of The ASDA Foundation ("ASDA Foundation", "the Foundation" or "the Charity") for the year ended 31 December 2023. Reference and administrative information set out on pages 2 and 3 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

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 interests 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 focusing on grass roots entities to build resilient communities and improve lives within the UK as agreed by the trustees;
- to provide emergency support to communities in the event of a disaster within the UK; and
- to provide financial support to those colleagues and immediate family members who have found themselves in significant financial hardship.

Foundation guidelines

In line with its charitable objects, ASDA Foundation's main aim is to make donations to charities and local good causes based in the UK and benefitting UK communities. Donations can be applied for in the form of Transforming Communities and Improving Lives Grants (this was updated to become Grassroots Grants during 2023), Green Token Giving Grants and Investing in Spaces and Places Grants, all of which aim to build resilient communities whilst also supporting communities through crisis. In addition, colleagues of ASDA Stores who are raising funds for their chosen local charities/communities may also apply for ASDA Foundation Local Match Funding.

ASDA Foundation's Impact Framework explains the desired outcomes to be achieved through the activities funded via the grant programmes. The long-term outcomes of the ASDA Foundation include:

- To strengthen community resilience (empower, respond, adapt, recover, survive)
- To build a sense of inclusion and belonging within local communities (reach, engage, mobilise)
- To develop community assets (place, provision, people)

To ensure ASDA Foundation listens to and responds to local community needs, the ASDA Foundation Community Tracker survey is used to gather insight from ASDA customers, previously funded community groups and ASDA Community Champions. Through analysis of the response data, ASDA Foundation continued the cost of living support element within the Grassroots Grant programme and in 2023 introduced funding for volunteers to further support groups to maintain the delivery of their essential services. ASDA Foundation also continued its Investing in Spaces and Places Grant programme which enables community groups to repair, improve and develop their much needed community spaces.

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

The ASDA Foundation

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.

Fundraising

ASDA Foundation is funded by donations from ASDA Stores Limited ('Asda Stores'). The current funding agreement is for 2 years, with the final payment due in December 2025. ASDA Stores has made a long term commitment to ASDA Foundation spanning over 30 years. ASDA Foundation does not engage in any fundraising activity within ASDA stores or via public participation. The Foundation has not undertaken fundraising from the general public and does not use professional fundraisers or commercial participators. The income of the Foundation is not bound by any regulatory scheme, and the Foundation does not consider it necessary to comply with any voluntary code of practice relating to fundraising. As such, we have received no complaints in relation to any fundraising activities. As we do not approach individuals for the purpose of raising funds, we do not have specific requirements related to fundraising activities, nor do we consider it necessary to design specific procedures to monitor such activities.

Achievements and Performance

ASDA Foundation offers multiple grant programmes tailored to local community needs, based on research and local insights. Cost of Living support was extended throughout the year to assist community groups, which are crucial for many individuals who rely on donations of food and essential living items. This support enabled these groups to sustain their services and cover expenses such as rent and utility bills. The innovative inclusion of volunteer costs within the Grassroots Grants programme allowed these organisations to better resource and expand their activities through the recruitment and engagement of volunteers.

Grassroots Grants

During 2023 Grassroots Grants were introduced as a replacement to Transforming Communities and Improving Lives Grants (TCIL). The goals remain consistent in providing funding to empower small local grassroots groups to be resilient and to adapt to the evolving needs of the communities they serve.

Both programmes consist of Empowering Local Community Grants, U18 Better Starts Grant and Cost of Living Grants. Groups can apply for grant funding between £400 to £1,600 via Community Champion colleagues based in ASDA superstores.

A total of £1,323,731 was donated through the Grassroots Grant programme during the year (2022: £nil) and a total of £207,701 in respect of the TCIL Grant programme (2022: £2,258,785)

- 'Empowering Local Communities' – ASDA Foundation's broadest criteria grant enables groups to address the diverse needs of their users and seek funding for initiatives that are crucial to their community
- 'Under 18 Better Starts' – funding groups that offer children and young people the best opportunities to succeed by promoting inclusion, combatting hunger and providing safe spaces to meet, play and learn
- 'Cost of Living' - assisting community groups in coping with rising rent and utility costs and ensuring access to essential food and hygiene items for their users. In 2023, support for volunteers with community groups was introduced to acknowledge the crucial role of volunteer networks, enabling groups to provide training, reimburse expenses and expand these vital resources

The ASDA Foundation

TRUSTEES' ANNUAL REPORT (CONTINUED)

Green Token Giving Grant Programme

A total of £706,766 (2022: £938,600) was granted during the year to 1,666 groups. A small scale grant programme offering £300, £400 and £500 to groups chosen by ASDA superstores' customers, who voted for their preferred group. After conducting research on community needs, this was discontinued in Spring 2023.

Investing in Spaces and Places

Grants ranging between £10,000 and £25,000 are available for projects that create safe and inclusive community spaces for people to gather, learn and have fun. Groups can apply for funding for structural repairs, renovations or transforming outdoor areas into usable spaces. £616,051 was donated during the year (2022: £644,810) providing investment for 60 community spaces.

Partnership

Following ASDA Foundation's strategic reprioritisation to focus the distribution of funds to grassroots community groups, ASDA Foundation has reduced its partnerships with larger organisations that serve on a broader national scale. In 2023, support continued for the remaining partner, The Duke of Edinburgh's Award, which provides young people within the Yorkshire area with inclusive opportunities and to break down participation barriers.

ASDA Foundation provided a final payment of £127,500 to the Duke of Edinburgh's Award (2022: £127,500).

Colleague Hardship, ASDA Foundation has a long term commitment to support ASDA colleagues during times of financial hardship to relieve poverty. In 2023, ASDA Foundation provided £60,999 (2022: £39,854) to support colleagues with funds towards essential payments, including but not limited to funeral expenses, property rental deposits where there is a risk of homelessness and council tax arrears.

Colleague Match Funding

Supporting ASDA colleagues with their fundraising ambitions is important to ASDA Foundation. For colleagues undertaking a challenge of raising funds in their personal time, ASDA Foundation provides (on application) funds towards matching their efforts. In 2023, £50,443 (2022: £107,241) was given through this programme.

Community Emergency Grants

ASDA Foundation is dedicated to assisting communities in times of crisis through donations of goods, including support during weather related emergencies. For instance, in 2023, when the Downpatrick area was affected by flooding following Storm Ciaran, the ASDA Foundation contributed to community recovery with multiple donations of food & essentials and clean up supplies. During 2023, ASDA Foundation supported with £16,047 (2022: £18,170).

Financial review

During the year total income was £3,625,148 including £3,600,000 from ASDA Stores Limited (2022: £3,605,206) of which, donations totalling £3,158,135 (2022: £4,264,343) were made from unrestricted funds to support local grant giving programmes.

At the year-end, ASDA Foundation had total closing funds and net assets of £3,415,814 (2022: £3,409,956).

The ASDA Foundation

TRUSTEES' ANNUAL REPORT (CONTINUED)

Reserves policy

ASDA Foundation maintains reserves at a level sufficient to achieve its objectives guided by a policy that reflects the Trustees' consideration of an appropriate reserve level to ensure forward planning and crisis response. The policy in place includes funds to cover the costs of dissolution should ASDA Foundation cease to exist, and emergency funding for utilisation at trustee discretion if a local community emergency occurred requiring additional funding, such as a future pandemic or significant community flooding. Trustees reviewed the policy during 2023 and the policy remains under annual review.

The trustees have a policy of designating unrestricted funds for specific purposes. All unrestricted funds are utilised through ASDA Foundation grant programmes. The amount of unrestricted funds carried forward as at 31 December 2023 was £3,415,814.

Going concern

The principal income for the Charity is from ASDA Stores Limited. The Charity has a sufficient level of unrestricted cash balances and contractually agreed income due in the twelve-month period following the date of approval of the financial statements as set out in the funding agreement with ASDA Stores Limited to meet all committed expenses and donations as they fall due for the twelve-month period following the date of approval of the financial statements. These financial statements are therefore, prepared on a going concern basis, under the historical cost convention.

Principal Risks and Uncertainties

The ASDA Foundation has a Board Assurance Framework (risk register) which was implemented in 2021. Each identified risk is scored by severity and likelihood with a current score and target score for each risk. It is updated and reviewed at least annually by the relevant sub committees and full board.

The key risks identified are:

- **Financial reliance ASDA Foundation has with its sole donor, ASDA Stores Limited**
The Foundation has a multi-year funding agreement contract in place with ASDA Stores and a re-negotiation clause included to ensure continued funding is agreed in a timely manner. There is regular engagement with senior ASDA Stores Limited stakeholders to demonstrate the impact of the donation.
- **Insufficient people, resources, systems, processes and technology to deliver strategy.**
To ensure the quality and effectiveness of grant programmes, the Foundation is developing a grant management system. New processes will be embedded within the operational team along with more structured ways of working with the ASDA store-based community champions to ensure curation of grants is optimised. Inefficiencies will be decreased, reducing the risk of reputational damage and an inability to achieve long-term goals.
- **Inability to engage with communities.**
Understanding of community needs through use of community tracker data to influence strategy and drive profile and perception of the Foundation across communities. Continuous development of social channels communication and ongoing development of impact measurement and reporting.

The ASDA Foundation

TRUSTEES' ANNUAL REPORT (CONTINUED)

Plans for future periods

ASDA Foundation will continue to fund Grant Giving Programmes, continuing the latest strategy to support community grassroots groups whilst being agile and flexible to change direction depending on the evolving needs of the community. It is anticipated that many people will continue to experience cost of living challenges in 2024 and this recent grant focus will continue for the foreseeable to ensure the community lifelines for many continue to exist, evolve and support those who need it most.

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 (company number 06480049) and ASDA Foundation's governing document is now its Articles of Association as adopted on 1 August 2019. ASDA Foundation is registered with the Charity Commission (charity number 1124268).

Appointment of trustees

There are currently five trustees (also known as company directors) who are also the members of the Charity. All conflicts must be declared at the beginning of each trustee meeting. Any votes that are considered to relate to the relationship between the Foundation and ASDA Stores are voted on by independent trustees only. The chair or interim chair has a casting vote in the event of an equality of votes (unless conflicted).

The articles require that the board of trustees comprises between five and twelve trustees.

The articles currently require that the board of trustees will be constituted as follows (which reflects the current composition of the board):

- 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.

Changes to the board are dealt with in accordance with the Foundation's articles of association.

Trustees who are not employees of ASDA Stores have relevant experience to add value to the board of trustees and enable the Charity to progress in line with its strategic ambitions.

Trustee induction and training

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

Management and administration

Trustees have delegated the recruitment support, payroll and human resource requirements for all ASDA Foundation staff to ASDA Stores. ASDA Foundation's strategic and operational management is led by the Senior Foundation Manager, who manages ASDA Foundation, reports to the trustees and is also appointed as Company Secretary. The operational team of nine colleagues is made up of the Senior Foundation Manager, the Foundation Manager, three Foundation Advisors and four Foundation Coordinators. The staffing arrangements are set out as part of the funding agreement between ASDA Foundation and ASDA Stores. The board of trustees make the final decision on all charitable donations and strategic decisions.

The ASDA Foundation

TRUSTEES' ANNUAL REPORT (CONTINUED)

The board of trustees meets quarterly as a minimum (and, in any event, must meet at least once in each year) to discuss matters requiring attention and make the final decision on all charitable donations and strategic decisions. During the year there were two Trustee sub-committees; the Giving and Risk Committee and the Finance and Governance Committee which met between quarterly board meetings and had delegated authority to make decisions.

In line with the current funding agreement between ASDA Foundation and ASDA Stores, financial support is provided to ASDA Foundation by ASDA Stores, with the monthly management accounts being prepared within the ASDA Finance team. ASDA Foundation meets monthly with a financial representative from this team to review the monthly management accounts which are then shared with the Finance and Governance Sub Committee.

The ASDA Foundation

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of The ASDA Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees and signed on their behalf by



Karl Doyle
Chair of Trustees
29 October 2024

The ASDA Foundation

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

Opinion

We have audited the financial statements of The Asda Foundation (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2023 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Asda Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The ASDA Foundation

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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, 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 the trustees either intend to liquidate the charitable company or to cease operations, or have 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.

The ASDA Foundation

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the Foundation's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Foundation operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Foundation from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The ASDA Foundation

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

Use of our report

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

Jonathan Orchard (Senior statutory auditor)

29 October 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

The ASDA Foundation

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account) for the year ended 31 December 2023

		<i>Year ended 31 December 2023</i>	<i>Year ended 31 December 2022 - restated</i>
	<i>Notes</i>	<i>Total £</i>	<i>Total £</i>
Income from:			
Donations			
ASDA Stores Limited		3,600,000	3,600,000
Other		-	190
Investments		25,148	5,016
Total income		3,625,148	3,605,206
Expenditure on:			
Charitable activities	2	(3,619,290)	(4,664,478)
Total Expenditure		(3,619,290)	(4,664,478)
Net income/(expenditure)		5,858	(1,059,272)
NET INCOME/(EXPENDITURE) AND NET MOVEMENT		5,858	(1,059,272)
<i>Reconciliation of funds</i>			
Fund balances brought forward		3,409,956	4,469,228
Fund balances carried forward		3,415,814	3,409,956

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 (2022: £nil).

All income and expenditure relate to unrestricted funds in both periods.

Amounts reported in the prior year financial statements as sundry income relating to cancelled cheque payments of £51,101 have been reclassified to expenditure to better reflect their nature.

The ASDA Foundation

BALANCE SHEET
As at 31 December 2023

Registered company no: 6480049

		<i>Year ended 31 December 2023</i>	<i>Year ended 31 December 2022</i>
	<i>Notes</i>	<i>Total £</i>	<i>Total £</i>
CURRENT ASSETS			
Debtors	6	50,000	50,000
Cash at bank in hand		3,435,246	3,420,114
TOTAL CURRENT ASSETS		3,485,246	3,470,114
CURRENT LIABILITIES			
Creditors - amounts falling due within one year	7	(69,432)	(60,158)
TOTAL NET CURRENT ASSETS		3,415,814	3,409,956
TOTAL NET ASSETS		3,415,814	3,409,956
THE FUNDS OF THE CHARITY			
Unrestricted funds		3,415,814	3,409,956

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

Approved by the trustees and signed on their behalf by



Karl Doyle
Chair and Trustee
29 October 2024

The ASDA Foundation

CASH FLOW STATEMENT For the year ended 31 December 2023

	<i>Year ended 31st December 2023</i>	<i>Year ended 31st December 2022</i>
	<i>Total £</i>	<i>Total £</i>
Cash flows used in operating activities		
Net income/(expenditure) for the year	5,858	(1,059,272)
<i>Adjustments to reconcile net expenditure to net cash flows:</i>		
Investment income	(25,148)	(5,016)
<i>Changes in working capital</i>		
(Increase)/decrease in debtors	-	(584)
Increase in creditors	9,274	11,475
Net cash flows used in operating activities	(10,016)	(1,053,397)
Cash flows from investing activities		
Investment income	25,148	5,016
Net increase/(decrease) in cash and cash equivalents	15,132	(1,048,381)
Cash and cash equivalents at start of year	3,420,114	4,468,495
Cash and cash equivalents at end of year	3,435,246	3,420,114

The ASDA Foundation

NOTES TO THE ACCOUNTS

As at 31 December 2023

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of The ASDA Foundation have been prepared in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011. The Charity is incorporated and domiciled in England under the Companies Act 2006, as a private company limited by guarantee. The Charity is a public benefit entity and its registered office is ASDA House, Great Wilson Street, Southbank, Leeds, LS11 5AD. The principal policies adopted in the preparation of the financial statements are set out below.

Going Concern

The principal income for the Charity is from ASDA Stores Limited. The Charity has a sufficient level of unrestricted cash balances and contractually agreed income due in the twelve month period following the date of approval of the financial statements as set out in the funding agreement with ASDA Stores Limited to meet all committed expenses and donations as they fall due for the twelve-month period following the date of approval of the financial statements. 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 local projects and good causes. This makes a real long-term difference to local communities.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is recognised on an accruals basis and comprises:

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

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

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As at 31 December 2023

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

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

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.

2. EXPENDITURE ON CHARITABLE ACTIVITIES

	Year ended 31 December 2023 £	Year ended 31 December 2022 - restated £
Grants to institutions		
Grassroots Grants (2022 Transform Communities Improve Lives)	1,531,432	2,258,785
Green Token Giving	706,766	938,600
Investing in Spaces and Places	616,051	644,810
Partnerships	127,500	165,596
Match Funding Colleague Fundraising grants	50,443	107,241
Goods Donation via Supermarkets	48,897	69,037
Community Emergency Grant	16,047	18,170
Significant Community projects	-	22,250
Total grants to institutions	3,097,136	4,224,489
Grants to individuals		
Hardship requests from ASDA colleagues	60,999	39,854
Administration costs		
Recharge of ASDA administration support	372,114	313,685
Governance costs	89,041	86,450
Total expenditure on unrestricted funds	3,619,290	4,664,478

Amounts reported in the prior year £4,664,478 have been restated to include credits relating to cancelled cheque payments of £51,101.

Awards/donations/payments granted to institutions and individuals with a value over £10,000 are disclosed in note 5.

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NOTES TO THE ACCOUNTS

As at 31 December 2023

3. GOVERNANCE COSTS

The amount payable to the Charity's auditor for the audit of the Charity's financial statements is £14,649 * (2022: £7,800).

4. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Throughout the period the ASDA Foundation had no employees (2022:nil). The average number of employees for the year was nil (2022: nil). The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel, including trustees, were nil (2022: £nil).

ASDA Stores recharged a total cost of £372,114 for their contribution to the administrative support of the ASDA Foundation (2022: £313,685).

No employee benefits were paid in the year (2022: none). The administration activities of the Charity are performed by the Foundation Team, who are seconded employees of ASDA Stores Limited. A contribution towards salary costs is funded from ASDA Foundation income. Further details of the Foundation Team are included in The Trustees Annual Report.

Trustee expenses were £536 (2022: £nil). Five trustees were reimbursed for travel expenses and equipment purchased for volunteering in relation to a visit to a community group supported by ASDA Foundation.

No emoluments were paid to trustees in relation to their qualifying services as a trustee by ASDA Foundation for the year ended 31 December 2023 (2022: £nil).

5. DONATIONS OVER £10,000 FOR THE YEAR ENDED 31 DECEMBER 2023

Donations in relation to the partnership programme and the higher value grant programme of Investing in Spaces & Places.

	<i>Year ended 31 December 2023</i>	<i>Year ended 31 December 2022</i>
Partnerships		
The Duke of Edinburgh award	£127,500	£127,500
Transplant Sport UK	-	£20,000
Investing in Spaces and Places		
Youth & Community Connexions	-	£24,650
Butterfly Effect Wellbeing C.I.C	£20,000	-
Spark Community Space	£20,000	-
The Roseland Centre	£20,000	-
1st Wormley Scout and Group Council	-	£20,000
Biggleswade Arts Collective Limited	£5,000	£20,000
Manchester Vineyard	£5,000	£20,000
Morley Cricket and Sports Club	£400	£20,000
SEN Space Care and Respite Services	-	£20,000
The Parochial Church Council of the Meadgate Church	£5,000	£20,000
Trimsaran Village Forum	£5,000	£20,000

* Please note that the audit fee disclosed in note 3 excludes VAT

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As at 31 December 2023

5. DONATIONS OVER £10,000 FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

	<i>Year ended 31 December 2023</i>	<i>Year ended 31 December 2022</i>
Dream Time Creative	-	£20,000
Trafford Veterans C.I.C	£19,757	-
G20 Works C.I.C	£19,587	-
Taffs Well Village Hall	£19,358	-
St Matthews Drumsurn Gaelic Athletic Club	£18,988	-
Headspace Bolton C.I.C	-	£18,560
Newton Abbot Centre Association	£4,530	£18,120
St Aidans Parochial Church Council	£18,048	-
Bothwell Futures	-	£18,000
Elliott Hall for Youth & Community C.I.C	£17,840	-
Conquer Life C.I.C	£17,600	-
Whitstable Umbrella Community Support Centre	£17,244	-
Sheppey Unit 301 of the Sea Cadet Corps	£17,000	-
Champions Community Sport and Health C.I.C	£16,980	-
Lancaster Methodist Church	£16,400	-
Bangor Foodbank and Community Support	-	£16,200
Thanet Countryside Trust Fund	£16,096	-
Creative Start Arts In Health C.I.C	£16,000	-
The Iris Arts Ayr C.I.C	£16,000	-
Elder Voice	£4,000	£16,000
St Margaret The Queen	£4,000	£16,000
Countryside Enterprises C.I.C	£14,400	-
Furness Broadcast Media C.I.C	£13,800	-
Be The Change Youth Project C.I.C	£13,600	-
Woodgate Valley Urban Farm Limited	£13,600	-
Mintlaw Public Hall	-	£13,500
Breast Cancer Now	£455	£13,313
Pelsall Community Association	£12,942	-
Burnmoor Cricket, Lawn Tennis Club & Institute	£12,468	-
Constantine Enterprises Company	£12,000	-
Grounded Manchester C.I.C	£12,000	-
North Cove and Barny Playing field Association	£12,000	-
The Wonky Garden	£12,000	-
Ark Church Nottingham	-	£12,000
CPD Pwllheli FC Cyfyngedig	£3,000	£12,000
The Gateway Collective	£2,950	£11,800
Workington Unit of the Sea Cadet Corps	-	£11,800
1st Golborne St Thomas Scout Group Executive	-	£11,200
Gordon Rural Action	£750	£10,800
Swimbridge Parklands Committee	-	£10,800
Abbeydore Church	£2,500	£10,000
St Mary's Bitton	£2,500	£10,000

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As at 31 December 2023

6. DEBTORS

	<i>Year ended 31 December 2023 £</i>	<i>Year ended 31 December 2022 £</i>
Receivables due from ASDA Stores Limited	<u>50,000</u>	<u>50,000</u>
Total	<u><u>50,000</u></u>	<u><u>50,000</u></u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>Year ended 31 December 2023 £</i>	<i>Year ended 31 December 2022 £</i>
Accruals	17,579	7,800
Amounts owed to ASDA Stores Limited	32,049	38,958
Other creditors	<u>19,804</u>	<u>13,400</u>
	<u><u>69,432</u></u>	<u><u>60,158</u></u>

8. RELATED PARTIES

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

During the year, ASDA Stores donated £3,600,000 (2022: £3,600,000). ASDA Stores recharged an amount at cost totalling £371,578 for salary and other costs incurred in relation to the administrative support of the ASDA Foundation (2022: £313,685) and trustee expenses of £536 (2022: £nil).

At the year end, ASDA Stores owed The ASDA Foundation £50,000 (2022: £50,000). The ASDA Foundation owed ASDA Stores £32,049 for administration costs (2022: £38,958).

9. COMMITMENTS

The ASDA Foundation is committed to grant payments of £58,141 at 31 December 2023 (31 December 2022: £232,690) with individual charity partners under Partnership contracts and Investing in Spaces and Places Grant agreements which span the year end. The payment of these commitments is conditional on the charity partners completing activities set out in their respective contracts and grant agreements by fixed dates during the course of 2024. At 31 December 2023, The ASDA Foundation is not contractually committed to any grant payments beyond 31 December 2024.

	<i>Year ended 31 December 2023 £</i>	<i>Year ended 31 December 2022 £</i>
Investing in Spaces and Places	58,141	105,190
The Duke of Edinburgh Award	<u>-</u>	<u>127,500</u>
	<u><u>58,141</u></u>	<u><u>232,690</u></u>