KFC FOUNDATION

England & Wales · Charity number 1163560

Details

Other names	ADD HOPE, KFC ADD HOPE FOUNDATION, KFC Youth Foundation
Status	Registered
Legal form	CIO
Registered	2015-09-14
Register	View on the Charity Commission register

Contact

Address	K F C Orion Gate Guildford Road Woking GU22 7NJ
Phone	01483 717000
Website	https://www.kfc.co.uk/kfc-foundation

Activities

Objects: 3.1 THE OBJECTS OF THE CIO ARE SUCH CHARITABLE PURPOSES FOR THE PUBLIC BENEFIT AS ARE EXCLUSIVELY CHARITABLE ACCORDING TO THE LAWS OF ENGLAND AND WALES AS THE CHARITY TRUSTEES MAY FROM TIME TO TIME DETERMINE WITH A PARTICULAR EMPHASIS ON ADVANCING IN LIFE AND RELIEVING THE NEEDS OF YOUNG PEOPLE.3.2 NOTHING IN THIS CONSTITUTION SHALL AUTHORISE AN APPLICATION OF THE PROPERTY OF THE CIO FOR PURPOSES WHICH ARE NOT CHARITABLE IN ACCORDANCE WITH SECTION 7 OF THE CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005 AND SECTION 2 OF THE CHARITIES ACT (NORTHERN IRELAND) 2008.

Activities: The KFC Foundation's vision is to support young people in the UK to fulfil their potential; it makes grants to support charities to give young people a safe social space, mentoring, work programmes and social skills. The charities that are supported by the Foundation are small grass roots charities, who in many cases, work with the most vulnerable young people in their community.

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Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Children/young People, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-27	£1,165,642	£579,615	£1,980,424	4
2023-12-27	£1,333,131	£792,564	£1,394,397	3
2022-12-27	£1,466,437	£1,510,920	£853,830	2
2021-12-27	£1,463,211	£1,324,250	£898,313	2
2020-12-27	£869,239	£648,547	£759,352	1

Trustees

Name	Role	Appointed
James Kiefer Fletcher	Chair	2019-04-29
Claire Josephine Owen		2025-02-13
Clara Snow		2022-06-27
Damon Boughen		2025-04-02
Daniel Mark Carr		2022-06-27
Ella Kathleen Smith		2025-11-11
Jonathan Foulkes Davies		2022-11-14
Michael Robert Campion Williams		2022-03-10
Nichola Newman		2020-07-28

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KFC FOUNDATION

England & Wales - Charity number 1163560

Accounts

KFC FOUNDATION

(working name KFC Youth Foundation)

REPORT & FINANCIAL STATEMENTS

PERIOD ENDED

29th DECEMBER 2024

KFC FOUNDATION

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Period from 25 December 2023 to 29 December 2024

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KFC FOUNDATION

Officers and Professional Advisors

Period from 25 December 2023 to 29 December 2024

Legal & Foundation Information

Trustees	Damon Boughen (appointed 2 April 2025) Daniel Mark Carr Simon Coates (resigned 1 October 2024) Jonathan Davies James Fletcher (Chair) Nichola Newman (Deputy Chair) Claire Owen (appointed 13 February 2025) Clara Snow (name changed) Michael Williams
Secretary	Louise Norris (Foundation Manager)
Registered Office	Orion Gate, Guildford Road, Woking, GU22 7NJ

Advisors

Principal Bankers	National Westminster Bank PLC 23 Brunswick Place Brunswick Gate S015 2AQ
Solicitors	BDB Pitmans 50 Broadway London SW1H 0BL
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL

KFC FOUNDATION

Statement from our Chair of Trustees

Period from 25 December 2023 to 29 December 2024

The first quarter of the 2025 calendar year has been transformational in the story of the KFC Youth Foundation. It is important to recognise that the Foundation has taken a leap to be a direct-delivery partner to the youth sector by opening its first youth hub in Middlesbrough. This is a significant change in how the Foundation chooses to support young people and we could not be prouder than to take this first step in the fantastic community of Middlesbrough.

It is also important to reflect on the fact that our Community Grants Programme has just closed its 2025 stage one process with double the number of applications (772) that it has received since its inception, which speaks to the ongoing challenges and state of the youth sector in the UK.

In the last decade funding for youth work has fallen by more than 60%. From 2011 to 2021, local authority youth provision funding in England fell in real terms from over £1 billion to around £400 million. This drastic reduction has led to the closure of more than two-thirds of council-run youth centres in England and Wales and thousands of youth work jobs being lost, and young people becoming more vulnerable to crime and other anti-social behaviour. This is the context in which the KFC Youth Foundation and all other youth-focussed charities operate.

I am in awe of our grant partners and the young people they serve. They look these challenges in the eye and many have become even more agile, more resilient, and more resourceful than ever before. Their advocacy of young people is astounding and their determination that they will create an environment that empowers young people is inspirational. They deserve so much credit and thanks.

In the financial year covered by this report, it is my pleasure to share that the KFC Youth Foundation has had another successful year; raising £1.16m and donating £330,599 in community grants to 129 organisations. These organisations work for the benefit of the community, creating a positive impact and working with tireless diligence and professionalism. Through these organisations, the KFC Youth Foundation enables support for young people living in the toughest circumstances, providing positive activities in which they can take part, mentoring for the most vulnerable, and in many cases the chance to make steps into employment, education, training, or volunteering. And, perhaps most poignantly, in yet another challenging year tackling some of the most basic human needs such as food security and shelter, and some of the hardest challenges facing young people around the UK including crime and issues surrounding social media usage.

As mentioned above, we have opened our first Youth Hub in Middlesbrough; an area of significant deprivation, particularly around child poverty. We are delighted to partner with a charity, Actes, who will be our landlord in this fantastic space. We are also delighted to welcome a Youth Hub Manager, Sarah Hunter, and Lead Youth Worker, Ellie Smith, to deliver for the young people of Middlesbrough from the space. Even though it took longer than anticipated to undertake the necessary renovations – to create a warmer, brighter, lighter more welcoming safe space for young people from the existing functional space – the team in Middlesbrough have made best use of the time building an incredible network, raising awareness of the Foundation and it's plans and developing a creative and exciting youth programme addressing the needs of young people in Middlesbrough.

Another exciting development in 2024 was an opportunity to directly deliver an employability programme through our Foundation. We are grateful to the Yum! Foundation and its Unlocking Opportunity Programme for their support of c.£500,000 funding over the next two years to bring Hatch, the KFC programme previously run in partnership with UK Youth, into the Foundation. This funding was approved in principle by the Yum! Foundation in 2024 subject to successful completion of due diligence in 2025.

KFC FOUNDATION

Statement from our Chair of Trustees

Period from 25 December 2023 to 29 December 2024

The number of young people not in education, employment, or training (NEET) rose to 946,000 in 2024. The Hatch programme is an employability programme giving young people with barriers to sustainable employment the opportunity to gain the skills they need and take part in paid work experience. The Trustees concluded that delivering the programme on a two-year pilot basis would enhance the services that the Foundation offers and give us the opportunity to grow the Foundation both in resource and foundationally through putting in place a content management system which will allow for greater impact reporting.

Both the Hub and the Hatch programme require the need for the Foundation to gain more financial independence from the KFC Brand, which led us to the decision to appoint an Income Generator, Jennie Barnes, who joined us in January 2025 and is already making a significant impact.

All of what we do is made possible by our fantastic KFC Youth Foundation team. This team has grown and changed significantly over the past year and this has been managed by our fantastic and indefatigable Foundation Manager, Louise Norris. Thanks must also go to Thalia Beaty, our Foundation Executive, who supports Louise in delivering on the charity's objectives and continues to transform our community grant programme, helping us every day to be a more inclusive grant maker. Hannah Simmons our Finance Executive took the decision to step down in 2024 but we have been ably supported by Rebecca Groves from KFC partner Heartstyles until Hannah's replacement commenced in 2025. We thank Rebecca for all her very generous support.

It is my pleasure to recognise the exceptional work and support of KFC team members and the incredible generosity of our communities; team members working in KFC restaurants across the UK and in its head office, with a special note of thanks going to the members of the KFC UKI Development Team for supporting with the acquisition of the Hub. The pride and passion of team members is unmatched, and their hard work enables the Foundation to continue supporting inspirational organisations around the UK.

We are so grateful to be supported by generous donors – the vast majority, but by no means exclusively, being KFC restaurant guests. They have donated so generously to support young people who have had a tough start to life. Your kindness makes such a difference to them – thank you.

As ever, my thanks go to our incredible Board of Trustees whose commitment has been the driver behind the momentum we have been gathering over the last two years, to create an environment which has allowed for these significant changes to happen successfully. Our thanks to Simon Coates who stepped down in 2024 and helped us to identify his backfill in the franchise community, as such we are pleased to welcome Claire Owen, KFC Franchisee, to the Board in February 2025. We are also pleased to welcome Damon Boughen to the Board in April 2025 who brings income generation and safeguarding expertise.

James Fletcher
Chair of Trustees

KFC FOUNDATION

Trustees' Report

Period from 25 December 2023 to 29 December 2024

Trustees' Report

The Trustees present their Annual Report and Accounts for the period ended 29 December 2024. In preparing this report and accounts the Trustees have complied with the Charities Act 2011, the Foundation's Constitution and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The KFC Foundation is registered with the Charity Commission in England and Wales (number 1163560) and the OSCR in Scotland (number SC046098). Legal and other information relating to the Foundation set out above lists the Trustees and principal advisors of the Foundation and forms part of this report.

Structure, Governance & Management

Organisational Structure

The Foundation is constituted as a Charitable Incorporated Organisation and, therefore is governed by a Constitution and has no share capital.

Governance

Trustees that have served through the period are named on page 3. In addition, we have also appointed Claire Owen and Damon Boughen as Trustees in early 2025. The Trustees have been chosen for their commercial, community, lived experience and charitable expertise, as well as their commitment to the aims and philosophy of the Foundation.

The Foundation is organised so that the Trustees meet five times annually to manage the Foundation's affairs. Trustees and new Trustees are aware of their duties to further the purposes of the Foundation, to ensure that the Foundation carries out its purposes for the public benefit and to act in the best interests of the Foundation by ensuring that resources are responsibly managed. The Trustees are a mix of senior leaders in Kentucky Fried Chicken (Great Britain) Limited ("KFC"), from the Franchisee community and externals with charitable experience and thus have the appropriate skills and diligence to be acting as Trustees of the Foundation.

New Trustees are appointed for a term of three years and, in accordance with the Foundation's Constitution, are provided with a copy of the current version of the Constitution and a copy of the Foundation's latest Trustees' Annual Report and statement of accounts upon appointment, as well as a copy of the Charity Commission's "Essential Trustee" guidance and offered the opportunity to complete a Trustee training course.

Management

The key management personnel of the Foundation comprise the Trustees and Louise Norris, in charge of directing and controlling, running and operating the charity.

In 2024 the day-to-day operation of the Foundation were carried out primarily by Louise Norris, Thalia Beaty and Hannah Simmons (who left the Foundation in October 2024), all of whom are contracted to KFC (and as such follow the remuneration policy in place for the company) and whose salaries were recharged to the Foundation. Given that there is a cross-charge for these employees, any significant salary increase would be pre-agreed with the Foundation Trustees. Since 2022 only 55% of Louise's salary costs are cross charged to the Foundation as a result of her managing projects for the KFC brand in addition to managing the Foundation.

Louise's role as Foundation Manager entails the strategic direction of the Foundation and other aspects of running the Foundation including regulation and compliance. Thalia manages the grant making process including our partnerships with grantees and communications for the Foundation. Hannah managed the Foundation finances.

Over 2024 we executed a strategic plan for the Foundation to become an employer in its own right, in preparation for our expansion which has been rapid in terms of staff over 2024/25. We hired Sarah Hunter (Hub Manager) and Ellie Smith (Lead Youth Worker) to run operations in Middlesbrough, both who are employed directly by the Foundation. Recruitment was also required to back fill Hannah with a Finance Manager with charitable experience and a new post of Income Generator to support with the growth and self-sustainability of the Foundation as we change trajectory. As such in early 2025 Kelly Read and Jennie Barnes joined the Foundation as Finance Manager and Income Generator respectively.

Other employees of KFC provide their time and expertise to the Foundation where necessary, in accordance with our service agreement, including social media, marketing, digital technology, legal and development. We are also grateful to the many KFC employees who volunteer to help with our grant shortlisting.

Objectives & Activities

The principal objects for which the Foundation was established are such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Trustees may from time to time determine with a particular emphasis on advancing in life and relieving the needs of young people.

A summary of the activities that the Foundation has carried out in pursuance of its principal objectives can be found below.

Mission & Vision

The KFC Foundation vision is to create a world in which every young person is empowered to challenge the barriers to aspiration and fulfil their potential to become leaders of the future. And our mission is to empower young people in the UK to fulfil their potential and build a positive future by providing spaces that allow young people to feel safe and secure, helping them to unlock talent, build life skills, provide mentoring and improve their chances to gain meaningful employment.

One of the ways we do this is by making small grants to organisations around the UK that are, in many cases, supporting the most vulnerable young people in their communities. They share our passion for empowering young people to help them reach their full potential. Through its community grant programme, the Foundation was able to support numerous organisations and young people in 2024.

In 2024 the Foundation took its first step into service delivery when it acquired its Youth Hub in Middlesbrough, which opened in early 2025. The Youth Hub is a safe space where young people can grow, meet friends and be supported by incredible Youth Workers.

KFC FOUNDATION

Trustees' Report

Period from 25 December 2023 to 29 December 2024

What we did in 2024

Community Grant Making Programme

We are exceedingly proud of our Community Grant Making Programme, not only for the impact that it is having on the young beneficiaries of the organisations that we support but also of our ability to remain agile in our approach to continually evolve and improve our processes for our applicants and to ensure the voices of our beneficiaries are represented in deciding how grants are spent.

As such, in 2024 we took the decision to make it a multiyear programme with application windows moving from twice a year to once a year. We took this decision for a number of reasons based on feedback from our grant partners but also to continue to be a modern grant maker. We also increased our grant payments to £6,000 over the two years to keep up with the inflationary costs that partners are experiencing.

Multi year funding:

- Delivers efficiencies for funders and charities
- Provides charities with certainty and stability, which enhances their ability to plan
- Sets realistic timeframes for the delivery of activities and change
- Enhances organisational capacity
- Builds trust and enables more open relationships
- Supports better learning to improve practice.

This has been well received by our grantees.

"The programme has been excellent, and we really appreciate the support and simplicity of the renewal process—the automatic renewal based on the email guidance has made things much smoother. The overall support from the KFC Youth Foundation has been great, and this has been one of the best funding experiences we've had. Everything has been well-structured and easy to navigate, and we feel that the Foundation genuinely understands and values the work we do."

We take great pride in the impact that the Foundation is making across communities in the UK in collaboration with our incredible partners.

In the previous 12 months the Foundation has supported:

- Young people aged 11-25 years old
- Those in a position of economic disadvantage
- Organisations which empower young people to fulfil their potential and build a positive future
- Organisations with an annual income of no more than £300,000, operating in the heart of our communities.

430 grant applications received
128 applications progressed to stage 2
129 grants paid
£330,599 paid out

We recognise that preparing a grant application requires valuable time and resources from organisations. With the high volume of strong applications we receive, it's not always possible to fund every deserving organisation that we would ideally like to. To acknowledge the effort involved, we were able to offer a £100 donation to 55 of the highest-scoring unsuccessful applicants as a gesture of appreciation for the time and commitment they invested in the process.

The Game Change Project (TGCP) is a community interest company and was established in 2019 with the aim of improving the life chances of disengaged young people in Powys, Wales. Their life skills programmes "re-engage young people into life" by giving them opportunities to find their strengths and unlock their true potential. The programmes take place at Mid Wales Off Rd outdoor activity centre where young people take part in a range of outdoor activities including equine handling, animal care, digger driving, mechanics and rally karting.

They used their grant to engage local teenagers involved in anti-social behaviour and other low-level offending. The funds were used to bring about a new collaboration between TGCP and the local community policing team so that they can continue to provide targeted support in the future.

The Foundation first supported TGCP in Spring 2024 with a two-year grant of £2,500 in 2024 and £3,000 in 2025. It's been a pleasure to work with the team at TGCP and we can't wait to see the work they do in the year coming.

"*KFC Youth Foundation offer a modern, flexible approach to grant making. We particularly like how they involve beneficiaries and provide wrap around support to applicants throughout the process."*

Youth Hub Middlesbrough

Following the success of Big Boro Big Eats that we ran in collaboration with Linx and Youth Focus North East in Middlesbrough in 2023, a food based programme that enabled the young people taking part to develop their skills in cooking and healthy eating while making and providing meals to 750 members of the community, we began the search for a possible Youth Hub location in the town.

During our stakeholder network building from 2023 we had started conversations with the CEO of Actes, Paul Wales, about their Resource Centre in the Newport area of Middlesbrough. Actes are a Middlesbrough-based charity dedicated to supporting people across the Tees Valley to live more prosperous lives. In the first half of the year we began discussions about the leasing of The Resource Centre and finally in September 2024 we took possession of the building on a 5-year lease term. The refurbishment of the Hub took a little longer than anticipated, which gave Sarah and Ellie the opportunity to begin building relationships with stakeholders from the Council, other youth organisations and the police. They began developing a programme of youth activities, getting the Foundation into a really good place for its opening in 2025.

Almost 40% of Middlesbrough's children live in absolute poverty and during the school holidays children in the UK are at greater risk of hunger and food insecurity so ahead of opening the Hub in 2025 Sarah ran a Summer of Support over the summer holidays providing nutritious food to 15 families, 41 people. The Foundation provided 5,166 meals and 100% of participants moved from for insecurity to food security.

"Every month I go without food, I don't know how I would of managed this summer without the programme."
Family supported by the programme.

In the Autumn Sarah and Ellie commenced running Beyond Mentorships and Girls Rising programmes. Girls Rising aims to empower young girls in Middlesbrough by building their confidence, self-esteem, and resilience through positive activities and mentorship. It focuses on helping girls explore their values, strengths, and future goals, understand healthy relationships, and develop problem-solving skills. Beyond Mentorships helps young people develop higher aspirations, self-esteem, and resilience through mentorship. Mentors provide a safe space for young people to discuss their concerns and offer guidance on setting and achieving personal and professional goals.

"Mentorships feel comfortable and not forced, I feel positive and it is a great opportunity."
Beyond Mentorships participant.

"It helps me with my confidence and helps me feel better about myself."

"I like having a voice."
Participants of Girls Rising.

Growing awareness

In October, the Foundation attended the Franchise Awards and raised over £7.5k for the Youth Hub. The funds will be used in partnership with the local primary school to provide birthday celebrations for all their Year 6 students. KFC very kindly matched the funds from the fundraising event.

As usual we ran the 50/50 raffle at RGM Fest raising £3,015 of unrestricted funding.

Plans for the Future

Hatch

The Hatch programme is an employability initiative aimed at supporting young people aged 16-25 who are not in education, employment, or training (NEET). The programme provides opportunities for young people to build their skills, gain work experience, and transition into sustainable employment. The programme was developed by UK Youth and KFC in 2021 with funding from the Yum Foundations Unlocking Opportunity Fund. It ran from 2022-2024 having an impact on 1,000 young people, with 60-65% now in education, employment, or training three months post-programme.

The KFC Hatch Team returned to the Yum Foundation Investco in May 2024 to pursue further funding while exploring how to make the programme self-sustaining. While they were not successful in obtaining the funding to continue the programme with UK Youth, they were offered an opportunity to fund the transfer of the programme into the Foundation. The funding is for 2025 and 2026 and allows the Foundation to increase its resource, capability and capacity to make delivery of the programme possible. This proposal was accepted by both the Foundation Trustees and the KFC Brand on a two-year trial basis, while the journey for self-sustainability continues.

The purpose of Hatch aligns with the mission and vision of the Foundation and helps the Foundation to continue to develop its delivery strands of activity. Owing to the Foundation's charitable status it allows for different self-sustaining avenues to be explored than when it was a KFC project. We are also able to be more agile in finding an investable solution to sustainability.

Hub

The refurbishment of the Hub took place in early 2025 and was supported by Quantity Surveyors EWH Consulting who were identified by the KFC Development Team to support the project and were brilliant partners who were really invested in the purpose of the project.

The Hub space includes a kitchen that has been designed with a domestic space in mind, allowing young people to create and explore food that they might not otherwise and then share food around the table with their friends. A podcasting space, called the Creation Room, a calmer space in the Wellbeing Room for one-to-one work and then a large multipurpose hall for youth club and sport. The whole space has been created with flexibility in mind so that we are able to monetise the asset through hires and we already have some community hirers who regularly use the space that we have inherited from Actes.

The Hub Team have a number of programmes planned for 2025 when the Hub is up and running including Screen to Spoon a programme aimed at Year 7 to Year 9 students (typically ages 11-14) designed to help them engage with cooking by connecting popular films or TV shows to real-life meal preparation. This program aims to make cooking fun while linking food to the media that students already enjoy. This will be a six week programme. And

the KFC Youth Foundation's Youth Club a community-focused space designed to provide young people with a safe, supportive environment where they can grow, learn, and develop essential life skills. The club will offer a range of activities aimed at fostering personal development, building confidence, and promoting well-being. It serves as a club for young people to engage in fun, educational, and recreational programs such as sports, arts, music, and community projects, helping them to stay active and engaged.

Public Benefit

The Trustees confirm that they have referred to the guidance set out in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives. The benefits are clearly set out in the section above.

The Trustees review the Foundation's activities against its aims and objectives on an ongoing basis and are satisfied that all activities continue to be related to the Foundation's purpose. The beneficiaries are vulnerable young people, primarily from deprived backgrounds, who are at risk of dropping out of education, becoming involved in gangs, lack a stable role model, are struggling to find employment and are likely to continue the cycle of poverty. The charities we make grants to and our own Service Delivery seek to mitigate against these by providing safe spaces, mentoring, counselling, training and education.

Financial Review

Income has decreased in the year to £1,165,642 (2023: £1,333,131). The main reason is a reduction in product contributions of £234,629, 24%. This is mostly due to not having the additional week where product contributions increase from 5p per bucket to £1. Countertop cash donations have stayed consistent with last year, while Kiosk, website and app donations have increased by £45,980, 21%. We also have the addition of £7,617 investment income from our cash deposit accounts and £7,105 rental income from the Middlesbrough Youth Hub.

Expenditure has decreased in the year to £579,615 (2023: £792,564). As previously mentioned, our partnership with Comic Relief ended in 2023, which reduced expenditure by £389,813. Spend on our remaining grant programme has increased from £225,450 on 87 grants to £330,599 on 129 grants, which, due to the nature and number of grants is a time intensive programme. A huge amount of preparatory work has taken place in 2024 to find a suitable building to open our first Youth Hub in Middlesbrough, develop our Youth Programmes and expand our growing staff team.

Investments

The Foundation does not hold any investments and only keeps money in its NatWest bank accounts.

In the interest of financial stewardship we opened a 90 day savings account with NatWest in 2024. We have been accumulating a large amount of cash over the course of 2023 and 2024 in preparation for the larger financial investment that refurbishment of a youth hub and the delivery of youth services will entail. It had been our intention to complete the refurbishment in 2024 and spend down a significant portion of the cash reserves however some phasing issues resulted in the spend happening in 2025.

Reserves

The Foundation's level of reserves are continually reviewed considering latest forecasts to ensure the Foundation can cover its ongoing costs and future committed grants. The statement of financial position shows total funds of £1,980,424 (2023: £1,394,397). This consists of £1,964,284 unrestricted funds and £16,140 restricted funds (2023: £1,394,397 unrestricted funds and no restricted funds). We consider our free reserves to consist of our unrestricted funds, less fixed assets and future grant commitments. This is a value of £1,751,760 (2023: £1,394,397).

The Trustees will complete a detailed review of the Foundation's reserve policy in 2025 along with an updated five-year financial projection. The Trustees recognise the level of free reserves are currently high due to:

- a delay in the Middlesbrough Youth Hub renovation works
- an increase in fixed operating costs with becoming a service delivery organisation
- plans to open further Youth Hubs in the medium term
- continuing to provide multi-year grants to more Youth organisations next year
- bringing the Hatch employability programme into the Foundation
- expanding our staff team and infrastructure to ensure we are working effectively, gathering impact data and are sustainable.

Risk Management

The Trustees have considered the major governance, operational, financial, external, compliance and safeguarding risks, which the Foundation faces and ensured that those risks are regularly reviewed and mitigating steps taken as necessary.

The risks that would have the highest impact to the operation of the Foundation are:

Risk	Mitigating Actions
Decrease in income either as a result of having one principle funder or from the pressure of high street sales.	Recruited an Income Generator to explore diversity of income. Exploring other fundraising avenues that are less reliant on a donor's physical presence in KFC restaurants.
Inability to separate charity funds from Franchisee funds.	Review donations made in every restaurant on a regular basis to identify trends / anomalies. Strict payment deadlines for recovering donations from Franchisees.
Financial sustainability of operating youth hubs and the employment of youth workers.	Monitoring of monthly management accounts and cashflow forecasts. Monitor of reserves policy. Reviewing income generation opportunities.
Safeguarding incidents.	Robust safeguarding policy in place and regularly reviewed, including practices around recruitment of staff and volunteers. Regular training in safeguarding for staff and volunteers. Establishment of a safeguarding committee and appointment of a Designated Safeguarding Lead. Safeguarding policy of organisations we fund reviewed.

KFC FOUNDATION

Trustees' Report

Period from 25 December 2023 to 29 December 2024

Fundraising Policy

The Foundation's approach to fundraising is to predominantly use the relationship with KFC, its employees and guests to raise funds through the sale of products or fundraising activities. We do not carry out street fundraising, nor do we undertake fundraising mail shots or telephone canvassing. We work with KFC to ensure that any fundraising complies with best practice. Fundraising is monitored by the Trustees of the Foundation and we also monitor any fundraising complaints (none were received during the period 2023/24) and we always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. The Foundation is not bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising.

Product contributions are charged to KFC and its franchisees for all sharing buckets sold. All franchisees operate under a franchise agreement with KFC and are required to sell core menu items in their restaurants. It has been agreed between KFC and the franchisees that a donation is given to the Foundation of 5p for every sharing bucket sold. Under the terms of the franchise agreement, KFC has certain rights if debts are due to either KFC or other suppliers/partners.

The Foundation has direct access to the reporting systems of KFC, which provide the data for sharing bucket sales, customer kiosk donations, customer donations via the KFC website and App and the amounts banked from countertop donation boxes. The countertop donations are monitored by the Foundation to make sure that all restaurants are banking their donations from customers, and KFC and its franchisees are chased up regularly to ensure this is happening.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing the accounts the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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 United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, applicable charity (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

KFC FOUNDATION

Trustees' Report

Period from 25 December 2023 to 29 December 2024

Provision of information to auditor

So far as each Trustee is aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- 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.

Approval

This report was approved by the Trustees on 11th August 2025 and signed on its behalf.

Chair of Trustees - James Fletcher

For further information contact:
KFC FOUNDATION
Orion Gate, Guildford Road, Woking, GU22

KFC FOUNDATION

Independent auditor's report to the Trustees of KFC Foundation

Period from 25 December 2023 to 29 December 2024

Opinion

We have audited the financial statements of KFC Foundation (the 'charity') for the period ended 29 December 2024 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including the accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charity's affairs as at 29 December 2024 and of its income and expenditure for the period 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 charity 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 charity'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 report and financial statements, including the Trustees' report, 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 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.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' annual report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 [145 for a lower income charity] of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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.

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 is detailed below:

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following laws and regulations were most significant: Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.
- We understood how the charity is complying with these legal and regulatory frameworks by making enquiries to Trustees and those responsible for legal and compliance procedures. Through our enquiries we corroborated these views by our review of Trustees' minutes.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
    - Enquiries with management, whether they have any knowledge of any actual, suspected or alleged fraud;
    - Challenging assumptions and judgements made by Trustees and management in their significant accounting estimates.
    - Identifying and testing journal entries.
    - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures.

As a result of our procedures we did not identify any key audit matters relating to irregularities**.**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

KFC FOUNDATION

Independent auditor's report to the Trustees of KFC Foundation

Period from 25 December 2023 to 29 December 2024

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

12 August 2025

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

KFC FOUNDATION

Statement of Financial Activities

Period from 25 December 2023 to 29 December 2024

	Notes	Unrestricted funds	Restricted funds	Period from 25 Dec 2023 to 29 Dec 2024 Total funds £	Unrestricted funds	Restricted funds	Period from 26 Dec 2022 to 24 Dec 2023 Total funds £
Income from							
Donations	3	1,134,440	16,480	1,150,920	1,120,886	212,245	1,333,131
Investment income		7,617	-	7,617	-	-	-
Other income		7,105	-	7,105	-	-	-
Total Income		1,149,162	16,480	**1,165,642**	1,120,886	212,245	**1,333,131**
Expenditure on							
Raising Funds	4	(12,822)	-	(12,822)	(4,972)	-	(4,972)
Charitable Activities							
Grant programmes	5	(421,900)	(340)	(422,240)	(354,230)	(389,813)	(744,043)
Youth Hub programmes	5	(144,553)	-	(144,553)	(43,549)	-	(43,549)
Total Expenditure		(579,275)	(340)	**(579,615)**	(402,751)	(389,813)	**(792,564)**
Net Movement in Funds		569,887	16,140	**586,027**	718,135	(177,568)	**540,567**
Reconciliation of Funds:							
Fund balances at 25 December 2023		1,394,397	-	**1,394,397**	676,262	177,568	**853,830**
Fund balances at 29 December 2024		1,964,284	16,140	**1,980,424**	1,394,397	-	**1,394,397**

There were no recognised gains or losses in the current or preceding periods other than those disclosed in the statement of financial activities.

The notes on pages 22-29 form part of these financial statements.

KFC FOUNDATION

Statement of Financial Position

At 29 December 2024

	Notes	29 Dec 2024 £	24 Dec 2023 £
Fixed Assets			
Tangible assets	8	2,524	-
		2,524	-
Current Assets			
Debtors	9	207,127	207,174
Short term deposits		506,085	-
Cash at bank and in hand		1,346,431	1,210,811
		2,059,643	1,417,985
Liabilities			
Creditors falling due within one year	10	(81,743)	(23,588)
Net Current Assets		1,977,900	1,394,397
Total Net Assets		**1,980,424**	**1,394,397**
Funds:			
Restricted Funds	11	16,140	-
Unrestricted General Fund	11	1,964,284	1,394,397
		1,980,424	**1,394,397**

The financial statements where approved and authorised for issue by the Board of Trustees on 11th August 2025 and signed on its behalf:

Chair of Trustees - James Fletcher

Charity number: 1163560

The notes on pages 22-29 form part of these financial statements.

KFC FOUNDATION

Statement of Cash Flows

Period from 25 December 2023 to 29 December 2024

	Period from 25 Dec 2023 to 29 Dec 2024	Period from 26 Dec 2022 to 24 Dec 2023
	£	£
Cash flows from operating activities		
Net income for the reporting period (as per the Statement of Financial Activities)	**586,027**	540,567
Adjustments for:		
Depreciation	276	-
Interest received	(7,617)	-
Decrease / (increase) in debtors	47	(20,958)
Increase / (decrease) in creditors	58,155	(40,516)
Net cash provided by operating activities	**636,888**	479,093
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,800)	-
Purchase of short term deposits	(506,085)	-
Interest received	7,617	-
Net cash provided by investing activities	**(501,268)**	-
Change in cash and cash equivalents in the reporting period	**135,620**	479,093
Cash at start of the period	1,210,811	731,718
Cash at end of the period	**1,346,431**	1,210,811

The notes on pages 22-29 form part of these financial statements.

The following accounting policies form part of these financial statements.

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements:

Basis of preparation of financial statements

KFC Foundation is a Charitable Incorporated Organisation registered with the Charity Commission in England and Wales (number 1163560) and with OSCR in Scotland (number SC046098). These financial statements have been prepared for the period from 25 December 2023 to 29 December 2024 with comparative information given in respect to the period from 26 December 2022 to 24 December 2023.

The financial statements have been prepared in accordance 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 United Kingdom 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 Charities Act 2011.

The financial statements have been prepared under the historical cost convention.

The KFC Foundation is a public benefit entity.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Other than the assessment of going concern below, the preparation of the financial statements did not require the Trustees to make any significant judgements or estimates.

Fund accounting

Restricted funds are those to be used in accordance with specific instructions imposed by donors or have been raised by the charity for specific purposes.

Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Other income relates to the rental of rooms at the Middlesbrough Youth Hub to other organisations.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with Charities SORP (FRS 102), the general volunteer time of KFC staff is not recognised.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Expenditure comprises grants payable as part of the Foundation's charitable activities, Youth programmes and operating costs of the new Middlesbrough Youth Hub as well as administrative costs pertaining to the charity and its operations.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions.

1. Accounting Policies (continued)

Expenditure recognition (continued)
Grants approved but not paid at the end of the financial period are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements. See note 12. All grants are made to organisations.

Governance costs comprise the costs involving the public accountability of the charity and costs in respect to its compliance with regulation and good practice.

Direct staff salaries have been allocated to the activity based on an estimate of time spent.

Support and governance costs have been apportioned between Raising Funds and Charitable activities based on an estimate of staff time spent on each of these areas. They have been apportioned as follows:

	2024	2023
Raising Funds	5%	5%
Grant programmes	40%	75%
Youth Hub programmes	55%	20%

Tangible fixed assets
Tangible fixed assets costing more than £1,000 are capitalised and stated at cost less depreciation. Depreciation is calculated to write off the cost of tangible fixed assets by equal instalments over their expected useful lives as follows:

Computer equipment	33% / 3 years

Cash at bank and in hand
Cash at bank and in hand includes cash in hand and cash held in the bank current account. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

Debtors
Debtors are recognised at the settlement amount, less any provision for non-recoverability.

Creditors
Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and amount due to settle the obligation can be measured or estimated reliably.

Operating lease payments
Total payments under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Financial instruments
The KFC Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Going concern
The Trustees have reviewed the financial position of the Foundation and concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to prepare these financial statements on a going concern basis. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

2 Related party transactions and Trustees' expenses and remuneration

The Trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind. During the period, there were expenses of £123 reimbursed to two Trustees (2023: £181 to three Trustees) and these were in relation to travel for Trustee meetings. Last year, the charity also paid for membership to the Association of Chairs for James Fletcher. During the period the Foundation received a £40 donation from one Trustee (2023: £1,070 from two Trustees).

During the period the Foundation received £4,006 (2023: £5,836) and had debtors outstanding at period end of £nil (2023: £746) for The Woosaa Chicken Co Ltd which was owned in the period by one of the KFC Foundation Trustees. This represents income from Product Contributions, Countertop Donations and Kiosk Donations.

There are no other related party transactions that require disclosure in the financial statements.

3 Donations

Income has been split into donations by KFC and its franchisees as follows:

	Unrestricted £	Restricted £	**25 Dec 2023 to 29 Dec 2024 Total £**
KFC - product contribution	162,592	1,380	**163,972**
Franchisees of KFC - product contribution	575,806	-	**575,806**
KFC countertop donations	23,197	-	**23,197**
Franchisees of KFC - countertop donations	78,214	-	**78,214**
KFC - kiosk donations	48,949	-	**48,949**
Franchisees of KFC - kiosk donations	215,883	-	**215,883**
Other donations	26,184	15,100	**41,284**
Gifts in Kind	2,800	-	**2,800**
Pennies for change	815	-	**815**
	1,134,440	16,480	**1,150,920**

	Unrestricted £	*Restricted £*	*26 Dec 2022 to 24 Dec 2023 Total £*
KFC - product contribution	*59,644*	*15,643*	*75,287*
Franchisees of KFC - product contribution	*715,650*	*183,470*	*899,120*
KFC countertop donations	*9,191*	-	*9,191*
Franchisees of KFC - countertop donations	*93,453*	-	*93,453*
KFC - kiosk donations	*11,427*	-	*11,427*
Franchisees of KFC - kiosk donations	*207,425*	-	*207,425*
Other donations	*23,229*	*13,132*	*36,361*
Pennies for change	*867*	-	*867*
	1,120,886	*212,245*	*1,333,131*

4 Raising Funds

	25 Dec 2023 to 29 Dec 2024 Total £	26 Dec 2022 to 24 Dec 2023 Total £
Direct fundraising costs	7,891	-
Allocation of support costs (see note 6)	4,931	4,972
	12,822	4,972

5 Charitable Activities

Grant programmes

	Unrestricted £	Restricted £	**25 Dec 2023 to 29 Dec 2024 Total £**
Grants to organisations - under £3,000	324,969	340	**325,309**
£100 donations to stage two applicants	5,630	-	**5,630**
Payments to organisations that assist with shortlisting	3,500	-	**3,500**
Workshops to support organisations	1,164	-	**1,164**
Direct staff costs (see note 7)	47,187	-	**47,187**
Allocation of support costs (see note 6)	39,450	-	**39,450**
	421,900	340	**422,240**

	Unrestricted £	*Restricted £*	*26 Dec 2022 to 24 Dec 2023 Total £*
Grants to organisations – under £3,000	*219,330*	*389,813*	*609,143*
£100 donations to stage two applicants	*6,120*	-	*6,120*
Payments to organisations that assist with shortlisting	*5,300*	-	*5,300*
Workshops to support organisations	*1,381*	-	*1,381*
Direct staff costs (see note 7)	*47,507*	-	*47,507*
Allocation of support costs (see note 6)	*74,592*	-	*74,592*
	354,230	*389,813*	*744,043*

KFC Foundation provided 129 grants of £2,500 - £3,000 to Youth organisations in the period (last period 87 grants of £2,000 - £3,000). Last year £389,813 was granted to Comic Relief (charity number 3265658 & SCO39730). This year, this figure has reduced to £340 as the partnership came to an end in 2023. There is a further and final £1,040 restricted income to pay to Comic Relief.

5 Charitable Activities (continued)

Youth Hub Programmes

	25 Dec 2023 to 29 Dec 2024 Total £	26 Dec 2022 to 24 Dec 2023 Total £
Youth Programmes	3,043	16,259
Middlesbrough hub running costs (rent, service charges, utilities etc)	35,389	-
Direct staff costs (see note 7)	51,878	7,399
Allocation of support costs (see note 6)	54,243	19,891
	144,553	43,549

6 Support and governance costs

Support costs

	25 Dec 2023 to 29 Dec 2024 Total £	26 Dec 2022 to 24 Dec 2023 Total £
Direct staff costs (see note 7)	48,991	39,864
HR and recruitment	2,274	-
Staff training and wellbeing	2,714	-
Staff travel and subsistence	4,351	121
IT and telephones	9,448	7,311
Depreciation	276	-
Website consultancy	-	5,700
Insurance	992	1,517
Bank charges	714	477
Other expenses	9,286	24,226
	79,046	79,216

Governance costs

	25 Dec 2023 to 29 Dec 2024 Total £	26 Dec 2022 to 24 Dec 2023 Total £
Direct staff costs (see note 7)	6,490	5,549
Audit fees – current period	13,020	12,000
Audit fees – prior period	68	2,690
	19,578	20,239
Total support and governance costs	**98,624**	99,455

All support and governance costs relate to unrestricted funds in the above periods.

6 Support and governance costs (continued)

Support and governance costs have been apportioned between activities based on an estimate of staff time.

Reconciliation of apportionment of support and governance costs

	25 Dec 2023 to 29 Dec 2024 £	26 Dec 2022 to 24 Dec 2023 £
Raising Funds (see note 4)	4,931	4,972
Grant programmes (see note 5)	39,450	74,592
Youth Hub programmes (see note 5)	54,243	19,891
	98,624	99,455

7 Salaries & Wages Disclosures

(a) Staff costs

Staff costs during the period were:

	25 Dec 2023 to 29 Dec 2024 £	26 Dec 2022 to 24 Dec 2023 £
Wages and salaries	130,588	83,549
Social security costs	12,563	8,059
Pension costs	11,395	8,711
	154,546	100,319

Three staff members costs were cross charged from KFC. Two staff members were employed directly by the charity.

(b) Staff numbers

The average number of persons (including the senior management team) employed during the period ended 29 December 2024 was 4 (2023: 3).

(c) Higher paid staff

No employees earnt over £60,000 in the period (2023: none).

(d) Key management personnel

The key management personnel of the Foundation comprise of the Trustees and a KFC employee whose salary is recharged to the Foundation. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Foundation was £43,332 (2023: £36,997).

(e) Apportionment of staff costs

Direct staff costs have also been apportioned based on an estimate of staff time.

	25 Dec 2023 to 29 Dec 2024 £	26 Dec 2022 to 24 Dec 2023 £
Grant programmes (see note 5)	47,187	47,507
Youth Hub programmes (see note 5)	51,878	7,399
Support costs (see note 6)	48,991	39,864
Governance costs (see note 5)	6,490	5,549
	154,546	100,319

8 Fixed Assets

	Computer Equipment £
Cost	
At 25 December 2023	-
Additions	2,800
At 29 December 2024	2,800
Depreciation	
At 25 December 2023	-
Charge for the period	276
At 29 December 2024	276
Net book values	
At 25 December 2023	-
At 29 December 2024	**2,524**

9 Debtors

	29 Dec 2024 £	24 Dec 2023 £
Trade debtors	129,003	197,476
Amounts due from KFC	29,737	6,151
Prepayments and accrued income	35,837	3,547
Other debtors	12,550	-
	207,127	207,174

10 Creditors

	29 Dec 2024	24 Dec 2023
	£	£
Trade creditors	4,170	-
Amounts due to KFC	54,754	9,505
Accruals	17,000	14,083
Tax and social security	5,314	-
Other creditors	505	-
	81,743	23,588

11 Analysis of net assets between funds

	Unrestricted General fund	Restricted funds	**Total funds 29 Dec 2024**	Unrestricted General fund	Restricted funds	Total funds 24 Dec 2023
	£	£	**£**	£	£	£
Fund balances at the period end are represented by:						
Fixed assets	2,524	-	2,524	-	-	-
Current assets	2,043,503	16,140	2,059,643	1,417,985	-	1,417,985
Current liabilities	(81,743)	-	(81,743)	(23,588)	-	(23,588)
Total net assets	1,964,284	16,140	**1,980,424**	1,394,397	-	1,394,397

The restricted funds in 2024 relate to £15,100 to be used in the Middlesbrough Hub and £1,040 to be donated to Comic Relief.

12 Grant Commitments

Multi-year grants are subject to additional reporting and due diligence requirements being met by the recipients. They are therefore not included as a liability in the financial statements until the requirements are met. Future grants for the next financial period total £210,000. (2023: Nil)

13 Operating lease

The Foundation entered a five-year lease on 30 July 2024 for the Middlesbrough Youth Hub at Resource Centre, Meath Street, Middlesbrough, TS1 4RY. There is an annual break clause on 30 July each year.

At 29 December 2024 the total commitment is as follows:

	25 Dec 2023 to 29 Dec 2024	26 Dec 2022 to 24 Dec 2023
	£	£
Leasehold buildings – up to 1 year	27,692	-

KFC FOUNDATION

England & Wales - Charity number 1163560

Accounts

KFC FOUNDATION

REPORT & FINANCIAL STATEMENTS

PERIOD ENDED

24th DECEMBER 2023

KFC FOUNDATION

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Period from 26 December 2022 to 24 December 2023

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KFC FOUNDATION

Officers and Professional Advisors

Period from 26 December 2022 to 24 December 2023

Legal & Foundation Information

Trustees	Daniel Mark Carr Simon Coates Jonathan Davies James Fletcher (Chair) Nichola Newman Clara Widdison Michael Williams
Secretary	Louise Norris (Foundation Manager)
Registered Office	Orion Gate, Guildford Road, Woking, GU22 7NJ
Functional Team	Thalia Beaty (Foundation Administrator) Louise Norris (Foundation Manager) Hannah Simmons (Finance & Projects Executive) Julian Thomas (Gift Aid Secretary – resigned 4 May 2023)

Advisors

Principal Bankers	National Westminster Bank PLC 23 Brunswick Place Brunswick Gate S015 2AQ
Solicitors	BDB Pitmans 50 Broadway London SW1H 0BL
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

KFC FOUNDATION

Statement from our Chair of Trustees

Period from 26 December 2022 to 24 December 2023

The KFC Foundation has a mission to empower young people across the UK to ensure they have the chance to fulfil their potential and build a positive future. Through the exceptional work and support of KFC team members, the incredible generosity of our communities, and the inspirational work of our partner organisations who provide spaces that allow young people to feel safe and secure, helping them to unlock their talent, build life skills, provide mentoring, or improve their chances to gain meaningful employment, we have been able to help support thousands of young people across the UK.

It is vital to recognise and pay tribute to all KFC Foundation's partner organisations who are continuing to battle with the cost-of-living crisis and the mounting pressures that this brings about in all aspects of their work. Despite these pressures and in the face of inundated services, our partner organisations continue to adapt to their ever-changing environments, taking everything in their stride, and we are in awe of their perseverance to provide for their service users.

Team members working in KFC restaurants and head offices across the UK have continued to work above and beyond through what has been a tough year for many. Despite the challenges, there are many individuals and teams who have championed the Foundation. Their pride and passion is unmatched and their hard work enables the Foundation to continue supporting inspirational organisations around the UK.

We are so grateful to be supported by generous donors – the vast majority, but by no means exclusively, being KFC customers. They have donated so generously to support young people who have had a tough start to life. Your kindness makes such a difference to them – thank you.

To that end, it is my pleasure to share another successful year; raising £1.3m and donating £212,830 in community grants to 87 organisations. These organisations work for the benefit of the community, creating a positive impact and working with tireless diligence and professionalism. Through these organisations, the KFC Foundation enables support for young people living in the toughest circumstances, providing positive activities in which they can take part, mentoring for the most vulnerable, and in many cases the chance to make steps into employment, education, training, or volunteering. And, perhaps most poignantly, in yet another challenging year tackling some of the most basic human needs such as food security and shelter.

KFC Foundation takes seriously its role in the wider charity sector and has committed to assist with capacity building for our partner charities and other organisations who share our vision for young people. By definition, our partners are small charities whose staff and volunteers are expected to wear multiple hats in the delivery of their important work. As such we hosted our second Wingin' It workshop; bringing together colleagues from across the sector for a professional and personal development day at the KFC head office – attendees shared their own experiences as well as benefiting from our expert speakers. We were delighted by the positive feedback received from attendees and we look forward to similar future events.

In 2023, we concluded our phenomenal partnership with Comic Relief - which represented a contribution of £3.5million over four years. Our work with Comic Relief funded several organisations across the UK that provide safe social spaces, mentoring, and work and social skills. We would like to extend our gratitude to the team for their partnership and we look forward to cheering them on as they continue their extraordinary work.

The conclusion of the partnership with Comic Relief gave the Trustees and Foundation team time to consider the strategic direction of the Foundation and we have ambitions to directly deliver some services to young people alongside our community grant-making programme. After conducting extensive research, we decided to begin this work in Middlesbrough – an area of the UK facing multiple indices deprivation. We partnered with local youth organisation, Linx Youth Project, and hired a professional chef to deliver Big Boro Big Eats during Summer 2023. Over the course of six weeks, young people followed a programme to increase their confidence in cooking

and their understanding of what makes a balanced meal, delivered by our Chef and Youth Worker. Over the course of the Summer, 105 young people participated in the programme and 750 members of the community including food bank users, Police Community Support Officers and the young people's families enjoyed a Big Boro Big Eats meal, building stronger community connections and bringing people together. With the experience of this programme firmly under our belt and the relationships we have built in the community, the Foundation is in a position to transition into a delivery partner, and we aim to open up our own youth hub in Middlesbrough in 2024. While we embark on this new direction, we are committing to the continued expansion of our Community Grants Programme to keep pace with economic developments and grant-making trends, and we encourage all those eligible to answer our calls for applications.

As we look forward to an exciting 2024 for the KFC Foundation, I register my sincere thanks to the teams, individuals, and KFC franchisees that have enabled the Foundation to continue making an impact. It is my pleasure to extend my thanks to our Trustees who deliver stability and expertise that has enabled the Foundation to move forward into this exciting new phase.

As ever, the thanks of all of the trustees goes to our amazing Foundation Manager, Louise Norris. Louise works incredibly hard to ensure that the Foundation continues to deliver for its service users and her drive has meant that we have fantastic working relationships with our partner charities, and, in turn, we make a difference to the lives of so many young people across the country. Similarly, our Foundation Administrator, Thalia Beaty, who supports Louise in delivering on the charity's objectives has transformed how we manage our grant making system and charity sector capacity-building programme, helping us every day to be a more inclusive grant maker. In 2023, we were able to bring Hannah Simmons into the role of Projects and Finance Executive for the Foundation full time after moving over from KFC where she worked on the Foundation part time. While Hannah continues to develop the Foundation's finances, she is also leading on the role of Project Manager for the opening of our first youth hub.

Thank you to everyone who has been involved with the KFC Foundation in 2023; we have been inspired by the work of our teams, communities, and partner organisations and are excited to be entering a new phase of venturing into delivery services.

James Fletcher

James Fletcher
Chair of Trustees

KFC FOUNDATION

Trustees' Report

Period from 26 December 2022 to 24 December 2023

Trustees' Report

The Trustees present their Annual Report and Accounts for the period ended 24 December 2023. In preparing this report and accounts the Trustees have complied with the Charities Act 2011, the Foundation's Constitution and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The KFC Foundation is registered with the Charity Commission in England and Wales (number 1163560) and the OSCR in Scotland (number SC046098). Legal and other information relating to the Foundation set out above lists the Trustees and principal advisors of the Foundation and forms part of this report.

Structure, Governance & Management

Organisational Structure

The Foundation is constituted as a Charitable Incorporated Organisation and, therefore is governed by a Constitution and has no share capital.

Governance

All Trustees named on page 3 served through the period. The Trustees have been chosen for their commercial, community, lived experience and charitable expertise, as well as their commitment to the aims and philosophy of the Foundation.

The Foundation is organised so that the Trustees meet quarterly to manage the Foundation's affairs. Trustees and new Trustees are aware of their duties to further the purposes of the Foundation, to ensure that the Foundation carries out its purposes for the public benefit and to act in the best interests of the Foundation by ensuring that resources are responsibly managed. The Trustees are senior leaders in Kentucky Fried Chicken (Great Britain) Limited ("KFC"), from the Franchisee community and externals with charitable experience and thus have the appropriate skills and diligence to be acting as Trustees of the Foundation.

New Trustees are appointed for a term of three years and, in accordance with the Foundation's Constitution, are provided with a copy of the current version of the Constitution and a copy of the Foundation's latest Trustees' Annual Report and statement of accounts upon appointment, as well as a copy of the Charity Commission's "Essential Trustee" guidance and offered the opportunity to complete a Trustee training course.

Management

The key management personnel of the Foundation comprise the Trustees and Louise Norris, in charge of directing and controlling, running and operating the charity.

The day-to-day operation of the Foundation is carried out primarily by Louise Norris, Thalia Beaty and Hannah Simmons, all of whom are contracted to KFC (and as such follow the remuneration policy in place for the company) and whose salaries are recharged to the Foundation. Given that there is a cross-charge for these employees, any significant salary increase would be pre-agreed with the Foundation trustees. Since 2022 only 55% of Louise's salary costs are cross charged to the Foundation as a result of her managing projects for the KFC brand in addition to managing the Foundation.

Louise's role as Foundation Manager entails the strategic direction of the Foundation and other aspects of running the Foundation including regulation and compliance. Thalia manages the grant making process including our

partnerships with grantees and communications for the Foundation. Hannah was previously employed by KFC with approximately 1 day a week of her time being gifted to the Foundation to manage Finances. Hannah has since joined the Foundation full time, expanding the Foundation for more financial complexity, and managing the project plan for our youth hub.

Other employees of KFC provide their time and expertise to the Foundation where necessary, in accordance with our service agreement, including social media, marketing, digital technology, legal and development. We are also grateful to the many KFC employees who volunteer to help with our grant shortlisting.

Objectives & Activities

The principal objects for which the Foundation was established are such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Trustees may from time to time determine with a particular emphasis on advancing in life and relieving the needs of young people.

A summary of the activities that the Foundation has carried out in pursuance of its principal objectives can be found below.

Mission & Vision

The KFC Foundation vision is to create a world in which every young person is empowered to challenge the barriers to aspiration and fulfil their potential to become leaders of the future. And our mission is to empower young people in the UK to fulfil their potential and build a positive future by providing spaces that allow young people to feel safe and secure, helping them to unlock talent, build life skills, provide mentoring and improve their chances to gain meaningful employment. Both have been inspired by the founder of KFC, Colonel Sanders.

One of the ways we do this is by making small grants to organisations around the UK that are, in many cases, supporting the most vulnerable young people in their communities. They share our passion for empowering young people to help them reach their full potential. Through its community grant programme, the Foundation was able to support numerous projects and young people in 2023.

The Foundation is also venturing into service delivery. In 2024, we plan to provide safe spaces and employ youth workers in our very own youth hub in Middlesbrough following the success of Big Boro Big Eats in the Summer of 2023 where young people followed a programme to increase their confidence in cooking and their understanding of what makes a balanced meal all whilst feeding the local community.

Our community grants programme and ambitions for service delivery align strongly with the KFC business values, expertise and team member and guest demographics.

Achievements & Performance

How you gave your support in 2023

Our total net income in 2022-2023 was: £1,333,131.

This was made up of:

Countertop donation boxes: £102,644

KFC FOUNDATION

Trustees' Report

Period from 26 December 2022 to 24 December 2023

Product donations: £974,407
Kiosk donations: £218,852
Ad hoc donations: £37,228

How we used the money you gave in 2023

The Foundation made grants to the following charities in the amounts set out below (expressed as a percentage of the total sum raised during 2022-23):

	2022 – 2023		2021 - 2022	
Charity Name and Charity Number	**Amount Donated**	**Percentage**	**Amount Donated**	**Percentage**
Grants £3,000 and under	£219,330	16.5%	£194,753	13.3%
Comic Relief (3265658 & SCO39730)	£389,813	29.3%	£1,181,470	80.6%

KFC FOUNDATION

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What we did in 2023

Rebrand

In 2023, the Foundation went through a rebrand, changing our working name from the KFC Foundation to the KFC Youth Foundation to establish our newly refined identity. We made the change to offer clarity to beneficiaries, guests and teams the purpose of the Foundation. With our new image, the Foundation also created a new website after previously working with a webpage from KFC's website.

Growing awareness

In October, the Foundation attended the Franchise Awards and raised £5,042.

Following the successful rebrand of the Foundation, we saw increasing growth in engagement from our team members through several fundraising activities like selling festive cards which were designed by young people from our partner organisations, our teams purchased gifts from our Giving Tree which were delivered to four partner organisations over the Christmas period and several team members and one of our Trustees, Simon Coates, participated in the London to Brighton cycle in September. We were also able to bring several team members to meet partner organisations over the period to show them who the funds raised for the Foundation are supporting.

Community Grant Making

We are exceedingly proud of our Community Grant Making Programme, not only for the impact that it is having on the young beneficiaries of the organisations that we support but also of our ability to remain agile in our approach to continually evolve and improve our processes for our applicants and to ensure the voices of our beneficiaries are represented in deciding how grants are spent.

"*I really like this funding program - young people's voices are at the heart of what you do & you ensure their needs are heard and respected.*" - Anonymous feedback

To that end we made further changes to our grant making process in 2023 to maintain our ambition to be a modern and relevant grant maker:

- We moved toward a flexible funding approach. Supporting organisations to be able to use funding for the Foundation's priority groups to address the challenges that young people are facing.

- We also began donating £100 to many organisations who were unsuccessful in the second stage of the process in order to recognise the time they spent on their application. We increased our grant award from £2,000 to £2,500 to remain in line with inflation.

- We introduced an additional £500 in funding to three organisations with the highest shortlisting scores voted for by the KFC Teams.

- We continued to take on board feedback from our grantees by introducing £100 payment to organisations supporting the shortlisting with their young people, to recognise the value of their time and lived experience.

"*The programme is excellent and the flexibility on use of the grant is really helpful as many grants will only cover very specific things which can make it difficult. It has changed my perception of KFC and we are incredibly grateful as you were an early supporter of our scheme and what we had set out to achieve."*
We are extremely proud of the impact that the Foundation is making across the UK with its partner organisations.

In the previous 12 months the Foundation has supported:

- Young people aged 11-25 years old
- Those in a position of economic disadvantage
- Organisations which empower young people to fulfil their potential and build a positive future
- Organisations with an annual income of no more than £300,000, operating in the heart of our communities

752 Grant Applications Received
243 Applications progressed to Stage 2
87 Grants Paid
£212,830 paid out

Kids on Track enables children in Andover with limited financial and adverse childhood experiences to overcome barriers to success such as low self-esteem, lack of resilience and limited aspirations. Their aim is that all local children no matter what their background, have the same opportunity to succeed. They achieve this by providing an enrichment programme which includes holiday clubs, afterschool clubs, trips and visits. They also provide mentoring which gives the young people on the programme a wider perspective of the world, supports them to improve their mental health and wellbeing and gives them the tools and strategies to succeed at school.

The Foundation has been working with Kids on Track for several years now, providing multiple grants to their organisations, they have been lending us their expertise on our decision making panel for our grants programme and they have also attended out Wingin' It Workshops.

"I actually think you do a great job and having been both a recipient and part of an assessing team, and benefitted from the training day you organised, I am really enjoying developing our relationship."

Issues arising for our partners

Our move towards flexible funding has been heavily influenced by conversations with, and feedback from, our partner organisations who are under growing external pressures and need to use their funding with agility. We have been made aware of issues arising that our partners are facing from the negative impact of social media influencers, like Andrew Tate, who has been convicted of multiple offences against women. Andrew Tate's content has been affecting young people around the UK and, in particular, young men without a strong male role model in their lives, with his controversial views of misogyny and this has led to an increase of violence against women. Our partner organisations have highlighted the financial impact this is having on them, with an increase in demand for their services as they attempt to tackle the devastating impact influencers like this are having on young men and women.

Comic Relief Partnership

In 2023, we concluded our partnership with Comic Relief, having raised £3.5 million over four years. Our work with Comic Relief funded several organisations across the UK that provide safe social spaces, mentoring, and work and social skills. Organisations such as Streetlife in Blackpool. Streetlife helps, mentors, coaches and advocates for homeless young people in the local community to make a stable home and find their feet so they can think about their future and take steps towards it.

I've been with Streetlife since November 2021 and have pretty much been with the project every day for the past year! We build bonds between people and everyone gets to know each other, so it's something I'm really grateful

for. I believe that if more people spoke out about their experience and what they've been through, it would help make it easier for other people. - Kaitlyn, 19, Streetlife beneficiary

Service Delivery

As the partnership with Comic Relief drew to a close the Foundation Team and Trustees began to focus time on the future of the Foundation. It was decided that we would like to move towards becoming a service delivery organisation rather than solely providing financial support. After speaking to many existing partners, considering the needs of young people in the current landscape and what that might look like for the Foundation we have agreed that youth hubs is where we would like to serve.

Since 2010 youth services such as youth clubs and youth workers have been cut by 69%, £1 billion decline in funding by local authorities across England and Wales. More than 4,500 youth work jobs have been cut and 750 youth centres closed. The reductions in local youth provision are linked to a rise in certain types of crime and anti-social behaviour, including increases to the number of children who are cautioned or sentenced and the proportion of young people who reoffend.

After much research into deprivation across the UK, youth unemployment, children in need statistic etc, it was decided that we would focus on delivering programmes in Middlesbrough which features in the top ten of nearly every Indice Of Multiple Deprivation. In the Summer of 2023, the Foundation partnered with Linx and a trained chef to deliver a six-week programme to young people, over the summer holidays. The young people taking part developed their skills in cooking and healthy eating while making and providing meals to 750 members of the community. We took the opportunity while we were in Middlesbrough to develop relations with stakeholders in the community including the council, Teeside University and other youth and community organisations, the Foundation aims to move into service delivery by opening up youth hubs and employing youth workers, starting with a youth hub in Middlesbrough in 2024.

Wingin' It Workshops

In September, we ran our second Wingin' It Workshop, bringing together leaders in the third sector for a full day of building knowhow, sharing best practices and creating networks at the KFC Head Office in Woking.

In 2022, our workshops were put online due to the death of Her Majesty, Queen Elizabeth II and train strikes. While we received a hugely positive response from our partners, who for some, wouldn't have been able to attend in person due to being based all around the UK, it was felt that we missed out on some in person connections.

We were joined by 13 representatives of grassroots organisations around the UK for a brilliant day of workshops in September with a range of workshops from; our Chair of Trustees', James Fletcher, who held a roundtable discussion about lived experience and youth voice in charity decision-making; Founder of fundraising consultancy, Latch, Lynda Harwood-Compton who held a workshop on deepening relationships with donors; Krush Makwana, Business Psychologist at Totem, who ran a workshop on leading conversations with stakeholders with impact and influence; James Porter and James Kavanagh from communications agency, Freuds, lead a conversation on how to use digital media to tell your story; and Dave Jones joined us from Heartstyles to deliver an introduction on the four principles which drive our behaviour and the impact this can have on us and our teams. We were also joined by inspirational keynote speaker, Debra Nelson, who shared her experiences growing up and the support she received from youth organisation, Football Beyond Borders.

We are looking forward to growing the workshops into 2024 with a new location, a range of amazing speakers across the sector and more attendees.

"*I loved the day, and thought it was a great opportunity to meet others in the sectors and be reminded of why we do what we do*"

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"I left feeling recharged and excited to get back and continue working hard in the charity sector"

"It was a really lovely atmosphere, everyone was friendly and very engaged. Very inspiring group of people."

"Thank you for a fantastic day. Amazing guest speakers that I have learnt a lot from."

Public Benefit

The Trustees confirm that they have referred to the guidance set out in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives. The benefits are clearly set out in the Achievements & Performance section above.

The Trustees review the Foundation's activities against its aims and objectives on an ongoing basis and are satisfied that all activities continue to be related to the Foundation's purpose. The beneficiaries are vulnerable young people, primarily from deprived backgrounds who are at risk of dropping out of education, becoming involved in gangs, lack a stable role model, are struggling to find employment and are likely to continue the cycle of poverty. The charities we make grants to seek to mitigate against these by providing safe spaces, mentoring, counselling, training and education.

Financial Review

Statement of Financial Activities

The Foundation is operated on a cash basis. The Foundation pays grants to its charity partners once it has received sufficient sums into its bank account, thus ensuring that the Foundation does not go into deficit.
The principal funding sources during the financial period were as follows:

Countertop donation boxes (8%)
Product contribution (73%)
Kiosk donations (16%)
Ad hoc donations (3%)

Assets

The only assets that the Foundation holds are cash and cash equivalents (including receivables), there are no funds held as a custodian trustee on behalf of any others.

Investments

The Foundation does not hold any investments and only keeps money in its NatWest bank account.

Reserves

The Foundation's reserves are continually reviewed considering latest forecasts to ensure the Foundation can cover costs, committed grants and donations. The statement of financial position shows total funds of £1,394,397 (2022 - £853,830) all of which are unrestricted funds (2022 - £676,262). We consider our free reserves to consist of our

unrestricted funds. There are no restricted funds which would not be available for the general purposes of the charity (2022 - £177,568).

The free reserves held at period end have increased due to the Comic Relief partnership coming to an end and product contributions being switched over to the Foundation from November 2022. With this in mind, and, after considering the national impact of cuts to youth services, the Foundation team and Trustees have made plans to expand the Foundation's services to include the opening of youth hubs and employment of youth workers. Whilst we continue to support our charity partners via the current grants program, the Foundation is also considering how we can grow our grants programme into multi-year funding whilst building stronger relationships with our partners and supporting their needs for longer term strategy.

Risk Management

The Trustees have considered the major governance, operation, financial, external, compliance and safeguarding risks, which the Foundation faces, and we have processes in place to ensure that those risks are regularly reviewed and mitigating steps taken as necessary.

The risks that would have the highest impact to the operation of the Foundation are a decrease in income (either as a result of having one principle funder or from the pressure of high street sales), the reputational risk created by KFC's franchise model, our inability to separate funds, the conflict of interest of the KFC leadership team sitting on the Board of Trustees and the financial sustainability of operating youth hubs and the employment of youth workers. We are, mitigating a decrease in income by exploring other fundraising avenues which are less reliant on a donor's physical presence in KFC restaurants, we are closely monitoring and forecasting income levels and adapting our expenditure in accordance and we are maintaining close communication with all partners (partner organisations and franchisees) to manage expectations about commitments. In terms of separation of funds this is something we monitor very closely; we are able to track and report on donations made in every restaurant and we have strict deadlines in place for recovering funds and processes in place to ensure the timely payment of Foundation invoices. With regards to safeguarding, the Foundation ensures robust safeguarding practices and policies are in place and appropriate background checks are completed on all people coming into contact with young people.

Fundraising Policy

The Foundation's approach to fundraising is to predominantly use the relationship with KFC, its employees and guests to raise funds through the sale of products or fundraising activities. We do not carry out street fundraising, nor do we undertake fundraising mail shots or telephone canvassing. We work with KFC to ensure that any fundraising complies with best practice. Fundraising is monitored by the Trustees of the Foundation and we also monitor any fundraising complaints (none were received during the period 2022/23) and we always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. The Foundation is not bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising.

Product contributions are charged to KFC and its franchisees for all sharing buckets sold. All franchisees operate under a franchise agreement with KFC and are required to sell core menu items in their restaurants. It has been agreed between KFC and the franchisees that a donation is given to the Foundation of 5p for every sharing bucket sold. Under the terms of the franchise agreement, KFC has certain rights if debts are due to either KFC or other suppliers/partners.

The Foundation has direct access to the reporting systems of KFC, which provide the data for sharing bucket sales, customer kiosk donations, customer donations via the KFC website and App and the amounts banked from countertop donation boxes. The countertop donations are monitored by the Foundation to make sure that all restaurants are banking their donations from customers, and KFC and its franchisees are chased up regularly to ensure this is happening.

KFC FOUNDATION

Trustees' Report

Period from 26 December 2022 to 24 December 2023

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing the accounts the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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 United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, applicable charity (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditor

So far as each Trustee is aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- 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.

Approval

This report was approved by the Trustees on Aug 23 2024 and signed on its behalf.

James Fletcher

Chair of Trustees

For further information contact:
KFC FOUNDATION
Orion Gate, Guildford Road, Woking, GU22

KFC FOUNDATION

Independent auditor's report to the trustees of KFC Foundation

Period from 26 December 2022 to 24 December 2023

Opinion

We have audited the financial statements of KFC Foundation (the 'charity') for the period ended 24 December 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including the accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charity's affairs as at 24 December 2023 and of its income and expenditure for the period 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 charity 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 charity'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 report and financial statements, including the trustees' report, 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 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.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' annual report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 [145 for a lower income charity] of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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.

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 is detailed below:

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following laws and regulations were most significant: Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.
- We understood how the charity is complying with these legal and regulatory frameworks by making enquiries to Trustees and those responsible for legal and compliance procedures. Through our enquiries we corroborated these views by our review of Trustees' minutes.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
    - Enquiries with management, whether they have any knowledge of any actual, suspected or alleged fraud;
    - Challenging assumptions and judgements made by Trustees and management in their significant accounting estimates.
    - Identifying and testing journal entries.
    - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

KFC FOUNDATION

Independent auditor's report to the trustees of KFC Foundation

Period from 26 December 2022 to 24 December 2023

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

09 September 2024

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

KFC FOUNDATION

Statement of Financial Activities

Period from 26 December 2022 to 24 December 2023

	Notes	Unrestricted funds	Restricted funds	Period from 26 Dec 2022 to 24 Dec 2023 Total funds £	Unrestricted funds	Restricted funds	Period from 27 Dec 2021 to 25 Dec 2022 Total funds £
Income from Donations							
Countertop Takings	3	102,644	-	102,644	105,645	-	105,645
Product Contribution	3	775,294	199,113	974,407	93,635	921,873	1,015,508
Kiosk Donations	3	218,852	-	218,852	184,042	70,326	254,368
Other Donations	3	24,096	13,132	37,228	55,497	35,419	90,916
Total Income		1,120,886	212,245	**1,333,131**	438,819	1,027,618	**1,466,437**
Expenditure on Charitable Activities							
Donations to Charity		(225,450)	(389,813)	(615,263)	(194,753)	(1,181,470)	(1,376,223)
Other Charitable Activities		(17,640)	-	(17,640)	-	-	-
Support costs	4	(159,661)	-	(159,661)	(134,697)	-	(134,697)
Total Expenditure		(402,751)	(389,813)	**(792,564)**	(329,450)	(1,181,470)	**(1,510,920)**
Net Movement in Funds		718,135	(177,568)	**540,567**	109,369	(153,852)	**(44,483)**
Reconciliation of Funds:							
Fund balances at 25 December 2022		676,262	177,568	**853,830**	566,893	331,420	**898,313**
Fund balances at 24 December 2023		1,394,397	-	**1,394,397**	676,262	177,568	**853,830**

There were no recognised gains or losses in the current or preceding periods other than those disclosed in the statement of financial activities.

The notes on pages 22-27 form part of these financial statements.

KFC FOUNDATION

Statement of Financial Position

At 24 December 2023

	Notes	24 Dec 2023 £	25 Dec 2022 £
Current Assets			
Cash at bank and in hand		1,210,811	731,718
Debtors	6	203,627	186,216
Accrued Income		3,547	-
		1,417,985	917,934
Liabilities			
Creditors falling due within one year	7	(23,588)	(64,104)
Net Assets		**1,394,397**	**853,830**
Funds:			
Restricted Funds	8	-	177,568
Unrestricted General Fund	8	1,394,397	676,262
		1,394,397	**853,830**

The financial statements where approved and authorised for issue by the Board of Trustees on Aug 23 2024 and signed on its behalf:

James Fletcher

The notes on pages 22-27 form part of these financial statements.

KFC FOUNDATION

Statement of Cash Flows

Period from 26 December 2022 to 24 December 2023

	Notes	**Period from 26 Dec 2022 to 24 Dec 2023** **£**	Period from 27 Dec 2021 to 25 Dec 2022 £
Net cash provided by operating activities	9	479,093	115,724
Change in cash and cash equivalents in the period		**479,093**	**115,724**
Cash at start of the period		731,718	615,994
Cash at end of the period		**1,210,811**	**731,718**

No separate reconciliation of net debt has been prepared as there is no difference between the net cash of the Foundation and the above cash and cash equivalents.

The notes on pages 22-27 The following accounting policies form part of these financial statements.

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements:

Basis of preparation of financial statements

KFC Foundation is a Charitable Incorporated Organisation registered with the Charity Commission in England and Wales (number 1163560) and with OSCR in Scotland (number SC046098). These financial statements have been prepared for the period from 26 December 2022 to 24 December 2023 with comparative information given in respect to the period from 27 December 2021 to 25 December 2022.

The financial statements have been prepared in accordance 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 United Kingdom 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 Charities Act 2011.

The financial statements have been prepared under the historical cost convention.

The KFC Foundation is a public benefit entity.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
Other than the assessment of going concern below, the preparation of the financial statements did not require the Trustees to make any significant judgements or estimates.

Fund accounting
Restricted funds are those to be used in accordance with specific instructions imposed by donors or have been raised by the charity for specific purposes.

Income recognition
Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated services and facilities
Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with Charities SORP (FRS 102), the general volunteer time of KFC staff is not recognised.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Expenditure comprises grants payable as part of the Foundation's charitable activities, as well as administrative costs pertaining to the charity and its grant-making. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions.

1. Accounting Policies (continued)

Expenditure recognition (continued)

Grants approved but not paid at the end of the financial period are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements. All grants are made to institutions and the names of the charities that received grants during the period are detailed in the Trustees' report.

Governance costs comprise the costs involving the public accountability of the charity and costs in respect to its compliance with regulation and good practice (including audit costs, bank charges and consultant fees).

Cash at bank and in hand
Cash at bank and in hand includes cash in hand and cash held in the bank current account.

Debtors
Debtors are recognised at the settlement amount, less any provision for non-recoverability.

Creditors
Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and amount due to settle the obligation can be measured or estimated reliably.

Financial instruments

The KFC Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Going concern
The Trustees have reviewed the financial position of the Foundation and concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to prepare these financial statements on a going concern basis. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

2 Related party transactions and Trustees' expenses and remuneration

The Trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind. During the period, there were expenses of £181 reimbursed to 3 trustees (2022: £236) and these were in relation to travel for trustee meetings (plus membership to the Association of Chairs for James Fletcher). During the period the Foundation received donations from 2 trustees (2022: 0) totalling £1,070 (2022: £0).

During the period the Foundation received £5,836 (2022: £5,535) and had debtors outstanding at period end of £746 (2021: £752) for The Woosaa Chicken Co Ltd which is owned by one of the KFC Foundation Trustees. This represents revenue from Product Contributions, Countertop Donations and Kiosk Donations.

There are no other related party transactions that require disclosure in the financial statements.

3 Income

Income has been split into donations by KFC and its franchisees as follows:

	Unrestricted £	Restricted £	**26 Dec 2022 to 24 Dec 2023 Total £**
KFC - product contribution	59,644	15,643	**75,287**
Franchisees of KFC - product contribution	715,650	183,470	**899,120**
KFC countertop donations	9,191	-	**9,191**
Franchisees of KFC - countertop donations	93,453	-	**93,453**
KFC - kiosk donations	11,427	-	**11,427**
Franchisees of KFC - kiosk donations	207,425	-	**207,425**
Other donations	23,229	13,132	**36,361**
Pennies for change	867	-	**867**
	1,120,886	212,245	**1,333,131**

	Unrestricted £	*Restricted £*	***27 Dec 2021 to 25 Dec 2022 Total £***
KFC - product contribution	*7,425*	*71,920*	***79,345***
Franchisees of KFC - product contribution	*86,210*	*849,953*	***936,163***
KFC countertop donations	*9,548*	-	***9,548***
Franchisees of KFC - countertop donations	*96,097*	-	***96,097***
KFC - kiosk donations	*9,993*	*8,931*	***18,924***
Franchisees of KFC - kiosk donations	*174,049*	*61,395*	***235,444***
Other donations	*54,813*	*35,419*	***90,232***
Pennies for change	*684*	-	***684***
	438,819	*1,027,618*	***1,466,437***

4 Support costs

	26 Dec 2022 to 24 Dec 2023 Total £	27 Dec 2021 to 25 Dec 2022 Total £
Bank charges	477	679
Consultant fees	5,700	1,191
Audit fees	14,690	9,900
Staff costs	100,319	74,893
IT software	7,311	-
Grant shortlisting	5,300	-
Other Expenses	25,864	48,034
Total support costs	**159,661**	134,697

All support costs related to unrestricted funds in the above periods. Included in support costs are the following governance costs. The consultant fees of £5,700 in the period ending 24 December 2023 relate to design and implementation of the Foundation's new website, as such these have not been included in below figures.

	26 Dec 2022 to 24 Dec 2023 Total £	27 Dec 2021 to 25 Dec 2022 Total £
Consultant fees	-	1,191
Audit fees – current period	12,000	10,000
Audit fees – prior period	2,690	(100)
Total governance costs	**14,690**	11,091

5 Salaries & Wages Disclosures

(a) Staff costs

Staff costs during the period were:

	26 Dec 2022 to 24 Dec 2023	27 Dec 2021 to 25 Dec 2022
	£	£
Wages and salaries	83,549	63,923
Social security costs	8,059	6,004
Pension costs	8,711	4,966
Total staff costs	**100,319**	74,893

All staff costs were cross charged from KFC.

(b) Staff numbers

The average number of persons (including the senior management team) employed during the period ended 24 December 2023 was 3 (2022 - 2), with Hannah Simmons joining the team full time in May 2023.

(c) Higher paid staff

No employees earnt over £60,000 in the period (2022 - none).

(d) Key management personnel

The key management personnel of the Foundation comprise of the Trustees and a KFC employee whose salary is recharged to the foundation. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Foundation was £36,997 (2022 - £36,004).

6 Debtors

	24 Dec 2023	25 Dec 2022
	£	£
Amounts due from KFC	6,151	20,012
Trade debtors	197,476	166,204
Total debtors	**203,627**	186,216

7 Creditors

	24 Dec 2023	25 Dec 2022
	£	£
Accruals	14,083	10,000
Other creditors	-	3,000
Amounts due to KFC	9,505	51,104
Total creditors	**23,588**	64,104

8 Analysis of net assets between funds

	Unrestricted General fund £	Restricted funds £	**Total funds 24 Dec 2023 £**	Unrestricted General fund £	Restricted funds £	Total funds 25 Dec 2022 £
Fund balances at the period end are represented by:						
Current assets	1,417,985	-	1,417,985	740,365	177,568	917,934
Current liabilities	(23,588)	-	(23,588)	(64,103)	-	(64,103)
Total net assets	1,394,397	-	**1,394,397**	676,262	177,568	853,830

The restricted funds in 2022 relate to income received from product contributions which would be given as donations to Comic Relief.

9 Net cash provided by operating activities

	26 Dec 2022 to 24 Dec 2023 £	27 Dec 2021 to 25 Dec 2022 £
Net movement in funds	540,567	(44,483)
(Increase) decrease in debtors	(20,958)	119,499
(Decrease) increase in creditors	(40,516)	40,708
Increase in cash in the period	**479,093**	115,724

Audit Trail

Document Details

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Document Created	Document Created by Hannah Simmons (hannah.simmons@kfcyf.org.uk) Fingerprint: aae6455eea9a13fd3c105903e693dda7	Aug 23 2024 10:26AM UTC
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KFC FOUNDATION

England & Wales - Charity number 1163560

Accounts

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Registered charity number 1163560 in England & Wales and SC046098 for Scotland

KFC FOUNDATION

REPORT & FINANCIAL STATEMENTS

PERIOD ENDED

25 DECEMBER 2022

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KFC FOUNDATION

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Period from 27 December 2021 to 25 December 2022

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KFC FOUNDATION

Officers and Professional Advisors

Period from 27 December 2021 to 25 December 2022

Legal & Foundation Information

Trustees	Simon Coates James Fletcher (Chair) Akram Khan (Resigned 16th May 2022) Paula Jane Mackenzie (Resigned 7th March 2022) Neil Morrison (Resigned 22nd November 2022) Nichola Newman Michael Williams (Appointed 10th March 2022) Clara Widdison (Appointed 27th June 2022) Daniel Mark Carr (Appointed 27th June 2022) Jonathan Davies (Appointed 14th November 2022)
Secretary	Louise Norris
Registered Office	Orion Gate, Guildford Road, Woking, GU22 7NJ
Functional Team	Thalia Beaty Hannah Simmons Julian Thomas (Gift Aid Secretary – resigned 4th May 2023) Louise Norris

Advisors

Principal Bankers	National Westminster Bank PLC 23 Brunswick Place Brunswick Gate S015 2AQ
Solicitors	BDB Pitmans 50 Broadway London SW1H 0BL
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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KFC FOUNDATION

Statement from our Chair of Trustees

Period from 27 December 2021 to 25 December 2022

Statement from our Chair of Trustees

The KFC Foundation has a mission to empower young people across the UK to ensure they have the chance to fulfil their potential and build a positive future. Through the exceptional work and support of KFC team members, the incredible generosity of our communities, and the inspirational work of our partner organisations who provide spaces that allow young people to feel safe and secure, helping them to unlock talent, build life skills, provide mentoring, or improve their chances to gain meaningful employment, we have been able to help support thousands of young people across the UK.

The impact of the cost-of-living crisis and soaring bills across the UK has been particularly damaging to grassroots organisations and their service users throughout 2022 leaving many unable to deliver their services as they had planned, leading to growing uncertainty about the future. This uncertainty has exacerbated issues, including but not limited to, mental health, homelessness, and food insecurity where services are already under immense pressure. We look to our partner organisations with great admiration as they continue to find ways of adapting in order to meet the ever-growing needs of the young people that they support and the new challenges they face.

Team members working in KFC restaurants and head offices across the UK have continued to work through what has been a challenging year for many of them. There are many individuals and teams who have gone above and beyond to support the Foundation. Their pride and passion have not gone unnoticed, and their impact has been phenomenal in enabling the Foundation to give as many grants as we have and continue to do.

Finally, we thank the communities who continue to donate with such generosity. It is the kindness of KFC restaurant guests that supports so many young people around the UK who are impacted by financial disadvantage.

It is my pleasure to announce yet another successful year; raising £1.4m and donating £194,753 in community grants to 98 organisations. These organisations work for the benefit of the community, creating a positive impact and working with tireless diligence and professionalism. Through these organisations, the KFC Foundation is able to offer support for young people living in the toughest circumstances, providing positive activities in which they can take part, mentoring for the most vulnerable, and in many cases the chance to make steps into employment, education, training, or volunteering. And in yet another challenging year tackling some of the most basic human needs such as food security.

In addition to our small community grants programme, we continued in our final year of partnership with Comic Relief. On the Red Nose Day Night of Television in March 2023, we were thrilled to announce £828,500 raised throughout the year. Our work with Comic Relief funded several organisations here in the UK that provide safe social spaces, mentoring, and work and social skills. Our goal was to raise £3m over four years for Comic Relief and we smashed it, bringing in £3.5million. We would like to extend our gratitude to Comic Relief for their partnership over the past four years and look forward to cheering them on as they continue their extraordinary work. With our partnership with Comic Relief coming to an end in 2023, we are excited to embark on our next journey.

The conclusion of the partnership with Comic Relief has given the Trustees and Foundation team time to consider the strategic direction of the organisation. The landscape for young people remains a challenge, having come out of a global pandemic and into a cost-of-living crisis following over a decade of spending cuts in the youth services. We have always been a grant maker and although we do it in as modern and as inclusive a fashion as possible, we want to roll our sleeves up and find our own story to tell. To that end, we will be working towards becoming a service delivery organisation; creating KFC Foundation youth hubs. Amazing spaces and awesome youth workers that allow young people who most need it, to feel safe and secure. We will still be there for our small charity partners though and we keep encouraging all those eligible to answer our calls for applications.

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KFC FOUNDATION

Statement from our Chair of Trustees

Period from 27 December 2021 to 25 December 2022

I would like to take the opportunity to thank the teams, individuals and KFC franchisees that have enabled the Foundation to continue making an impact. Firstly, I'd like to extend my thanks to our trustees Neil Piper, Acky Khan and Paula Mackenzie, who all took the decision to step down from their positions during 2022. Neil, Acky and Paula brought huge passion and enthusiasm to the board, and they will be sorely missed.
We commenced 2022 with a recruitment campaign to fill some of the competency gaps on the board, both internal (KFC) trustees and external trustees. We are thrilled to welcome Mike Williams; Director of Finance at KFC, Daniel Mark Carr; Head of Marketing at Cignpost, Clara Widdison; Mission Manager at Nesta, and Jonathan Davies; Director of Operations, Finance and Human Resources at Heartstyles.

As ever, the thanks of all of the trustees goes to our amazing Foundation Manager, Louise Norris. Louise works incredibly hard to ensure that the Foundation continues to deliver for its beneficiaries and her drive has meant that we have fantastic working relationships with our partner charities, and we make a difference to the lives of so many young people. Similarly, our Foundation Administrator, Thalia Beaty, who supports Louise in delivering on the charity's objectives has transformed how we manage our grant making system, helping us strive every day to be a more inclusive grant maker. Several other members of the KFC team help in the administration of the Foundation, and we thank them all for all that they do for us.

Thank you to everyone who has been involved with the KFC Foundation in 2022; we have been inspired by the work of our teams, communities, and partner organisations and are excited to be entering a new phase for the Foundation bringing new experience to the board and venturing into delivery services.

DocuSigned by:
James Fletcher
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James Fletcher
Chair of Trustees

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KFC FOUNDATION

Trustees' Report

Period from 27 December 2021 to 25 December 2022

Trustees' Report

The Trustees present their Annual Report and Accounts for the period ended 25th December 2022. In preparing this report and accounts the Trustees have complied with the Charities Act 2011, the Foundation's Constitution and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The KFC Foundation is registered with the Charity Commission in England and Wales (number 1163560) and the OSCR in Scotland (number SC046098). Legal and other information relating to the Foundation set out above lists the Trustees and principal advisors of the Foundation and forms part of this report.

Structure, Governance & Management

Organisational Structure

The Foundation is constituted as a Charitable Incorporated Organisation and, therefore is governed by a Constitution and has no share capital.

Governance

All Trustees named on page 3 served through the period unless otherwise stated. The Trustees have been chosen for their commercial, community, lived experience and charitable expertise, as well as their commitment to the aims and philosophy of the Foundation.

The Foundation is organised so that the Trustees meet quarterly to manage the Foundation's affairs. Trustees and new Trustees are aware of their duties to further the purposes of the Foundation, to ensure that the Foundation carries out its purposes for the public benefit and to act in the best interests of the Foundation by ensuring that resources are responsibly managed. The Trustees are senior leaders in Kentucky Fried Chicken (Great Britain) Limited ("KFC"), from the Franchisee community and externals with charitable experience and thus have the appropriate skills and diligence to be acting as Trustees of the Foundation.

New Trustees are appointed for a term of three years and, in accordance with the Foundation's Constitution, are provided with a copy of the current version of the Constitution and a copy of the Foundation's latest Trustees' Annual Report and statement of accounts upon appointment, as well as a copy of the Charity Commission's "Essential Trustee" guidance and offered the opportunity to complete a Trustee training course.

Management

The key management of the Foundation comprise the Trustees and 2 employees of KFC whose salaries are recharged to the Foundation in charge of directing and controlling, running and operating the charity. All key management personnel are contracted to KFC and as such follow the remuneration policy in place for the company. Given that there is a cross-charge for key management personnel time, any significant increase would be pre-agreed with the Foundation trustees.

The day-to-day operation of the Foundation is carried out primarily by Louise Norris and Thalia Beaty whose salaries are recharged to the Foundation. Since 2022 only 55% of Louise's salary costs are cross charged to the Foundation as a result of her managing projects for the KFC brand in addition to managing the Foundation. In 2022, Hannah Simmons was principally responsible for administering the Foundation's bank account, overseeing the payment of grants from Foundation funds and oversight of franchise debtors. Hannah is an employee of KFC and in accordance with our service agreement with the KFC brand, gifts her time and expertise to the Foundation

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(and are therefore not remunerated from Foundation funds), as such Hannah, spends approximately 1 day a week on Foundation business in addition to her role for the Brand and Julian Thomas (our Gift Aid Secretary) spent 12 hours during the period of this report.

Other employees of KFC also provide their time and expertise to the Foundation where necessary, in accordance with our service agreement, for example for social media, marketing and digital technology.

Since joining the Foundation in late 2021 Thalia has managed the grant making process including our partnerships with grantees and communications for the Foundation, Louise's role as Foundation Manager has shifted more significantly to the strategic direction of the Foundation and other aspects of running the Foundation including regulation and compliance.

Objectives & Activities

The principal objects for which the Foundation was established are such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Trustees may from time to time determine with a particular emphasis on advancing in life and relieving the needs of young people.

A summary of the activities that the Foundation has carried out in pursuance of its principal objectives can be found below.

Mission & Vision

The KFC Foundation vision is to create a world in which every young person is empowered to challenge the barriers to aspiration and fulfil their potential to become leaders of the future. And our mission is to empower young people in the UK to fulfil their potential and build a positive future by providing spaces that allow young people to feel safe and secure, helping them to unlock talent, build life skills, provide mentoring and improve their chances to gain meaningful employment. Both have been inspired by the founder of KFC, Colonel Sanders.

The KFC Foundation makes small grants to support organisations in the heart of the community who provide spaces that allow young people to feel safe and secure, helping them to unlock talent, build life skills, provide mentoring and improve their chances to gain meaningful employment. This aligns strongly with the KFC business values, expertise and team member and guest demographics.

The projects that the Foundation makes grants to support work, in many cases, with the most vulnerable young people in their community. They share our passion for empowering young people to help them reach their full potential. Through its community grant programme the Foundation was able to support numerous projects and young people in 2022.

Achievements & Performance

How you gave your support in 2022

Our total net income in 2021-2022 was: £1,466,437.

This was made up of:

Countertop donation boxes: £105,645
Product donations: £1,015,508
Kiosk donations: £254,368
Ad hoc donations: £90,916

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KFC FOUNDATION

Trustees' Report

Period from 27 December 2021 to 25 December 2022

How we used the money you gave in 2022

The Foundation made grants to the following charities in the amounts set out below (expressed as a percentage of the total sum raised during 2021-22):

	2021 – 2022		2020 - 2021	
Charity Name and Charity Number	**Amount Donated**	**Percentage**	**Amount Donated**	**Percentage**
Kids Inspire – Essex (1129513)	-	-	£10,000	0.8%
Childhood Trust (1154032)	-	-	£10,000	0.8%
Focus Charity (1068467)	-	-	£10,000	0.8%
Mentoring Plus (1112534)	-	-	£10,000	0.8%
London Youth Support (1086850)	-	-	£10,000	0.8%
Young Lives Foundation (1119528)	-	-	£10,000	0.8%
Boys & Girls Club (1009142)	-	-	£10,000	0.8%
Positive Futures (1145598)	-	-	£10,000	0.8%
Young People First (1056035)	-	-	£10,000	0.8%
GMYN (1151897)	-	-	£10,000	0.8%
Action4Youth (1033626)	-	-	£10,000	0.8%
Workingrite CIC (SC042604)	-	-	£10,000	0.8%
Youth Association (519883)	-	-	£10,000	0.8%
Keyfund Federation (1093569)	-	-	£10,000	0.8%
Include Youth (103383)	-	-	£10,000	0.8%
Other Grants £2,000 and under*	£194,753	14.2%	£106,234	8.6%
Comic Relief (3265658 & SCO39730)	£1,181,470	85.8%	£985,415	79.4%

* two grant recipients (London Basketball and Harmony Youth Project) received two grant payments, putting them over £2,000 in total.

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KFC FOUNDATION

Trustees' Report

Period from 27 December 2021 to 25 December 2022

What we did in 2022

Trustee Recruitment

In 2022 we successfully recruited a new cohort of Trustees to the Board. We welcomed our internal KFC Trustee Mike Williams as well as external Trustees Daniel Mark Carr, Jonathan Davies, and Clara Widdison. We are proud to have such a talented and passionate team of Trustees with an array of experience and insights to help shape the future of the Foundation.

Community Grant Making

We are exceedingly proud of our Community Grant Making Programme, not only for the impact that it is having on the young beneficiaries of the organisations that we support but also of our ability to remain agile in our approach to continually evolve and improve our processes for our applicants and to ensure the voices of our beneficiaries are represented in deciding how grants are spent.

"Not being able to save (the application) is frustrating and sending documents separately" – Anonymous feedback

In 2022, we implemented a new grant management system, through SMApply. The transition to a grant management system has made the process less admin heavy for the Foundation team and has significantly improved the user experience for our grant applicants with functionality such as application save and return.

We continue to take on board feedback from our grantees to improve the process, which this year has included providing £20 supermarket vouchers to organisations supporting the shortlisting with their young people and reducing the frequency with which we required feedback from grantees from quarterly to biannual, to support the resources of our grantees.

"I have absolutely loved being involved with the KFC foundation. This grant has not just been about money, we've been offered social media support, workshops and involvement in the process of future grants. Which is just amazing! It's a really well together grant and we thank you for choosing our cause and believing in our work. You've helped us make a HUGE difference." – All Ears MHA

We are extremely proud of the impact that the Foundation is making across the UK with its partner organisations.

In the previous 12 months the Foundation has supported:

- Young people aged 11-25 years old
- Those in a position of economic disadvantage
- Organisations which empower young people to fulfil their potential and build a positive future
- Organisations with an annual income of no more than £300,000, operating in the heart of our communities

772 Grant Applications Received
160 Applications progressed to Stage 2
85 Grants Paid
£194,753 paid out

After18 was founded in response to the number of unaccompanied children in Leicester who were asking for support when they turned 18. Children and young people have been travelling to the UK, without their family, fleeing war and persecution in their home country. They have around 180 young people using their services each year. They used their £2000 grant from the KFC Foundation for the operation of their weekly education drop-in for the next year. The drop-in is for young refugees and asylum-seekers up to the age of 25 living in Leicester. It provides English classes for new arrivals, beginner IT classes and homework support in English, maths and

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science. Experienced volunteers with a teaching background provide tuition. Students also receive one-to-one support to resolve issues which might hamper their ability to maintain their educational place, like homelessness or complex funding rules. To improve opportunities for those wanting to go on to higher education, they provide access to additional qualifications, including home language and maths GCSEs, with dedicated exam tutoring. They also provide guidance on planning a route to achieve their educational or employment goal, which includes finding funding for study or living costs. The drop-in enables improved access to educational and employment opportunities for over 50 young people.

We are really pleased to have continued our partnership with After18 as they lend us their expertise on our decision making panel for our Community Grants Programme.

"Our staff and young people involved in the application assessment panel earlier this year found it a really valuable and interesting exercise. It also sparked some internal discussions for us on our participation strategy and how we can include young people in more aspects of our organisation, and give them more opportunities to learn about the way we work and the charity sector in general. We would be interested in taking part in similar opportunities in the future and think this is quite a valuable way of giving young people greater agency and input into the way youth charities operate."

KFC Foundation Grant Making Policy

The purpose of the Foundation's grant making policy is to set out the principles, criteria and processes that govern how the KFC Foundation makes grants. A grant is defined as a financial award made by the Foundation from its funds to support charitable activities, usually registered charities or charitable community groups, but sometimes other bodies or individuals authorised by the Board of Trustees.

Comic Relief Partnership

We continued into our final year of partnership with Comic Relief that commenced in 2019.

In 2022 we ran a Red Nose Day campaign which spanned across a variety of platforms; radio, restaurant assets, merchandise and social media. The campaign followed on from our 2021 "This KFC Tastes Funny" with "Chicken with a Side of Funny" and "Bucket Full of Laughs". We were pleased to announce £1.1m on the Night of Television in March.

In March 2022 some of our fabulous restaurant teams in Glasgow continued their tradition of fundraising challenges, raising over £10k with 9 restaurant teams bagging 9 Scottish Hills.

Fundraising

We ran our now annual raffle at the KFC Restaurant Support Centre to raffle gifts received by employees from suppliers that exceed the gifts policy, raising £945.00. KFC's annual Restaurant Manager Fest went ahead in 2022 and we ran a raffle raising £2,765, we held a raffle and auction at the annual Supplier's Conference raising £21,808 and a raffle at the Franchise Awards in November raising £2,942.

2022 is the first year in the last 3 that our restaurants have been open without any impact of Covid measures, so in terms of our in restaurant fundraising mechanics we saw an 11% increase in charity box donations and more growth in kiosk donations year on year (12% increase v. prior year). Due to a challenging trading environment however we saw product contributions from Sharing Buckets decline by 1.2%.

During 2022 we also began a trial of contactless donation with Liberty Pay, putting terminals in 5 restaurants, the trial concludes in early 2023 but early results suggest that this might not be the solution for us moving forward. We also continue to work with the Brands Digital Team to apply a donation mechanic to their web and app ordering systems.

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Wingin' It Workshops

In September, we ran our very first Wingin' It Workshop, bringing together leaders in the third sector for a full day of building knowhow, sharing best practice and creating networks.

"This is a great idea. I won't be able make this one but just wanted to let you know that once again, I think you are ahead of the field in how to partner with the organisation you support"

Initially, the workshops were going to take place in person at the KFC Foundation's head office in Woking. Ultimately, due to the death of Her Majesty, Queen Elizabeth II and train strikes, we decided to move our workshops online. There was a positive response to moving the workshops online as our partner organisations are based all around the UK and this made it more accessible to them.

"Due to costs and time constraints the online training meant that we had an opportunity to attend, provided flexibility to choose what workshops were most suited." – Anon

"Whilst it was a shame not to be there in person, I think the sessions still worked really well and it saved non-London based organisations a lot of time and money and meant that different members of the team could attend different sessions." – Anon

"Such a lovely surprise!! We're delighted to have received the goody bag – it's a really nice touch which is much appreciated." – Anon

We had several workshops throughout the day including bid writing, finance and budgeting, earned and digital media, impact and influence and the neuroscience behind our behaviours.

"Thank you to all, it was a really great event and it was really useful."

Public Benefit

The Trustees confirm that they have referred to the guidance set out in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives. The benefits are clearly set out in the Achievements & Performance section above.

The Trustees review the Foundation's activities against its aims and objectives on an ongoing basis and are satisfied that all activities continue to be related to the Foundation's purpose. The beneficiaries are vulnerable young people, primarily from deprived backgrounds who are at risk of dropping out of education, becoming involved in gangs, lack a stable role model, are struggling to find employment and are likely to continue the cycle of poverty. The charities we make grants to seek to mitigate against these by providing safe spaces, mentoring, counselling, training and education.

Financial Review

Statement of Financial Activities

The Foundation is operated on a cash basis. The Foundation pays grants to its charity partners once it has received sufficient sums into its bank account, thus ensuring that the Foundation does not go into deficit.
The principal funding sources during the financial period were as follows:

Countertop donation boxes (7%)
Product contribution (69%)
Kiosk donations (17%)
Ad hoc donations (6%)

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KFC FOUNDATION

Trustees' Report

Period from 27 December 2021 to 25 December 2022

Assets

The only assets that the Foundation holds are cash and cash equivalents (including receivables), there are no funds held as a custodian trustee on behalf of any others.

Investments

The Foundation does not hold any investments and only keeps money in its NatWest bank account.

Reserves

The Foundation's reserves are continually reviewed considering latest forecasts to ensure the Foundation can cover costs, committed grants and donations. The statement of financial position shows total funds of £853,830 (2021 - £898,313) of which £676,262 are unrestricted funds (2021 - £566,893). We consider our free reserves to consist of our unrestricted funds. £177,568 are restricted and are not available for the general purposes of the charity (2021 - £331,420).

The free reserves held at year end have increased due to the Comic Relief partnership coming to an end and product contributions being switched over to the Foundation from November 2022. The Trustees are considering the future direction of the Foundation and have built reserves to allow potential capital investment in 2023 onwards, whilst continuing to support our charity partners via the current grants program.

Plans for the Future

While our partnership with Comic Relief is coming to an end, the Foundation found itself in a position to consider what it's long term strategic plans might be given our increased unreserved income. We have loved our partnership with Comic Relief and we remain dedicated to our community grants programme, however grant making can be perceived as being somewhat old fashioned, despite the significant efforts we go to make it as modern as possible. The Foundation Team and Trustees were keen to have something more exciting and opportunity to tell our own stories than do it through others, by moving from being solely a financial partner to becoming a delivery partner.

After much research, talking to our existing youth network, working closely with Trustees we have concluded that we want to create KFC Foundation youth hubs; amazing spaces and awesome youth workers that allow young people who most need it, to feel safe and secure. Looking to 2023 and our first step on this journey we have two significant plans for the summer. The first is to launch a food education and food aid programme over the Summer in partnership with other youth organisations in Middlesbrough and the second is a rebrand and change of name to the KFC Youth Foundation which we believe will offer great clarity to our stakeholders as to our purpose as a charity.

Risk Management

The Trustees have considered the major governance, operation, financial, external and compliance risks which the Foundation faces, and we have processes in place to ensure that those risk are regularly reviewed and mitigating steps taken as necessary. The risks that would have the highest impact to the operation of the Foundation are a decrease in income (either as a result of having one principle funder or from the pressure of high street sales), the reputational risk created by KFC UK&I's franchise model and our inability to separate funds and the conflict of interest of the KFC UK&I leadership team sitting on the Board of Trustees. We are, mitigating a decrease in income by exploring other fundraising avenues which are less reliant on a donor's physical presence in KFC restaurants, we are closely monitoring and forecasting income levels and adapting our expenditure in accordance and we are maintaining close communication with all partners (partner organisations and franchisees) to manage expectations about commitments. In terms of separation of funds this is something we monitor very

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closely; we are able to track and report on donations made in every restaurant and we have strict deadlines in place for recovering funds and processes in place to ensure the timely payment of Foundation invoices.

Fundraising Policy

The Foundation's approach to fundraising is to predominantly use the relationship with KFC UK&I, its employees and guests to raise funds through the sale of products or fundraising activities. We do not carry out street fundraising, nor do we undertake fundraising mail shots or telephone canvassing. We work with KFC UK&I to ensure that any fundraising complies with best practice. Fundraising is monitored by the Trustees of the Foundation and we also monitor any fundraising complaints (none were received during the year 2021/22) and we always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. The Foundation is not bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising.

Product contributions are charged to KFC and its franchisees for all sharing buckets sold. All franchisees operate under a franchise agreement with KFC and are required to sell core menu items in their restaurants. It has been agreed between KFC and the franchisees that a donation is given to the Foundation of 5p for every sharing bucket sold. Under the terms of the franchise agreement, KFC has certain rights if debts are due to either KFC or other suppliers/partners.

The Foundation has direct access to the reporting systems of KFC, which provide the data for sharing bucket sales, customer kiosk donations and the amounts banked from countertop donation boxes. The countertop donations are monitored by the Foundation to make sure that all restaurants are banking their donations from customers, and KFC and its franchisees are chased up regularly to ensure this is happening.

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KFC FOUNDATION

Trustees' Report

Period from 27 December 2021 to 25 December 2022

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing the accounts the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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 United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, applicable charity (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditor

So far as each Trustee is aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- 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.

Approval

This report was approved by the Trustees on 25-Jul-23 and signed on its behalf.

DocuSigned by:
James Fletcher
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Chair of Trustees

For further information contact:
KFC FOUNDATION
Orion Gate, Guildford Road, Woking, GU22

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KFC FOUNDATION

Independent auditor's report to the members of KFC Foundation

Period from 27 December 2021 to 25 December 2022

Opinion

We have audited the financial statements of KFC Foundation (the 'charity') for the period ended 25 December 2022 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including the accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charity's affairs as at 25 December 2022 and of its income and expenditure for the period 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Financial statements (Scotland) Regulations 2006 (as amended).

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 charity 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 charity'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 Trustees are responsible for the other information. The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Financial statements (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' annual report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees 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 charity'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 charity 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.

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 is detailed below:

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following laws and regulations were most significant: Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Financial statements (Scotland) Regulations 2006 (as amended).
- We understood how the charity is complying with these legal and regulatory frameworks by making enquiries to Trustees and those responsible for legal and compliance procedures. Through our enquiries we corroborated these views by our review of Trustees' minutes.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
    - Enquiries with management, whether they have any knowledge of any actual, suspected or alleged fraud;
    - Challenging assumptions and judgements made by Trustees and management in their significant accounting estimates.
    - Identifying and testing journal entries.
    - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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KFC FOUNDATION

Independent auditor's report to the members of KFC Foundation

Period from 27 December 2021 to 25 December 2022

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Financial statements (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

05 September 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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KFC FOUNDATION

Statement of Financial Activities

Period from 27 December 2021 to 25 December 2022

	Notes	Unrestricted funds	Restricted funds	Period from 27 Dec 2021 to 25 Dec 2022 Total funds £	Unrestricted funds	Restricted funds	Period from 28 Dec 2020 to 26 Dec 2021 Total funds £
Income from Donations							
Counter Top Takings	3	105,645	-	105,645	99,085	95,372	95,372
Product Contribution	3	93,635	921,873	1,015,508	-	1,028,106	1,028,106
Kiosk Donations	3	184,042	70,326	254,368	216,129	11,293	227,422
Other Donations	3	55,497	35,419	90,916	111,247	1,064	112,311
Total Income		438,819	1,027,618	**1,466,437**	422,748	1,040,463	**1,463,211**
Expenditure on Charitable Activities							
Donations to Charity		(194,753)	(1,181,470)	(1,376,223)	(256,234)	(985,415)	(1,241,649)
Support costs	4	(134,697)	-	(134,697)	(82,601)	-	(82,601)
Total Expenditure		(329,450)	(1,181,470)	**(1,510,920)**	(338,835)	(985,415)	**(1,324,250)**
Net Movement in Funds		109,369	(153,852)	**(44,483)**	83,913	55,048	**138,961**
Reconciliation of Funds:							
Fund balances at 27 December 2021		566,893	331,420	**898,313**	482,980	276,372	759,352
Fund balances at 25 December 2022		676,262	177,568	**853,830**	566,893	331,420	**898,313**

There were no recognised gains or losses in the current or preceding periods other than those disclosed in the statement of financial activities.

The notes on pages 20-27 form part of these financial statements.

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KFC FOUNDATION

Statement of Financial Position

At 25 December 2022

	Notes	25 Dec 2022 £	26 Dec 2021 £
Current Assets			
Cash at bank and in hand		731,718	615,994
Debtors	6	186,216	305,715
		917,934	921,709
Liabilities			
Creditors falling due within one year	7	(64,103)	(23,396)
Net Assets		**853,830**	**898,313**
Funds:			
Restricted Funds	8	177,568	331,420
Unrestricted General Fund	8	676,262	566,893
		853,830	**898,313**

The financial statements where approved and authorised for issue by the Board of Trustees on 25-Jul-23 and signed on its behalf:

DocuSigned by:
James Fletcher
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The notes on pages 20-27 form part of these financial statements.

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KFC FOUNDATION

Statement of Cash Flows

Period from 27 December 2021 to 25 December 2022

	Notes	**Period from 27 Dec 2021 to 25 Dec 2022** **£**	Period from 28 Dec 2020 to 26 Dec 2021 £
Net cash provided by (used in) operating activities	9	115,724	(68,951)
Change in cash and cash equivalents in the period		**115,724**	**(68,951)**
Cash at start of the period		615,994	684,944
Cash at end of the period		**731,718**	**615,994**

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the Foundation and the above cash and cash equivalents.

The notes on pages 20-27 The following accounting policies form part of these financial statements.

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KFC FOUNDATION

Notes to the Financial Statements

Period from 27 December 2021 to 25 December 2022

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements:

Basis of preparation of financial statements

KFC Foundation is a Charitable Incorporated Organisation registered with the Charity Commission in England and Wales (number 1163560) and with OSCR in Scotland (number SC046098). These financial statements have been prepared for the period from 27 December 2021 to 25 December 2022 with comparative information given in respect to the period from 28 December 2020 to 26 December 2021.

The financial statements have been prepared in accordance 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 United Kingdom 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 Charities Act 2011.

The financial statements have been prepared under the historical cost convention.

The KFC Foundation is a public benefit entity.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
Other than the assessment of going concern below, the preparation of the financial statements did not require the Trustees to make any significant judgements or estimates.

Fund accounting
Restricted funds are those to be used in accordance with specific instructions imposed by donors or have been raised by the charity for specific purposes.

Income recognition
Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated services and facilities
Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with Charities SORP (FRS 102), the general volunteer time of KFC GB staff is not recognised.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Expenditure comprises grants payable as part of the Foundation's charitable activities, as well as administrative costs pertaining to the charity and it's grant-making. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions.

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1. Accounting Policies (continued)

Expenditure recognition (continued)

Grants approved but not paid at the end of the financial period are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements. All grants are made to institutions and the names of the charities that received grants during the year are detailed in the Trustees' report.

Governance costs comprise the costs involving the public accountability of the charity and costs in respect to its compliance with regulation and good practice (including audit costs, bank charges and consultant fees).

Cash at bank and in hand
Cash at bank and in hand includes cash in hand and cash held in the bank current account.

Debtors
Debtors are recognised at the settlement amount, less any provision for non-recoverability.

Creditors
Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and amount due to settle the obligation can be measured or estimated reliably.

Financial instruments

The KFC Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Going concern
The Trustees have reviewed the financial position of the Foundation and concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to prepare these financial statements on a going concern basis. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

2 Related party transactions and Trustees' expenses and remuneration

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity.

The Trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind. During the year, there were expenses of £236.09 reimbursed to 3 trustees (2021: £nil) and these were in relation to travel for trustee meetings (plus membership to the Association of Chairs for James Fletcher).

During the year the Foundation received £5,535 (2021: £3,851) and had debtors outstanding at year end of £752 (2021: £281) for The Woosaa Chicken Co Ltd which is owned by one of the KFC Foundation Trustees. This represents revenue from Product Contributions, Counter Top Donations and Kiosk Donations.

In the period up to 15th May 2022, the Foundation received £32,022 (2021 full year: £60,026) from Gastronomy Foods UK Ltd and Gastronomy Restaurants Ltd for which one of the trustees is the ultimate controlling party. On 16th May 2022 the Trustee resigned from the Foundation. There are no other related party transactions that require disclosure in the financial statements (2021: none).

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3 Income

Income has been split into donations by KFC GB Limited ('KFC') and its franchises as follows

	Unrestricted £	Restricted £	**27 Dec 2021 to 25 Dec 2022 Total £**
KFC - product contribution	7,425	71,920	**79,345**
Franchisees of KFC - product contribution	86,210	849,953	**936,163**
KFC counter top donations	9,548	-	**9,548**
Franchisees of KFC - counter top donations	96,097	-	**96,097**
KFC - kiosk donations	9,993	8,931	**18,924**
Franchisees of KFC– kiosk donations	174,049	61,395	**235,444**
Other donations	54,813	35,419	**90,232**
Pennies for change	684	-	**684**
	438,819	1,027,618	**1,466,437**

	Unrestricted £	*Restricted £*	***28 Dec 2020 to 26 Dec 2021 Total £***
KFC - product contribution	-	*68,746*	*68,746*
Franchisees of KFC - product contribution	-	*959,360*	*959,360*
KFC counter top donations	*7,779*	-	*7,779*
Franchisees of KFC - counter top donations	*87,593*	-	*87,593*
KFC - kiosk donations	*13,641*	*530*	*14,171*
Franchisees of KFC– kiosk donations	*202,488*	*10,763*	*213,251*
Other donations	*110,877*	*1,064*	*111,941*
Pennies for change	*370*	-	*370*
	422,748	*1,040,463*	***1,463,211***

The restricted other donations above include £20,910 (2021: £nil) in relation to merchandising royalties. These royalties were collected from KFC on behalf of Comic Relief.

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4 Support costs

	Unrestricted £	**27 Dec 2021 to 25 Dec 2022 Total £**	28 Dec 2020 to 26 Dec 2021 Total £
Bank charges	679	679	913
Consultant fees	1,191	1,191	420
Audit fees	9,900	9,900	10,310
Staff costs	74,893	74,893	57,240
Other Expenses	48,034	48,034	13,718
Total support costs	134,697	**134,697**	82,601

All support costs related to unrestricted funds in the above periods. Included in support costs are the following governance costs.

	Unrestricted £	**27 Dec 2021 to 25 Dec 2022 Total £**	28 Dec 2020 to 26 Dec 2021 Total £
Consultant fees	1,191	1,191	420
Audit fees	9,900	9,900	10,310
Total governance costs	11,091	**11,091**	**10,730**

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5 Salaries & Wages Disclosures

(a) Staff costs

Staff costs during the period were:

	27 Dec 2021 to 25 Dec 2022 £	28 Dec 2020 to 26 Dec 2021 £
Wages and salaries	63,923	46,857
Social security costs	6,004	4,387
Pension costs	4,966	5,996
	74,893	57,240

All staff costs were cross charged from Kentucky Fried Chicken (Great Britain) Limited.

(b) Staff numbers

The average number of persons (including the senior management team) employed during the period ended 25 December 2022 was 2 (2021 - 1). In 2022, Louise Norris' time spent on the Foundation was reduced to 55% and her salary cost recharged from KFC was reduced accordingly.

(c) Higher paid staff

No employees earnt over £60,000 in the period (2021 - none).

(d) Key management personnel

The key management personnel of the Foundation comprise of the Trustees and a KFC employee whose salary is recharged to the foundation. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Foundation was £36,004 (2021 - £55,740).

6 Debtors

Amounts due from:	**25 Dec 2022 £**	26 Dec 2021 £
• KFC GB Ltd	20,012	13,787
• Franchises of KFC GB Ltd	166,204	291,928
	186,216	305,715

7 Creditors

	25 Dec 2022 £	26 Dec 2021 £
Audit fees accrual	10,000	10,000
Irish Revenue Tax Liability	3,000	-
Amounts due to KFC GB Ltd	51,103	13,396
	64,103	23,396

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8 Analysis of net assets between funds

	Unrestricted General fund £	Restricted funds £	**Total funds 25 Dec 2022 £**	Unrestricted General fund £	Restricted funds £	Total funds 26 Dec 2021 £
Fund balances at the period end are represented by:						
Current assets	740,365	177,568	917,933	590,289	331,420	921,709
Current liabilities	(64,103)	-	(64,103)	(23,396)	-	(23,396)
Total net assets	676,262	177,568	**853,830**	566,893	331,420	898,313

The restricted funds in 2022 & 2021 relate to income received from product contributions which will be given as donations to Comic Relief.

9 Net cash provided by (used in) operating activities

	27 Dec 2021 to 25 Dec 2022 £	28 Dec 2020 to 26 Dec 2021 £
Net movement in funds	(44,483)	138,960
(Increase) decrease in debtors	119,499	(205,011)
(Decrease) increase in creditors	40,708	(2,900)
Increase (decrease) in cash in the period	**115,724**	(68,951)

KFC FOUNDATION

England & Wales - Charity number 1163560

Accounts

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Registered charity number 1163560 in England & Wales and SC046098 for Scotland

KFC FOUNDATION

REPORT & FINANCIAL STATEMENTS

PERIOD ENDED

26 DECEMBER 2021

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KFC FOUNDATION

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Period from 28 December 2020 to 26 December 2021

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KFC FOUNDATION

Officers and Professional Advisors

Period from 28 December 2020 to 26 December 2021

Legal & Foundation Information

Trustees	Simon Coates Meghan Farren (resigned 27th August 2021) James Fletcher (Chair) Akram Khan Paula Jane Mackenzie (Chair at 26th December 2021. Resigned 7th March 2022) Neil Morrison Nick Newman Alvin Owusu (resigned 14th June 2021) Jennie Wright (resigned 13th August 2021)
Secretary	Louise Norris
Registered Office	Orion Gate, Guildford Road, Woking, GU22 7NJ
Functional Team	Thalia Beaty Alan Johnson Hannah Burrows Anastasia Miller Julian Thomas (Gift Aid Secretary) Louise Norris

Advisors

Principal Bankers	National Westminster Bank PLC 23 Brunswick Place Brunswick Gate S015 2AQ
Solicitors	BDB Pitmans 50 Broadway London SW1H 0BL
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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KFC FOUNDATION

Statement from our Chair of Trustees

Period from 28 December 2020 to 26 December 2021

The KFC Foundation has a mission to empower young people across the UK to ensure they have the chance to fulfil their potential and build a positive future. Through the exceptional work and support of KFC team members, the incredible generosity of our communities, and the inspirational work of our partner organisations who provide spaces that allow young people to feel safe and secure, helping them to unlock talent, build life skills, provide mentoring or improve their chances to gain meaningful employment, we have been able to help support thousands of young people across the UK.

Firstly, my most sincere thanks goes to our partner organisations up and down the UK. Despite the challenging environment, it remains humbling and inspiring to hear, through their agility, resilience and tenacity how they have continued to deliver vital services to the young people in their communities. The impact of the pandemic continued to be felt throughout 2021 particularly for our partner organisations and their service users, it started with another national lockdown and children and young people unable to return to school until March, which continued to have a dramatic effect on young people exacerbating issues of mental health, social isolation and food insecurity to name a few. Much grant funding in 2020 and 2021 was repurposed for emergency Covid relief making it challenging to obtain funding for ongoing work, so our programme was gratefully received. We also saw many organisations that had been set up to plug a need early in 2020 started to formalise and establish as CICs and registered charities.

Secondly the team members working in KFC restaurants and head offices across the UK, in what has continued to be a challenging year for many of them. Without the dedication and enthusiasm of the KFC teams we could never deliver the phenomenal grants that we do.

Finally, we thank the communities who have donated so generously this year, it is the kindness of our guests that supports so many vulnerable young people. Time and time again our guests have demonstrated just how big their hearts are. They make such a difference.

It is with pride that I can report that we had one of our most successful years in recent history; raising £1.46m making £106,234 in payments in community grants to 47 organisations. These organisations work for the benefit of the community, creating a positive impact, working with tireless diligence and professionalism. Through these organisations the KFC Foundation is able to offer support for young people living in the toughest circumstances, providing positive activities for them to take part in, mentoring for the most vulnerable, and in many cases the chance to make steps into employment, education, training, or volunteering. And in yet another challenging year tackling some of the most basic human needs such as food security.

In addition to our small community grant programme we continue in our third year of partnership with Comic Relief. We were thrilled to announce £1.3m raised on the Red Nose Day Night of Television in March 2022. We work with Comic Relief to fund several organisations here in the UK that provide safe social spaces, mentoring, and work and social skills. We're aiming to raise £3m over four years for Comic Relief.

I would like to take the opportunity to thank the teams and individuals that have enabled the Foundation to continue making an impact despite the challenges faced over the past couple of years. In particular, my thanks goes to founding Trustee and former Chair Paula MacKenzie who took the decision to step down as Chair in December 2021 and as Trustee in early 2022. In addition to being a founding Trustee she notably steered the Foundation through the early years of the partnership with Comic Relief and through the challenges of the Covid 19 pandemic including establishing our community grants programme in late 2020. On the trustee board, we also said goodbye to Meghan Farren, Jennie Wright, and Alvin Owusu during 2021, all brought a passion for the purpose of the Foundation, added huge value, and delivered for our beneficiaries. I extend my thanks to all of them for what they brought to the Foundation. We have commenced 2022 with a round of recruitment to replace both internal (KFC) trustees and external trustees on the board. I am excited to have been appointed as Chair and am looking forward to leading the Foundation in its next chapter.

As ever, the thanks of all of trustees goes to our amazing Foundation Manager, Louise Norris. Louise works incredibly hard to ensure that the Foundation continues to deliver for its beneficiaries and her drive has meant that we have fantastic working relationships with our partner charities, and we make a difference to the lives of so many young people. We have also recruited a new Foundation Administrator, Thalia Beaty, who will support Louise in delivering on the charity's objectives. Several other members of the KFC team help in the administration of the Foundation and we thank them all for all that they do for us.

Thank you to everyone who has been involved; we have been inspired by the work of our teams, communities, and partner organisations and are excited to be entering a new phase for the Foundation bringing new experience to the board and evaluating what the Foundation should look like in the next ten years.

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KFC FOUNDATION

Statement from our Chair of Trustees

Period from 28 December 2020 to 26 December 2021

James Fletcher
Chair of Trustees

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KFC FOUNDATION

Trustees' Report

Period from 28 December 2020 to 26 December 2021

The Trustees present their Annual Report and Accounts for the period ended 26th December 2020. In preparing this report and accounts the Trustees have complied with the Charities Act 2011, the Foundation's Constitution and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The KFC Foundation is registered with the Charity Commission in England and Wales (number 1163560) and the OSCR in Scotland (number SC046098). Legal and other information relating to the Foundation set out above lists the Trustees and principal advisors of the Foundation and forms part of this report.

Structure, Governance & Management

Organisational Structure

The Foundation is constituted as a Charitable Incorporated Organisation and, therefore is governed by a Constitution and has no share capital.

Governance

All Trustees named on page 3 served through the period unless otherwise stated. The Trustees have been chosen for their commercial, community, lived experience and charitable expertise, as well as their commitment to the aims and philosophy of the Foundation.

The Foundation is organised so that the Trustees meet quarterly to manage the Foundation's affairs. Trustees and new Trustees are aware of their duties to further the purposes of the Foundation, to ensure that the Foundation carries out its purposes for the public benefit and to act in the best interests of the Foundation by ensuring that resources are responsibly managed. The Trustees are senior leaders in Kentucky Fried Chicken (Great Britain) Limited ("KFC"), from the Franchisee community and externals with charitable experience and thus have the appropriate skills and diligence to be acting as Trustees of the Foundation. In 2020 we also took the decision to appoint a Trustee to represent the voice of our beneficiaries.

New Trustees are appointed for a term of three years and, in accordance with the Foundation's Constitution, are provided with a copy of the current version of the Constitution and a copy of the Foundation's latest Trustees' Annual Report and statement of accounts upon appointment, as well as a copy of the Charity Commission's "Essential Trustee" guidance and offered the opportunity to complete a Trustee training course.

Management

The key management of the Foundation comprise the Trustees and 2 employees of KFC whose salaries are recharged to the Foundation in charge of directing and controlling, running and operating the charity.

The day-to-day operation of the Foundation is carried out primarily by Louise Norris and Thalia Beaty whose salaries are recharged to the Foundation. In 2021 Alan Johnson and Anastasia Miller were principally responsible for administering the Foundation's bank account, overseeing the payment of grants from Foundation funds and oversight of franchise debtors. During 2021 this responsibility was handed over from Alan to Hannah Burrows to commence support in 2022. All three are employees of KFC, Alan, Anastasia and Hannah gift their time and expertise to the Foundation (and are therefore not remunerated from Foundation funds), as such between Hannah, Alan and Anny they have volunteered approximately 100 hours and Julian Thomas (our Gift Aid Secretary) 6 hours during the period of this report.

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Other employees of KFC also gift their time and expertise to the Foundation where necessary for example for social media, marketing and digital technology.

Louise Norris manages the Foundation's partnerships with partner organisations on behalf of the Foundation, planning and activating fundraising mechanisms, grant making, communication, strategic direction and the day to day running of the Foundation including regulation and compliance. In late 2021 we were thrilled to welcome Thalia Beaty as Foundation Administrator to support with the day to day running specifically around grant making and communication.

Objectives & Activities

The principal objects for which the Foundation was established are such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Trustees may from time to time determine with a particular emphasis on advancing in life and relieving the needs of young people.

A summary of the activities that the Foundation has carried out in pursuance of its principal objectives can be found below.

Mission & Vision

The KFC Foundation vision is to create a world in which every young person is empowered to challenge the barriers to aspiration and fulfil their potential to become leaders of the future. And our mission is to empower young people in the UK to fulfil their potential and build a positive future by providing spaces that allow young people to feel safe and secure, helping them to unlock talent, build life skills, provide mentoring and improve their chances to gain meaningful employment. Both have been inspired by the founder of KFC, Colonel Sanders.

The KFC Foundation makes small grants to support organisations in the heart of the community who provide spaces that allow young people to feel safe and secure, helping them to unlock talent, build life skills, provide mentoring and improve their chances to gain meaningful employment. This aligns strongly with the KFC business values, expertise and team member and guest demographics.

In September the Foundation made a move to a more hyper local focussed community grant making programme. The projects that the Foundation makes grants to support work, in many cases, with the most vulnerable young people in their community. They share our passion for empowering young people to help them reach their full potential. Through its new community grant programme the Foundation was able to support numerous projects and young people in 2021.

Achievements & Performance

How you gave your support in 2021

Our total net income in 2020-2021 was: £1,463,211

This was made up of:

Countertop donation boxes: £95,372
Product donations: £1,028,106
Kiosk donations: £227,422
Ad hoc donations: £112,311

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KFC FOUNDATION

Trustees' Report

Period from 28 December 2020 to 26 December 2021

How we used the money you gave in 2021

The Foundation made grants to the following charities in the amounts set out below (expressed as a percentage of the total sum raised during 2020-21):

	2020 - 2021		2019 - 2020	
Charity Name and Charity Number	**Amount Donated**	**Percentage**	**Amount Donated**	**Percentage**
Kids Inspire – Essex (1129513)	£10,000	0.8%	£5,000	0.9%
Childhood Trust (1154032)	£10,000	0.8%	£6,500	1.1%
Focus Charity (1068467)	£10,000	0.8%	£5,000	0.9%
Mentoring Plus (1112534)	£10,000	0.8%	£5,000	0.9%
London Youth Support (1086850)	£10,000	0.8%	£5,000	0.9%
Young Lives Foundation (1119528)	£10,000	0.8%	£5,000	0.9%
Boys & Girls Club (1009142)	£10,000	0.8%	£5,000	0.9%
Positive Futures (1145598)	£10,000	0.8%	£5,000	0.9%
Young People First (1056035)	£10,000	0.8%	£6,000	1.0%
GMYN (1151897)	£10,000	0.8%	£5,000	0.9%
Action4Youth (1033626)	£10,000	0.8%	£5,000	0.9%
Workingrite CIC (SC042604)	£10,000	0.8%	£6,500	1.1%
Youth Association (519883)	£10,000	0.8%	£5,000	0.9%
Keyfund Federation (1093569)	£10,000	0.8%	£5,000	0.9%
Include Youth (103383)	£10,000	0.8%	£5,000	0.9%
Other Grants £2,000 and under	£106,234	8.6%	£44,589	7.6%
Comic Relief (325658 & SCO39730)	£985,415	79.4%	£459,350	78.8%

What we did in 2021

Despite the ongoing backdrop of a global pandemic the Foundation still had a busy one.

Trustee Succession Planning

Governance and capability are continually under review and we spent a significant amount of time in 2021 succession planning, there was high trustee churn in 2021 due in large part to internal (KFC) trustees leaving their

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corporate roles, instead of rushing into recruitment we spent time considering the composition of the board and with Paula wishing to step down as Chair who might fill that role so that we could be out of the gate in 2022 with a recruitment campaign. We took the decision to appoint an external Chair from among our existing Trustees and were thrilled when James Fletcher took the decision to step into this role. James has been a trustee at the Foundation for just under 3 years and brings dedication, a passion for our purpose, considered views and expertise of the Third Sector and we welcome him wholeheartedly to the role. This decision is significant for the Foundation because it demonstrates our continued commitment to our independence from the Brand.

It was also agreed that we would reduce internal (KFC) appointments in favour of increasing the percentage of external trustees on the Board and will be recruiting in 2022 for Trustees with experience in fundraising, grant making, direct delivery and change management.

Community Grant Making

We are exceedingly proud of our Community Grant Making Programme, not only for the impact that it is having on the young beneficiaries of the organisations that we support but also of our ability to remain agile in our grant making processes to continually evolve to improve our processes for our applicants and to ensure the voices of our beneficiaries are represented in deciding how grants are spent.

Two changes we made in our second funding round of 2021:
1) to introduce face to face to chats at the second stage of the process in addition to written applications to allow applicants to choose their strongest format to apply. This was met with amazing feedback from applicants.

"It's ground-breaking because people like myself never had much education. So, when it comes to writing an application I will fill it with 500 words because there's 500 words and I'll probably speak jargon and not make sense and not be able to explain myself because I feel like I have to put in big words and important words. So having the platform to be able to describe and explain and physically show the emotion or passion." ~ Obayed – Pitch2Progress

2) to ask previous grantees to assess Expression of Interest applications in small groups with a facilitator from their organisation to help us decide which applications should go through to the second round. Once again this received great feedback from facilitators.

"The process really was great for them in terms of giving them some time to apply critical thinking, teamwork and debating"

"They felt really empowered and took it very seriously"

We are extremely proud of the impact that the Foundation is making across the UK with its partner organisations.

In the previous 12 months the Foundation has supported:

- Young people aged 11-25 years old
- Those in a position of social disadvantage
- Organisations which empower young people to fulfil their potential and build a positive future
- Organisations with an annual income of no more than £300,000, operating in the heart of our communities

800 Grant Applications Received
346 Applications Shortlisted
140 Applications progressed to Stage 2
47 Grants Paid

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KFC FOUNDATION

Trustees' Report

Period from 28 December 2020 to 26 December 2021

£106,234 paid out

The Worth Foundation partners with 28 schools in Doncaster to offer pastoral provision delivering mentoring to support young people, the need for their services has grown as the consequences of Covid -19 are realised. The £2,000 Foundation grant has allowed them to deliver 144, one to one mentoring sessions to 12 vulnerable and disadvantaged young people in Doncaster. This early intervention will help them to raise their aspirations and unlock their potential in order to become change-makers in their own communities.

"*One day Will came in from school and straight away I could tell something was different. He looked like a huge weight had been lifted, he was smiling, chatting about his day. When I spoke to him he had received a session from the Worth Unlimited mentor. She had worked wonders in just one session, allowing Will to see there is hope, there are strategies to deal with his anxieties, that lots of people feel this way not just him. I can't thank Worth Unlimited enough as I feel I have my son back and that he has hope back. He looks forward to his session each week and comes home and tells us about it, which is amazing in itself. Thank you"* Parent of Yr11 pupil

"*The Foundation has been amazing in supporting Worth Unlimited and there's no doubt the impact it has had on our young people*." Charlotte Barley - The Worth Foundation

We were also really pleased to be able to revisit our partnerships with our 15 charities from 2018-2020 and close the partnership in a more satisfactory way with a donation of £10,000 to each as the impact from Covid was less detrimental than we had initially anticipated.

Comic Relief Partnership

We continued our partnership with Comic Relief that commenced in 2019. In 2020 the partnership was extended by a year to March 2023 as a result of the uncertainty that Covid brought with it although our commitment remains at £3m. In 2021 we ran a Red Nose Day campaign which spanned across a variety of platforms; radio, restaurant assets, merchandise, social media etc. The campaign was "This KFC Tastes Funny" and helped to raise awareness of the Foundation despite the disappointment that much of the campaign was based in restaurants which remained closed during Red Nose Day due to the lockdown in place.

We were pleased to announce £1.3m on the Night of Television in March.

We were also able to run virtual visits to 3 of the charities being supported by KFC Foundation funds that were well attended by KFC team members.

In March 2021 our restaurant team at Glasgow Forge organised a covid friendly Bake Off between all the restaurants in their area, raising a delicious £1,047.

Fundraising

Despite being in lockdown again in early 2021 we ran our now annual raffle at the KFC Restaurant Support Centre to raffle gifts received by employees from suppliers that exceed the gifts policy, raising £1,261.11. KFC's annual Restaurant Manager Fest went ahead virtually in 2021 and we ran a raffle raising £7,166.51 and gave our partner organisation the chance to add items they needed to our Amazon Wishlist for the event and we packaged and sent off over 15 boxes of gifts purchased by our teams!

We held a raffle and auction at our annual supplier's conference which was also virtual, raising £25,195.01 and we had a Giving Tree at the Franchise Awards which was in person in November raising £8,203.

As mentioned 2021 commenced with a national lockdown affecting KFC restaurants in varying degrees and therefore the income of the Foundation. KFC saw an almost wholesale move to digital payment; we saw the continuing decline in the use of charity cash boxes although not at the same rate as in 2020 (4% decline v. prior

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year). With restaurants open more consistently we saw growth in kiosk donations (58% increase v. prior year). We continued to see significant upside through the increased use of delivery channels and the increased purchase of the Sharing Buckets which has the restricted 5p donation to Comic Relief associated with it (79% increase v. prior year). We are pleased to report that we closed 2021 with a 68% increase in income on the prior year.

Following the advice issued by the UK Government in March 2020 and guidance from YUM! employees continued working from home for a large part of 2021 with procedures in place to facilitate this including support functions such as finance and administration to continue whilst employees are not physically present in the Foundation's office. In the latter stages of 2021, the Foundation team has moved to a hybrid way of working. All Trustee meetings were held online in 2021.

Public Benefit

The Trustees confirm that they have referred to the guidance set out in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives. The benefits are clearly set out in the Achievements & Performance section above.

The Trustees review the Foundation's activities against its aims and objectives on an ongoing basis and are satisfied that all activities continue to be related to the Foundation's purpose. The beneficiaries are vulnerable young people, primarily from deprived backgrounds who are at risk of dropping out of education, becoming involved in gangs, lack a stable role model, are struggling to find employment and are likely to continue the cycle of poverty. The charities we make grants to seek to mitigate against these by providing safe spaces, mentoring, counselling, training and education.

Financial Review

Statement of Financial Activities

The Foundation is operated on a cash basis. The Foundation pays grants to its charity partners once it has received sufficient sums into its bank account, thus ensuring that the Foundation does not go into deficit.
The principal funding sources during the financial period were as follows:

- Countertop donation boxes (6%)
- Product contribution (70%)
- Kiosk donations (16%)
- Ad hoc donations (8%)

Assets

The only assets that the Foundation holds are cash and cash equivalents (including receivables), there are no funds held as a custodian trustee on behalf of any others.

Investments

The Foundation does not hold any investments and only keeps money in its NatWest bank account.

Reserves

The Foundations reserves are continually reviewed considering latest forecasts to ensure the Foundation can cover costs, committed grants and donations. The statement of financial position shows total funds of £898,313 (2020 - £759,352) of which £566,893 are unrestricted funds (2020 - £482,980). £331,420 are restricted and are not available for the general purposes of the charity (2020 - £276,372).

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Plans for the Future

In 2021 the Trustees have undertaken to decide on what the future of the Foundation looks like over the next 10 years. There is a decision to be made on the partnership with Comic Relief which draws to a close in March 2023. There is a strong sense from the Trustees that they would like to start to transition the Foundation from a purely financial support to a delivery organisation. Work has commenced including the recruitment of our new Trustees in 2022 to identify what this would look like for the Foundation.

In order to facilitate our grant funding programme we will be implementing a grant management system in 2022 which will improve the experience for our applicants, reduce the administration for the Foundation team and we hope therefore drive increased engagement with the programme.

The Foundation has plans to organise a capability building event for our partner organisations, we have received feedback from them that they are keen to use the connection with a large corporate to build knowhow and to network with other organisations.

Finally, we are keen to recognise the achievements of the young people who benefit from our funding with an award event.

The impact of the Covid 19 pandemic remains ever present and continues to affect the future operations of the Foundation, its beneficiaries, partners and stakeholders and our wider society. As Foundation beneficiaries all work with vulnerable young people they were allowed to continue to operate face to face in small numbers and with social distancing in place through all subsequent lockdowns, requiring financial support more than ever. Many found that being online allowed them to support a group of socially isolated young people who would not have accessed their services face to face and have made some longer-term adaptions to their services as a result.

With the cost-of-living crisis that is on the horizon for many in the UK and the anticipated 15% inflation on food costs it is likely to be a tougher year for KFC and with the Foundation's income so closely linked to that of the Brand so it is likely that the Foundation will have a tougher year. However, should such a circumstance occur the Trustees are able to reduce expenditure in line with the fall in income, it is not anticipated at the current time that the overall financial position of the Foundation will be adversely affected, or its financial solvency threatened.

Risk Management

The Trustees have considered the major governance, operation, financial, external and compliance risks which the Foundation faces, and we have processes in place to ensure that those risk are regularly reviewed and mitigating steps taken as necessary. The risks that would have the highest impact to the operation of the Foundation are a decrease in income (either as a result of having one principle funder or from the pressure of high street sales or as a result of further lockdowns forcing restaurant closures), the reputational risk created by KFC UK&I's franchise model and our inability to separate funds and the conflict of interest of the KFC UK&I leadership team sitting on the Board of Trustees. We are, mitigating against a decrease in income by exploring other fundraising avenues which are less reliant on a donor's physical presence in KFC restaurants, we are closely monitoring and forecasting income levels and adapting our expenditure in accordance and we are maintaining close communication with all partners (Comic Relief, partner organisations and franchisees) to manage expectations about commitments. In terms of separation of funds this is something we monitor very closely; we are able to track and report on donations made in every restaurant and we have strict deadlines in place for recovering funds and processes in place to ensure the timely payment of Foundation invoices.

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KFC FOUNDATION

Trustees' Report

Period from 28 December 2020 to 26 December 2021

Fundraising Policy

The Foundation's approach to fundraising is to predominantly use the relationship with KFC UK&I, its employees and guests to raise funds through the sale of products or fundraising activities. We do not carry out street fundraising, nor do we undertake fundraising mail shots or telephone canvassing. We work with KFC UK&I to ensure that any fundraising complies with best practice. Fundraising is monitored by the Trustees of the Foundation and we also monitor any fundraising complaints (none were received during the year 2020/21) and we always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under the Constitution of the charity and charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The Trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the income and expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations or have no realistic alternative but to do so.

The Trustees are required to act in accordance with the Constitution of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, those statements of accounts comply with the requirements of regulations under those Acts. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Provision of information to auditor

So far as each Trustee is aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- 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.

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KFC FOUNDATION

Trustees' Report

Period from 28 December 2020 to 26 December 2021

Approval

This report was approved by the Trustees on 18-Jul-22 and signed on its behalf.

DocuSigned by:
James Fletcher
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Chair of Trustees

For further information contact:
KFC FOUNDATION
Orion Gate, Guildford Road, Woking, GU22

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KFC FOUNDATION

Independent auditor's report to the members of KFC Foundation

Period from 28 December 2020 to 26 December 2021

Opinion

We have audited the financial statements of KFC Foundation (the 'charity') for the period ended 26 December 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including the accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charity's affairs as at 26 December 2021 and of its income and expenditure for the period 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Financial statements (Scotland) Regulations 2006 (as amended).

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 charity 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.

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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 charity'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 Trustees are responsible for the other information. The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Financial statements (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' annual report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees 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.

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In preparing the financial statements, the Trustees are responsible for assessing the charity'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 charity 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.

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 is detailed below:

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following laws and regulations were most significant: Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Financial statements (Scotland) Regulations 2006 (as amended).
- We understood how the charity is complying with these legal and regulatory frameworks by making enquiries to Trustees and those responsible for legal and compliance procedures. Through our enquiries we corroborated these views by our review of Trustees' minutes.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
    - Enquiries with management, whether they have any knowledge of any actual, suspected or alleged fraud;
    - Challenging assumptions and judgements made by Trustees and management in their significant accounting estimates.
    - Identifying and testing journal entries.
    - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Financial statements (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

4 August 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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KFC FOUNDATION

Statement of Financial Activities

Period from 28 December 2020 to 26 December 2021

	Notes	Unrestricted funds	Restricted funds	Period from 28 Dec 2020 to 26 Dec 2021 Total funds £	Unrestricted funds	Restricted funds	Period from 30 Dec 2019 to 27 Dec 2020 Total funds £
Income from Donations							
Counter Top Takings	3	95,372	-	95,372	99,085	-	99,085
Product Contribution	3	-	1,028,106	1,028,106	-	608,298	608,298
Kiosk Donations	3	216,129	11,293	227,422	143,291		143,291
Other Donations	3	111,247	1,064	112,311	9,215	9,350	18,565
Total Income		422,748	1,040,463	**1,463,211**	251,591	617,648	**869,239**
Expenditure on Charitable Activities							
Donations to Charity		(256,234)	(985,415)	(1,241,649)	(123,589)	(459,350	(582,939)
Support costs	4	(82,601)	-	(82,601)	(65,608)	-	(65,608)
Total Expenditure		(338,835)	(985,415)	**(1,324,250)**	(189,197)	(459,350)	**(648,547)**
Net Movement in Funds		83,913	55,048	**138,961**	62,394	158,298	**220,692**
Reconciliation of Funds:							
Fund balances at 28 December 2020		482,980	276,372	759,352	420,586	118,074	538,660
Fund balances at 26 December 2021		566,893	331,420	**898,313**	482,980	276,372	**759,352**

There were no recognised gains or losses in the current or preceding periods other than those disclosed in the statement of financial activities.

The notes on pages 22-27 form part of these financial statements.

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KFC FOUNDATION

Statement of Financial Position

At 26 December 2021

	Notes	26 Dec 2021 £	27 Dec 2020 £
Current Assets			
Cash at bank and in hand		615,994	684,944
Debtors	6	305,715	100,704
		921,709	785,648
Liabilities			
Creditors falling due within one year	7	(23,396)	(26,296)
Net Assets		**898,313**	**759,352**
Funds:			
Restricted Funds	8	331,420	276,372
Unrestricted General Fund	8	566,893	482,980
		898,313	**759,352**

The financial statements where approved and authorised for issue by the Board of Trustees on 18-Jul-22 and signed on its behalf:

DocuSigned by:
James Fletcher
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James Fletcher

The notes on pages 22-27 form part of these financial statements.

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KFC FOUNDATION

Statement of Cash Flows

Period from 28 December 2020 to 26 December 2021

	Notes	**Total funds 2021 £**	Total funds 2020 £
Net cash provided by operating activities	9	(68,951)	425,420
Change in cash and cash equivalents in the period		**(68,951)**	**425,420**
Cash at start of the period		684,944	259,524
Cash at end of the period		**615,994**	**684,944**

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the Foundation and the above cash and cash equivalents.

The notes on pages 22-27 The following accounting policies form part of these financial statements.

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KFC FOUNDATION

Notes to the Financial Statements

Period from 28 December 2020 to 26 December 2021

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements:

Basis of preparation of financial statements

KFC Foundation is a Charitable Incorporated Organisation registered with the Charity Commission in England and Wales (number 1163560) and with OSCR in Scotland (number SC046098). These financial statements have been prepared for the period from 28 December 2020 to 26 December 2021 with comparative information given in respect to the period from 30 December 2019 to 27 December 2020.

The financial statements have been prepared in accordance 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 United Kingdom 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 Charities Act 2011.

The financial statements have been prepared under the historical cost convention.

The KFC Foundation is a public benefit entity.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
Other than the assessment of going concern below, the preparation of the financial statements did not require the Trustees to make any significant judgements or estimates.

Fund accounting
Restricted funds are those to be used in accordance with specific instructions imposed by donors or have been raised by the charity for specific purposes.

Income recognition
Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated services and facilities
Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with Charities SORP (FRS 102), the general volunteer time of KFC GB staff is not recognised.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Expenditure comprises grants payable as part of the Foundation's charitable activities, as well as administrative costs pertaining to the charity and it's grant-making. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions.

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1. Accounting Policies (continued)

Expenditure recognition (continued)

Grants approved but not paid at the end of the financial period are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements. All grants are made to institutions and the names of the charities that received grants during the year are detailed in the Trustees' report.

Governance costs comprise the costs involving the public accountability of the charity and costs in respect to its compliance with regulation and good practice (including audit costs, bank charges and consultant fees).

Cash at bank and in hand
Cash at bank and in hand includes cash in hand and cash held in the bank current account.

Debtors
Debtors are recognised at the settlement amount, less any provision for non-recoverability.

Creditors
Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and amount due to settle the obligation can be measured or estimated reliably.

Financial instruments

The KFC Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Going concern
The Trustees have reviewed the financial position of the Foundation and concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to prepare these financial statements on a going concern basis. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

2 Related party transactions and Trustees' expenses and remuneration

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity.

The Trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind. During the year, there were no expenses reimbursed to Trustees (2020: £48 to one Trustee).

During the year the KFC Foundation received £3,851 (2020: £1,818) from The Woosaa Chicken Co Ltd which is owned by one of the KFC Foundation Trustees. This represents revenue from Product Contributions, Counter Top Donations and Kiosk Donations.

There are no other related party transactions that require disclosure in the financial statements (2020: none).

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3 Income

Income has been split into donations by KFC GB Limited ('KFC') and its franchises as follows

	Unrestricted £	Restricted £	**28 Dec 2020 to 26 Dec 2021 Total £**
KFC - product contribution		68,746	68,746
Franchisees of KFC - product contribution	-	959,360	959,360
KFC counter top donations	7,779	-	7,779
Franchisees of KFC - counter top donations	87,593	-	87,593
KFC - kiosk donations	13,641	530	14,171
Franchisees of KFC– kiosk donations	202,488	10,763	213,251
Other donations	110,877	1,064	111,941
Pennies for change	370	-	370
	422,748	1,040,463	**1,463,211**

	Unrestricted £	*Restricted £*	***30 Dec 2019 to 27 Dec 2020 Total £***
KFC - product contribution	-	*56,692*	*56,692*
Franchisees of KFC - product contribution	-	*551,606*	*551,606*
KFC counter top donations	*9,052*	-	*9,052*
Franchisees of KFC - counter top donations	*90,033*	-	*90,033*
KFC - kiosk donations	*10,470*	-	*10,470*
Franchisees of KFC– kiosk donations	*132,822*	-	*132,822*
Other donations	*8,813*	*9,350*	*18,163*
Pennies for change	*401*	-	*401*
	251,591	*617,648*	*869,239*

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4 Support costs

	Unrestricted	**28 Dec 2020 to 26 Dec 2021 Total**	30 Dec 2019 to 27 Dec 2020 Total
	£	**£**	£
Bank charges	913	913	679
Consultant fees	420	420	2,830
Audit fees	10,310	10,310	10,000
Staff costs	57,240	57,240	44,641
Other Expense	13,718	13,718	7,458
Total support costs	82,601	**82,601**	65,608

All support costs related to unrestricted funds in the above periods. Included in support costs are the following governance costs.

	Unrestricted	**28 Dec 2020 to 26 Dec 2021 Total**	30 Dec 2019 to 27 Dec 2020 Total
	£	**£**	£
Consultant fees	420	420	2,830
Audit fees	10,310	10,310	10,000
Total governance costs	10,730	**10,730**	12,830

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5 Salaries & Wages Disclosures

(a) Staff costs

Staff costs during the period were:

	28 Dec 2020 to 26 Dec 2021 £	30 Dec 2019 to 27 Dec 2020 £
Wages and salaries	46,857	37,367
Social security costs	4,387	3,506
Pension costs	5,996	3,768
	57,240	44,641

All staff costs were cross charged from Kentucky Fried Chicken (Great Britain) Limited.

(b) Staff numbers

The average number of persons (including the senior management team) employed during the period ended 26 December 2021 was 1 (2020 - 1). From 13 December 2021 an additional full-time member of staff was added.

(c) Higher paid staff

No employees earnt over £60,000 in the period (2020 - none).

(d) Key management personnel

The key management personnel of the Foundation comprise of the Trustees and a KFC employee whose salary is recharged to the foundation. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Foundation was £55,740 (2020 - £44,641).

6 Debtors

	26 Dec 2021 £	27 Dec 2020 £
KFC GB Ltd	13,787	10,847
Franchises of KFC GB Ltd	291,928	89,857
	305,715	100,704

7 Creditors

	26 Dec 2021 £	27 Dec 2020 £
Audit fees accrual	10,000	18,800
KFC GB Ltd	13,396	7,496
	23,396	26,296

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8 Analysis of net assets between funds

	Unrestricted General fund £	Restricted funds £	**Total funds 26 Dec 2021 £**	Unrestricted General fund £	Restricted funds £	Total funds 27 Dec 2020 £
Fund balances at the period end are represented by:						
Current assets	590,289	331,420	921,709	509,276	276,372	785,648
Current liabilities	(23,396)	-	(23,396)	(26,296)	-	(26,296)
Total net assets	566,893	331,420	**898,313**	482,980	276,372	759,352

The restricted funds in 2021 & 2020 relate to income received from product contributions which will be given as donations to Comic Relief.

9 Net cash provided by operating activities

	28 Dec 2020 to 26 Dec 2021 £	30 Dec 2019 to 27 Dec 2020 £
Net movement in funds	138,960	220,692
(Increase)/decrease in debtors	(205,011)	214,842
(Decrease) in creditors	(2,900)	(10,114)
	(68,951)	425,420

KFC FOUNDATION

England & Wales - Charity number 1163560

Accounts

DocuSign Envelope ID: B945E07D-3D59-4DC0-831B-7E9D604FF684

Registered charity number 1163560 in England & Wales and SC046098 for Scotland

06/08/2021

KFC FOUNDATION

REPORT & FINANCIAL STATEMENTS

PERIOD ENDED

27 DECEMBER 2020

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KFC FOUNDATION

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KFC FOUNDATION

Officers and Professional Advisors

Period from 30 December 2019 to 27 December 2020

Legal & Foundation Information

Trustees	Simon Coates (from 12th May 2020) Meghan Farren James Fletcher Akram Khan Paula Jane Mackenzie (Chair) Neil Morrison Nick Newman (from 28th July 2020) Alvin Owusu (from 2nd November 2020) Catherine Stamper (resigned 15th May 2020) Jennie Wright
Secretary	Louise Norris
Registered Office	Orion Gate, Guildford Road, Woking, GU22 7NJ
Functional Team	Alan Johnson Anastasia Miller Julian Thomas (Gift Aid Secretary) Louise Norris

Advisors

Principal Bankers	National Westminster Bank PLC 23 Brunswick Place Brunswick Gate S015 2AQ
Solicitors	BDB Pitmans 50 Broadway London SW1H 0BL
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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KFC FOUNDATION

Statement from our Chair of Trustees

Period from 30 December 2019 to 27 December 2020

The KFC Foundation has a mission to empower young people across the UK to fulfil their potential. Through the exceptional work of KFC team members, the incredible generosity of our communities and the inspirational work of our partner organisations we have been able to help support thousands of young people.

It would be remiss of me to continue without acknowledging the impact that the Covid 19 pandemic has had on both the Foundation and the organisations who receive Foundation grants and their service users. Many of the organisations that we supported in 2020 saw an almost immediate cessation in their income due to the restrictions on their ability to fundraise which came, oftentimes, hand in hand with a significant increase in demand for their services. Many of their service users have had increased challenges with their mental health, food insecurity and isolation to name a few.

I would like to take this opportunity to thank the teams and individuals that have enabled the Foundation to continue making an impact. The first of these acknowledgements must of course go to our partner organisations up and down the UK. Despite the challenging environment, it has been humbling and inspiring to hear, through their agility, resilience and tenacity how they have continued to deliver vital services to the young people in their communities.

Secondly the team members working in KFC restaurants and head offices across the UK, in what has also been a challenging year for many of them. Without the dedication and enthusiasm of the KFC teams we could never deliver the phenomenal grants that we do. There are many stories of individual teams who have gone to amazing lengths to support the Foundation. It is the hard work of these dedicated teams which underpins everything that you will see in this report.

Finally, we thank the communities who have donated so generously this year, it is the kindness of our guests which enables the KFC Foundation to support so many vulnerable young people. Time and time again our guests have demonstrated just how big their hearts are.

As Chair of Trustees it is with pride that I report that we have moved the Foundation to be a small community grant making Foundation. Harnessing the power of local and supporting grass root organisations in the heart of the communities that KFC UK&I operate in. These organisations work for the benefit of the community, creating a positive impact, working with tireless diligence and professionalism. Through these organisations the KFC Foundation is able to offer support for young people living in the toughest circumstances, providing positive activities for them to take part in, mentoring for the most vulnerable and in many cases the chance to make steps into employment, education, training or volunteering. And in this, perhaps the most challenging of years, tackling some of the most basic physiological needs such as food insecurity.

In addition to our small community grant programme we continue our partnership with Comic Relief, who share our values and have been supporting organisations in the UK to bring about social change for over thirty years. We are working with them to fund several organisations here in the UK that provide safe social spaces, mentoring and work and social skills. We're aiming to raise £3m over the next four years.

I would also like to take the opportunity to thank the existing Trustees for their contribution to the Board. They are fully committed to helping young people fulfil their potential through the activities of the Foundation and its partner organisations. Cath Stamper took the decision to step down in May and I would like to extend my thanks for her contribution. In combination with the resignation of Huw James in late 2019, there were vacancies left on our Board so we were thrilled to welcome Simon Coates, KFC Franchisee; Nichola Newman, former charity CEO, fundraiser and currently a charity consultant who brings expertise in charity governance, fundraising and grant making; Alvin Owusu, recent graduate who runs his own social enterprise and works for Children in Need, to help us on the journey of ensuring our beneficiaries are represented at a board level. All three bring a passion for the purpose of the Foundation and in their short time have been able to add huge value, I welcome them to the Board and thank them for joining us.

Thank you to everyone who has been involved; we have been inspired by the work of our teams, communities and partner organisations and are facing the next year determined to continue making a difference.

Paula Mackenzie
Chair of Trustees

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KFC FOUNDATION

Trustees' Report

Period from 30 December 2019 to 27 December 2020

The Trustees present their Annual Report and Accounts for the period ended 27th December 2020. In preparing this report and accounts the Trustees have complied with the Charities Act 2011, the Foundation's Constitution and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The KFC Foundation is registered with the Charity Commission in England and Wales (number 1163560) and the OSCR in Scotland (number SC046098). Legal and other information relating to the Foundation set out above lists the Trustees and principal advisors of the Foundation and forms part of this report.

Structure, Governance & Management

Organisational Structure

The Foundation is constituted as a Charitable Incorporated Organisation and, therefore is governed by a Constitution and has no share capital.

Governance

All Trustees named on page 3 served through the period unless otherwise stated. The Trustees have been chosen for their commercial, community, lived experience and charitable expertise, as well as their commitment to the aims and philosophy of the Foundation.

The Foundation is organised so that the Trustees meet quarterly to manage the Foundation's affairs. Trustees and new Trustees are aware of their duties to further the purposes of the Foundation, to ensure that the Foundation carries out its purposes for the public benefit and to act in the best interests of the Foundation by ensuring that resources are responsibly managed. The Trustees are senior leaders in Kentucky Fried Chicken (Great Britain) Limited ("KFC"), from the Franchisee community and externals with charitable experience and thus have the appropriate skills and diligence to be acting as Trustees of the Foundation. In 2020 we also took the decision to appoint a Trustee to represent the voice of our beneficiaries.

New Trustees are appointed for a term of three years and, in accordance with the Foundation's Constitution, are provided with a copy of the current version of the Constitution and a copy of the Foundation's latest Trustees' Annual Report and statement of accounts upon appointment, as well as a copy of the Charity Commission's "Essential Trustee" guidance and offered the opportunity to complete a Trustee training course.

Management

The key management of the Foundation comprise the Trustees and 1 employee of KFC whose salary is recharged to the Foundation in charge of directing and controlling, running and operating the charity.

The day-to-day operation of the Foundation is carried out by the Functional Team (Louise Norris, Anastasia Miller Alan Johnson and Julian Thomas). All four are employees of KFC, Anastasia, Alan and Julian gift their time and expertise to the Foundation (and are therefore not remunerated from Foundation funds), as such between Anastasia and Alan they have volunteered approximately 70 hours and Julian 12 hours during the period of this report. Louise's salary is recharged to the Foundation.

Anastasia Miller and Alan Johnson are responsible for administering the Foundation's bank account and oversee the payment of grants from Foundation funds and Julian Thomas is our Gift Aid Secretary.

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Other employees of KFC also gift their time and expertise to the Foundation where necessary for example for social media, marketing and digital ventures.

Louise Norris manages the Foundation's partnerships with partner organisations on behalf of the Foundation, planning and activating fundraising mechanisms, grant making, communication, strategic direction and the day to day running of the Foundation including regulation and compliance.

Objectives & Activities

The principal objects for which the Foundation was established are such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Trustees may from time to time determine with a particular emphasis on advancing in life and relieving the needs of young people.

A summary of the activities that the Foundation has carried out in pursuance of its principal objectives can be found below.

Mission & Vision

The KFC Foundation vision is to create a world in which every young person is empowered to challenge the barriers to aspiration and fulfil their potential to become leaders of the future. And our mission it to empower young people in the UK to fulfil their potential and build a positive future by providing spaces that allow young people to feel safe and secure, helping them to unlock talent, build life skills, provide mentoring and improve their chances to gain meaningful employment. Both have been inspired by the founder of KFC, Colonel Sanders.

The KFC Foundation makes grants to support organisations in the heart of the community who provide spaces that allow young people to feel safe and secure, helping them to unlock talent, build life skills, provide mentoring and improve their chances to gain meaningful employment. This aligns strongly with our business values, expertise and team member and guest demographics.

In May 2020 the Foundation concluded its partnerships with the regional charities that it had been working with for the last 2 years, to move to a more hyper local focussed community grant making programme. The projects that the Foundation makes grants to support work, in many cases, with the most vulnerable young people in their community. They share our passion for empowering young people to help them reach their full potential. Through its new community grant programme the Foundation was able to support numerous projects and young people in 2020.

Achievements & Performance

How you gave your support in 2020

Our total net income in 2019-2020 was: £869,239

This was made up of:

Countertop donation boxes: £99,085
Product donations: £608,298
Kiosk Donations: £143,291
Ad hoc donations: £18,565

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KFC FOUNDATION

Trustees' Report

Period from 30 December 2019 to 27 December 2020

How we used the money you gave in 2020

The Foundation made grants to the following charities in the amounts set out below (expressed as a percentage of the total sum raised during 2019-20):

	2019 - 2020		2018 - 2019	
Charity Name and Charity Number	**Amount Donated**	**Percentage**	**Amount Donated**	**Percentage**
Kids Inspire – Essex (1129513)	£5,000	0.9%	£22,948	3.3%
Childhood Trust (1154032)	£6,500	1.1%	£13,261	1.9%
Focus Charity (1068467)	£5,000	0.9%	£19,440	2.8%
Mentoring Plus (1112534)	£5,000	0.9%	£26,308	3.8%
London Youth Support (1086850)	£5,000	0.9%	£13,261	1,9%
Young Lives Foundation (1119528)	£5,000	0.9%	£35,124	5.0%
Boys & Girls Club (1009142)	£5,000	0.9%	£12,817	1.8%
Positive Futures (1145598)	£5,000	0.9%	£10,231	1,5%
Young People First (1056035)	£6,000	1.0%	£25,003	3,6%
GMYN (1151897)	£5,000	0.9%	£27,645	3,9%
Action4Youth (1033626)	£5,000	0.9%	£23,610	3.4%
Workingrite CIC (SC042604)	£6,500	1.1%	£21,126	3,0%
Youth Association (519883)	£5,000	0.9%	£25,016	3,6%
Keyfund Federation (1093569)	£5,000	0.9%	£11,512	1,6%
Include Youth (103383)	£5,000	0.9%	£12,695	1,8%
Other Grants £2,000 and under	£44,589	7.6%	-	-
Comic Relief (325658 & SCO39730)	£459,350	78.8%	£400,000	57.1%

What we did in 2020

Despite being a tough year in the sector the Foundation still had a busy one. As noted in the Chair's report we continue to review governance and capability of the Trustee Board. As a result of 2 Trustees resigning we identified the need to backfill a representative of the KFC Franchise Community and a Trustee who would bring experience serving on a board of a charity, charity foundation or working closely with a charity board and excellent, up to date knowledge of best practice and governance of the charity sector. To that end we were thrilled to appoint Simon Coates and Nichola Newman. Through the recruitment process we had our eyes opened and were inspired to commence a journey of having the voice of our beneficiaries represented at a board level, to that end we were also thrilled to appoint Alvin Owusu.

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KFC FOUNDATION

Trustees' Report

Period from 30 December 2019 to 27 December 2020

Community Grant Making

In a landscape where, as a result of the pandemic youth unemployment is at 14.3% and 83% of young people are reporting worsened mental health as a result of the lockdowns we turned our attention to grant making. We ended our 2-year partnerships in May 2020 with a conservative grant to all 15 charities. We are pleased to say we were able to review this again in early 2021 and make an additional final grant to each recipient charity as 2020 did not prove as detrimental from an income perspective as we had first forecast.

In the early part of the year, ahead of the pandemic we ran our now annual raffle at the KFC Restaurant Support Centre to raffle gifts received by employees from suppliers that exceed the gifts policy, raising £951.00. For the first time we also ran a raffle at KFC's Restaurant General Manager Fest raising £3,130 and gave guests the opportunity to bring items of use to our charity partners to donate (toiletries, games, stationery etc) both mechanics were well received.

In Autumn we launched the first grant funding call for our hyper-local community grant making programme, harnessing the power of "charity begins at home". The programme is supporting:

- Young people aged 11-25 years old
- Those in a position of social disadvantage
- Organisations which empower young people to fulfil their potential and build a positive future
- Organisations with an annual income of no more than £300,000, operating in the heart of our communities

Making grants of up to £2,000.

We received 372 grant applications during the first funding call and shortlisted 141 of those applications of which 30 were successfully awarded, the ambition is to grow the programme to support an organisation in every community that KFC is represented in.

Comic Relief Partnership

We continued our partnership with Comic Relief that commenced in 2019 but with the onset of Covid we reviewed our commitment to them and in the partnership agreement with them agreed to spread our £3m commitment over 4 years instead of the originally agreed 3 years to March 2023, offering us the benefit of an additional Red Nose Day campaign to activate against.

We began preparations for the 2021 Red Nose Day campaign which spanned across a variety of platforms; radio, restaurant assets, merchandise, social media etc.

Fundraising

On 23rd March 2020 the UK went into National Lockdown as a result of the coronavirus (Covid-19) outbreak which had spread worldwide and caused extensive disruption to businesses as well as economic activities globally. All non-essential businesses were forced to closed, as such all KFC restaurants were closed for a minimum of 2 weeks and Foundation income was switched off overnight. Various degrees of Lockdowns have continued throughout 2020 and 2021 also affecting restaurants in varying degrees. KFC have seen an almost wholesale move to digital payment; we saw the already declining use of charity cash boxes reduce further (62% decline v. prior year). Kiosk payments also suffered a significant level of decline (35% decline v. forecast) as even with restaurants being able to reopen for takeaway many guests preferred to use the drive through or delivery channels available rather than be in restaurant. One upside came through the increased use of delivery channels and the increased purchase of the Sharing Buckets which has the restricted 5p donation to Comic Relief associated with it (17.4% increase v. prior year).

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KFC FOUNDATION

Trustees' Report

Period from 30 December 2019 to 27 December 2020

At the time of writing the annual report last year we had predicted a 35% decline in income and we are pleased to report that we in fact closed the year with a 25% decrease in income.

Following the advice issued by the UK Government in March 2020 employees continue working from home and we have enacted procedures to facilitate this including support functions such as finance and administration to continue whilst employees are not physically present in the Foundation's office.

In addition to making grants and donations the Foundation is keen to build partnerships with the organisations it supports by offering volunteering opportunities to KFC Teams. Another significant downside of Covid has been the inability to offer the opportunity to engage with charity partners through summer events and cooking Christmas dinner which had been growing in popularity. It was obviously impossible for these events to occur but KFC Teams did donate approximately 110 hours to supporting with the shortlisting process of the grant making.

Impact

We are extremely proud of the impact that the Foundation is making across the UK with its partner organisations, here are just a few examples of what they have to say about the grants the Foundation has provided.

"The recent grant from the Foundation gave us the opportunity to provide extra assistance and support to vulnerable young people over the Covid 19 health crisis. Activities have included purchasing laptops and tablets for young people, purchasing electric and mobile phone top ups, and extra essential skills and learning resources." Andrew Armstrong – Partnership Coordinator – Include Youth.

"Our Wigzee Woo project was also partly funded by the KFC Foundation funding. This project was running on a weekly basis and gave young people who wished to be involved the chance to design and make headpieces for children who may have lost their hair due to medical problems. Wigzee Woo is a charity centred on crocheting wigs for children going through cancer treatment." Karen Harris – Operations Manager – Positive Futures

And some feedback from some of the projects from our community grants programme who are just coming to the end of their projects:

"We have been overwhelmed with the great support the KFC Foundation has given us - not just the grant but also products donated by KFC partners which have been amazing – esp. the mental health kit items." Jane Dyer – Brendan's Bridge

"Thank you for giving us the opportunity to pilot this incredible programme. We have learnt so much from delivering the programme and despite its success, we now know what to expect and how to make it more impactful in future." Emmanuel Ebokosia – True Cadence CIC

The Foundation has met some of its objectives for 2020; it has continued to improve its governance and capability, it reached a mutually beneficial agreement with Comic Relief in regards to its commitment and it transitioned to a small community grant maker starting its journey to have an impact on each community that KFC serves. We did not reach our fundraising target of £1.16m however under the circumstances we had a more positive end of year outcome than had been anticipated in March 2020.

Public Benefit

The Trustees confirm that they have referred to the guidance set out in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives. The benefits are clearly set out in the Achievements & Performance section above.

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KFC FOUNDATION

Trustees' Report

Period from 30 December 2019 to 27 December 2020

The Trustees review the Foundation's activities against its aims and objectives on an ongoing basis and are satisfied that all activities continue to be related to the Foundation's purpose. The beneficiaries are vulnerable young people, primarily from deprived backgrounds who are at risk of dropping out of education, becoming involved in gangs, lack a stable role model, are struggling to find employment and are likely to continue the cycle of poverty. The charities we make grants to seek to mitigate against these by providing safe spaces, mentoring, counselling, training and education.

Financial Review

Statement of Financial Activities

The Foundation is operated on a cash basis. The Foundation pays grants to its charity partners once it has received sufficient sums into its bank account, thus ensuring that the Foundation does not go into deficit.
The principal funding sources during the financial period were as follows:

- Countertop donation boxes (11%)
- Product contribution (70%)
- Kiosk donations (17%)
- Ad hoc donations (2%)

Assets

The only assets that the Foundation holds are cash and cash equivalents (including receivables), there are no funds held as a custodian trustee on behalf of any others.

Investments

The Foundation does not hold any investments and only keeps money in its NatWest bank account.

Reserves

The foundations reserves are continually reviewed considering latest forecasts to ensure the Foundation can cover costs, committed grants and donations. The statement of financial position shows total funds of £759,352 (2019 - £538,660) of which £482,980 are unrestricted funds (2019 - £420,586). £276,372 are restricted and are not available for the general purposes of the charity (2019 - £118,074).

Plans for the Future

In 2020 the Trustees and senior leadership team at KFC UK&I reached a clear position on the role of the Foundation and how it fits with the Comic Relief partnership. The partnership with Comic Relief continues to be with the KFC Foundation created to drive awareness of the Foundation and its mission among KFC guests, awareness of the Foundation currently stands at 18% among guests. The projects supported through Comic Relief are absolutely in line with the mission of the Foundation, but they are much larger grants to much larger organisations with greater geographical reach.

The role of the Foundation is to harness the power of "charity starts at home" supporting organisations in the heart of communities that KFC serves, helping to make KFC Teams proud to work for KFC. Of the 30 grants that were made in 2020, 27 were within 3 miles of a restaurant. We want to grow this grant programme so we are supporting an organisation in every community that KFC is represented in and are working to understand how we can build a more relational approach with everyone we interact with and with our grantees how can we create symbiotic relationships that make us all more sustainable.

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We are also commencing a journey to empower young people within the Foundation; how we harness the voices of young people to ensure we are investing where we should and to promote young people's leadership as community leaders of the future.

We are also taking a number of steps to invest in the resource of the Foundation, we will be recruiting for an entry level administrator who will be representative of our beneficiaries to support with grant making, communications and empowering young people within the Foundation. The Foundation will also be making an investment in headcount in the KFC Marketing Team by subsidising a person to support with the Comic Relief campaign and marketing of the Foundation.

Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the Foundation, its beneficiaries, partners and stakeholders and our wider society. As Foundation beneficiaries all work with vulnerable young people they have all been allowed to continue to operate face to face in small numbers and with social distancing in place through all subsequent lockdowns, requiring financial support more than ever. Future Lockdowns pose a risk to the Foundation income but we do not anticipate that future Lockdowns will result in the wholesale closure of restaurants as we saw in March 2020. However, should such a circumstance occur the Trustees are able to reduce expenditure in line with the fall in income, it is not anticipated at the current time that the overall financial position of the Foundation will be adversely affected or its financial solvency threatened.

Risk Management

The Trustees have considered the major governance, operation, financial, external and compliance risks which the Foundation faces, and we have processes in place to ensure that those risk are regularly reviewed and mitigating steps taken as necessary. The three risks that would have the highest impact to the operation of the Foundation are a decrease in income (either as a result of having one principle funder or from the pressure of high street sales or as a result of further lockdowns forcing restaurant closures), the reputational risk created by KFC UK&I's franchise model and our inability to separate funds and the conflict of interest of the KFC UK&I leadership team sitting on the Board of Trustees. We are mitigating against a decrease in income by exploring other fundraising avenues which are less reliant on a donors physical presence in KFC restaurants, we are closely monitoring and forecasting income levels and adapting our expenditure in accordance and we are maintaining close communication with all partners (Comic Relief, partner organisations and franchisees) to manage expectations about commitments. In terms of separation of funds this is something we monitor very closely; we are able to track and report on donations made in every restaurant and we have strict deadlines in place for recovering funds and processes in place to ensure the timely payment of Foundation invoices. Finally, conflict of interest is an inherent risk with members of the KFC Leadership Team sitting on the Foundation board however we have agreed the protocol for the disclosure of potential conflicts, procedures for Trustees standing down on certain decisions and this is documented in our Conflict of Interest policy.

Fundraising Policy

The Foundation's approach to fundraising is to predominantly use the relationship with KFC UK&I, its employees and guests to raise funds through the sale of products or fundraising activities. We do not carry out street fundraising, nor do we undertake fundraising mail shots or telephone canvassing. We work with KFC UK&I to ensure that any fundraising complies with best practice. Fundraising is monitored by the Trustees of the Foundation and we also monitor any fundraising complaints (none were received during the year 2019/20) and we always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate.

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KFC FOUNDATION

Trustees' Report

Period from 30 December 2019 to 27 December 2020

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under the Constitution of the charity and charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The Trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the income and expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations or have no realistic alternative but to do so.

The Trustees are required to act in accordance with the Constitution of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, those statements of accounts comply with the requirements of regulations under those Acts. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Provision of information to auditor

So far as each Trustee is aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- 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.

Approval

07-Sep-21

This report was approved by the Trustees on …… and signed on its behalf.

DocuSigned by:
Paula Mackenzie
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Chair of Trustees

Paula Mackenzie

For further information contact:
KFC FOUNDATION
Orion Gate, Guildford Road, Woking, GU22

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KFC FOUNDATION

Independent auditor's report to the members of KFC Foundation

Period from 30 December 2019 to 27 December 2020

Opinion

We have audited the financial statements of KFC Foundation (the 'charity') for the period ended 27 December 2020 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including the accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charity's affairs as at 27 December 2020 and of its income and expenditure for the period 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Financial statements (Scotland) Regulations 2006 (as amended).

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 charity 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.

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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 charity'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 Trustees are responsible for the other information. The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Financial statements (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' annual report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees 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.

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In preparing the financial statements, the Trustees are responsible for assessing the charity'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 charity 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.

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 is detailed below:

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following laws and regulations were most significant: Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Financial statements (Scotland) Regulations 2006 (as amended).
- We understood how the charity is complying with these legal and regulatory frameworks by making enquiries to Trustees and those responsible for legal and compliance procedures. Through our enquiries we corroborated these views by our review of Trustees' minutes.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
    - Enquiries with management, whether they have any knowledge of any actual, suspected or alleged fraud;
    - Challenging assumptions and judgements made by Trustees and management in their significant accounting estimates.
    - Identifying and testing journal entries.
    - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Financial statements (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Date: 29 September 2021

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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KFC FOUNDATION

Statement of Financial Activities

Period from 30 December 2019 to 27 December 2020

	Notes	Unrestricted funds	Restricted funds	Period from 30 Dec 2019 to 27 Dec 2020 Total funds £	Unrestricted funds	Restricted funds	Period from 24 Dec 18 to 29 Dec 2019 Total funds £
Income from Donations							
Counter Top Takings	3	99,085	-	99,085	257,337	-	257,337
Product Contribution	3	-	608,298	608,298	-	518,074	518,074
Scratch Cards	3	-	-	-	257,626	-	257,626
Kiosk Donation	3	143,291	-	143,291	64,469	-	64,469
Other Donation	3	9,215	9,350	18,565	87,224	-	87,224
Total Income		251,591	617,648	**869,239**	666,656	518,074	**1,184,730**
Expenditure on Charitable Activities							
Donations to Charity		(123,589)	(459,350)	(582,939)	(298,997)	(400,000)	(698,997)
Support costs	4	(65,608)	-	(65,608)	(89,489)	-	(89,489)
Total Expenditure		(189,197)	(459,350)	**(648,547)**	(388,486)	(400,000)	**(788,486)**
Net Movement in Funds		62,394	158,298	**220,692**	278,170	118,074	**396,244**
Reconciliation of Funds:							
Fund balances at 29 December 2019		420,586	118,074	538,660	142,416	-	142,416
Fund balances at 27 December 2020		482,980	276,372	**759,352**	420,586	-	**538,660**

There were no recognised gains or losses in the current or preceding periods other than those disclosed in the statement of financial activities.

The notes on pages 20-25 form part of these financial statements.

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KFC FOUNDATION

Statement of Financial Position

At 27 December 2020

	Notes	27 Dec 2020 £	29 Dec 2019 £
Current Assets			
Cash at bank and in hand		684,944	259,524
Debtors	6	100,704	315,546
Liability			
Creditors falling due within one year	7	(26,296)	(36,410)
Net Assets		**759,352**	**538,660**
Funds:			
Restricted Funds	8	276,372	118,074
Unrestricted General Fund	8	482,980	420,586
		759,352	**538,660**

The financial statements where approved and authorised for issue by the Board of Trustees on 07-Sep-21 and signed on its behalf:

DocuSigned by:
Paula Mackenzie
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Paula Mackenzie

The notes on pages 20-25 form part of these financial statements.

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KFC FOUNDATION

Statement of Cash Flows

Period from 30 December 2019 to 27 December 2020

	Notes	**Total funds 2020 £**	Total funds 2019 £
Net cash provided by operating activities	9	425,420	179,633
Change in cash and cash equivalents in the period		**425,420**	**179,633**
Cash at start of the period		259,524	79,891
Cash at end of the period		684,944	259,524

The notes on pages 20-25 The following accounting policies form part of these financial statements.

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KFC FOUNDATION

Notes to the Financial Statements

Period from 30 December 2019 to 27 December 2020

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements:

Basis of preparation of financial statements

KFC Foundation is a Charitable Incorporated Organisation registered with the Charity Commission in England and Wales (number 1163560) and with OSCR in Scotland (number SC046098). These financial statements have been prepared for the period from 30 December 2019 to 27 December 2020 with comparative information given in respect to the period from 24 December 2018 to 29 December 2019.

The financial statements have been prepared in accordance 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 United Kingdom 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 Charities Act 2011.

The financial statements have been prepared under the historical cost convention.

The KFC Foundation is a public benefit entity.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
Other than the assessment of going concern below, the preparation of the financial statements did not require the Trustees to make any significant judgements or estimates.

Fund accounting
Restricted funds are those to be used in accordance with specific instructions imposed by donors or have been raised by the charity for specific purposes.

Income recognition
Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated services and facilities
Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with Charities SORP (FRS 102), the general volunteer time of KFC GB staff is not recognised.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Expenditure comprises grants payable as part of the Foundation's charitable activities, as well as administrative costs pertaining to the charity and it's grant-making. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions.

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1. Accounting Policies (continued)

Expenditure recognition (continued)

Grants approved but not paid at the end of the financial period are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements. All grants are made to institutions and the names of the charities that received grants during the year are detailed in the Trustees' report.

Governance costs comprise the costs involving the public accountability of the charity and costs in respect to its compliance with regulation and good practice (including audit costs, bank charges and consultant fees).

Cash at bank and in hand
Cash at bank and in hand includes cash in hand and cash held in the bank current account.

Debtors
Debtors are recognised at the settlement amount, less any provision for non-recoverability.

Creditors
Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and amount due to settle the obligation can be measured or estimated reliably.

Financial instruments

The KFC Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Going concern
Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the Foundation, its beneficiaries, partners and stakeholders and our wider society. Future Lockdowns pose a risk to the Foundation income but we do not anticipate that future Lockdowns will result in the wholesale closure of restaurants as we saw in March 2020. However, should such a circumstance occur the Trustees are able to reduce expenditure in line with the fall in income, it is not anticipated at the current time that the overall financial position of the Foundation will be adversely affected or its financial solvency threatened.

The Trustees have therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to prepare these financial statements on a going concern basis. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

2 Related party transactions and Trustees' expenses and remuneration

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity.

The Trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind. During the year, expenses totalling £48 (2019: £107) were reimbursed to one Trustee (2019: one). There are no other related party transactions that require disclosure in the financial statements (2019: none).

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3 Income

Income has been split into donations by KFC GB Limited ('KFC') and its franchises as follows

	Unrestricted £	Restricted £	**30 Dec 2019 to 27 Dec 2020 Total £**
Scratch cards - franchisees of KFC	-	-	-
Scratch cards - KFC	-	-	-
KFC - product contribution	-	56,692	56,692
Franchisees of KFC - product contribution	-	551,606	551,606
KFC counter top donations	9,052	-	9,052
Franchisees of KFC - counter top donations	90,033	-	90,033
KFC - kiosk donations	10,470	-	10,470
Franchisees of KFC– kiosk donations	132,822	-	132,822
Other donations	8,813	9,350	18,163
Pennies for change	401	-	401
Gift in kind	-	-	-
	251,591	617,648	**869,239**

	Unrestricted £	*Restricted £*	***24 Dec 2018 to 29 Dec 2019 Total £***
Scratch cards - franchisees of KFC	239,913	-	239,913
Scratch cards - KFC	17,713	-	17,713
KFC - product contribution	-	47,022	47,022
Franchisees of KFC - product contribution	-	471,052	471,052
KFC counter top donations	20,666	-	20,666
Franchisees of KFC - counter top donations	236,671	-	236,671
KFC - kiosk donations	5,563	-	5,563
Franchisees of KFC– kiosk donations	58,906	-	58,906
Other donations	58,344	-	58,344
Pennies for change	620	-	620
Gift in kind	28,260	-	28,260
	666,656	518,074	1,184,730

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4 Support costs

	Unrestricted £	**30 Dec 2019 to 27 Dec 2020 Total £**	24 Dec 2018 to 29 Dec 2019 Total £
Bank charges	679	679	630
Consultant fees	2,830	2,830	21,244
Audit fees	10,000	10,000	10,000
Gift in kind	-	-	28,260
Staff costs	44,641	44,641	29,335
Other Expense	7,458	7,458	-
Total support costs	65,608	**65,608**	89,489

All support costs related to unrestricted funds in the above periods. Included in support costs are the following governance costs.

	Unrestricted £	**30 Dec 2019 to 27 Dec 2020 Total £**	24 Dec 2018 to 29 Dec 2019 Total £
Consultant fees	1,380	1,380	9,242
Audit fees	10,000	10,000	10,000
Total governance costs	11,380	**11,380**	19,242

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5 Salaries & Wages Disclosures

(a) Staff costs

Staff costs during the period were:

	30 Dec 2019 to 27 Dec 2020 £	24 Dec 2018 to 29 Dec 2019 £
Wages and salaries	37,367	24,467
Social security costs	3,506	2,177
Pension costs	3,768	2,691
	44,641	29,335

All staff costs were cross charged from Kentucky Fried Chicken (Great Britain) Limited.

(b) Staff numbers

The average number of persons (including the senior management team) employed during the period ended 27 December 2020 was 1 (2019 - 1).

(c) Higher paid staff

No employees earnt over £60,000 in the period (2019 - none).

(d) Key management personnel

The key management personnel of the Foundation comprise of the Trustees and a KFC employee whose salary is recharged to the foundation. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Foundation was £44,641 (2019 - £29,335).

6 Debtors

	27 Dec 2020 £	29 Dec 2019 £
KFC GB Ltd	10,847	9,914
Franchises of KFC GB Ltd	89,857	305,632
	100,704	315,546

7 Creditors

	27 Dec 2020 £	29 Dec 2019 £
Audit fees accrual	18,800	19,600
Trade creditors	7,496	16,810
	26,296	36,410

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8 Analysis of net assets between funds

	Unrestricted General fund £	Restricted funds £	**Total funds 27 Dec 2020 £**	Unrestricted General fund £	Restricted funds £	**Total funds 29 Dec 2019 £**
Fund balances at the period end are represented by:						
Current assets	509,276	276,372	785,648	456,996	118,074	575,070
Current liabilities	(26,296)	-	(26,296)	(36,410)	-	(36,410)
Total net assets	482,980	276,372	**759,352**	420,586	118,074	538,660

The restricted funds in 2019 & 2020 relate to income received from product contributions which will be given as donations to Comic Relief.

9 Net cash provided by operating activities

	30 Dec 2019 to 27 Dec 2020 £	24 Dec 2018 to 29 Dec 2019 £
Net movement in funds	220,692	396,244
Decrease/(increase) in debtors	214,842	(243,421)
(Decrease)/increase in creditors	(10,114)	26,810
	425,420	179,633