



# ANNUAL REPORT

PERIOD ENDED  
26th DECEMBER 2021

# 20 21

**PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021**

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## OFFICERS AND PROFESSIONAL BODIES 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**




## 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.



## STATEMENT FROM OUR CHAIR OF TRSUTEES PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021

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.

James Fletcher  
Chair of Trustees

*James Fletcher* 18-Jul-22





## 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.

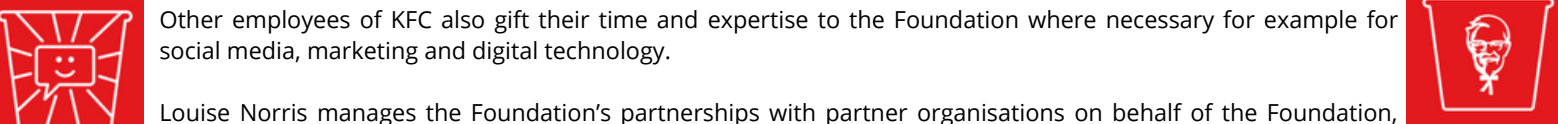




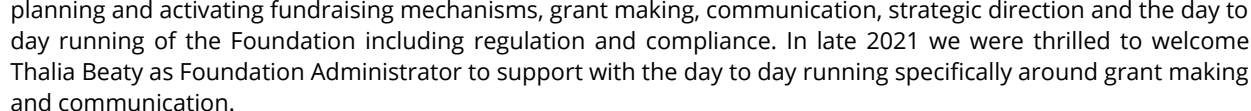
## TRUSTEES REPORT



### PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021



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.

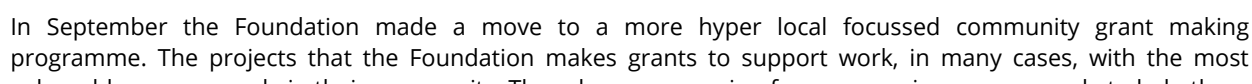
A summary of the activities that the Foundation has carried out in pursuance of its principal objectives can be found below.



#### 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



KFC



## 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):

Charity Name and Charity Number	2020 - 2021		2019 - 2020	
	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 & SC039730)	£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





## TRUSTEES REPORT

### PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021



leaving their 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



## TRUSTEES REPORT

### PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021

**£106,234** paid outThe 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



## TRUSTEES REPORT


### PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021



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).





## TRUSTEES REPORT

### PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021




#### 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 adaptations 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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#### 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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**TRUSTEES REPORT**  
**PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021**

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

*James Fletcher* 18-Jul-22

Chair of Trustees

For further information contact:

KFC FOUNDATION  
Orion Gate, Guildford Road, Woking, GU22

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KFC FOUNDATION

## PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021

### 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.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KFC FOUNDATION

## PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021

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:
  1. Enquiries with management, whether they have any knowledge of any actual, suspected or alleged fraud;
  2. Challenging assumptions and judgements made by Trustees and management in their significant accounting estimates.
  3. Identifying and testing journal entries.
  4. 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KFC FOUNDATION PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021

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](http://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**  
**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

## STATEMENT OF FINANCIAL ACTIVITIES

### PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021

	Notes	Period from 28 Dec 2020 to 26 Dec 2021 £			Period from 30 Dec 2019 to 27 Dec 2020 £		
		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
<b>Income from Donations</b>							
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
<b>Total Income</b>		<b>422,748</b>	<b>1,040,463</b>	<b>1,463,211</b>	<b>251,591</b>	<b>617,648</b>	<b>869,239</b>
<b>Expenditure on Charitable Activities</b>							
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)
<b>Total Expenditure</b>		<b>(338,835)</b>	<b>(985,415)</b>	<b>(1,324,250)</b>	<b>(189,197)</b>	<b>(459,350)</b>	<b>(648,547)</b>
<b>Net Movement in Funds</b>		<b>83,913</b>	<b>55,048</b>	<b>138,961</b>	<b>62,394</b>	<b>158,298</b>	<b>220,692</b>
<b>Reconciliation of Funds:</b>							
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.

## STATEMENT OF FINANCIAL POSITION

AT 26 DECEMBER 2021

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

The financial statements were approved and authorised for issue by the Board of Trustees on ..... and signed on its behalf:

*James Fletcher* 18-Jul-22

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



## 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		<u>(68,951)</u>	<u>425,420</u>
Cash at start of the period		684,944	259,524
Cash at end of the period		<u>615,994</u>	<u>684,944</u>

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.



# NOTES TO THE FINANCIAL STATEMENT


## 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 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.



# NOTES TO THE FINANCIAL STATEMENTS

## PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021

### 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).

## NOTES TO THE FINANCIAL STATEMENTS PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021

	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



## NOTES TO THE FINANCIAL STATEMENTS PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021

### 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
<b>Total support costs</b>	<b>82,601</b>	<b>82,601</b>	<b>65,608</b>

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
<b>Total governance costs</b>	<b>10,730</b>	<b>10,730</b>	<b>12,830</b>

## NOTES TO THE FINANCIAL STATEMENTS PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021

### 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
	<b>57,240</b>	<b>44,641</b>

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 earned 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
	<b>305,715</b>	<b>100,704</b>

### 7 Creditors

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

## NOTES TO THE FINANCIAL STATEMENTS PERIOD FROM 28 DECEMBER 2020 TO 26 DECEMBER 2021

### 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 £
<b>Fund balances at the period end are represented by:</b>						
Current assets	590,289	331,420	921,709	509,276	276,372	785,648
Current liabilities	(23,396)	-	(23,396)	(26,296)	-	(26,296)
<b>Total net assets</b>	<b>566,893</b>	<b>331,420</b>	<b>898,313</b>	<b>482,980</b>	<b>276,372</b>	<b>759,352</b>

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)
	<b>(68,951)</b>	<b>425,420</b>