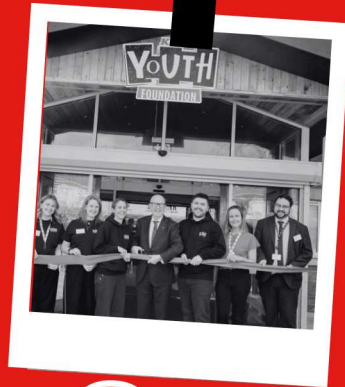


KFC FOUNDATION

(WORKING NAME KFC YOUTH FOUNDATION)



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KFC
YOUTH
FOUNDATION



@kfcyouthfoundationuk



www.kfcyf.org.uk

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



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OFFICERS AND PROFESSIONAL ADVISORS

Legal and Foundation Information

Trustees	Damon Boughen (appointed 2 April 2025) Daniel Mark Carr Jonathan Davies James Fletcher (Chair) Nichola Newman (Deputy Chair) Claire Owen (appointed 13 February 2025) Ella Smith (appointed 24 November 2025) Clara Snow Michael Williams
Secretary	Louise Norris (Foundation Manager)
Registered Office	Orion Gate, Guildford Road, Woking, GU22 7NJ
Registered Charity Number	1163560 in England and Wales SC046098 in Scotland

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



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2025 was a year of purposeful growth and transition for the KFC Youth Foundation. We operationalised our services through the opening of our first Hub, scaling frontline activity and bringing our employability programme, Hatch, in-house. Alongside this, we strengthened our Community Grants Programme by aligning it more closely with our core impact priorities and invested significantly in the people, policies and systems needed to deliver safe, high-quality youth work at scale.

This progress took place against a challenging backdrop for the youth sector. Local authority spending on youth services remains severely depleted, falling by approximately 73% in England since 2010, with hundreds of council-run youth centres closed and substantial workforce losses. While recent government initiatives such as the Youth Guarantee and Youth Investment Fund signal renewed policy focus, the level of need remains high. In November 2025, 13.7% of 16-24-year-olds – around 946,000 young people – were not in education, employment or training, underlining the continuing challenge of the transition from school to work.

The KFC Youth Foundation remains closely aligned with the Government's National Youth Strategy through its commitment to place-based, community-led youth work, early intervention and youth empowerment. We invest in locally rooted organisations and deliver accessible youth spaces that prioritise trusted relationships, wellbeing and progression, ensuring our work complements and strengthens the wider youth system.

In April, we opened the first KFC Youth Foundation Hub in Middlesbrough. The launch was marked by strong engagement from local stakeholders, including MPs, youth organisations and the Mayor. Most importantly, it was clear from the outset that young people were taking ownership of the space, with parents already recognising the Hub as a vital local resource. Although the Hub had been open for only nine months by the end of the financial year, its impact was already evident: 1,895 engagements with young people through programmes, 1,553 free meals provided, and 283 hours of youth work delivered.

At the end of 2024, the Foundation was given the opportunity to directly deliver an employability programme. We are grateful to the Yum! Foundation and its Unlocking Opportunity Programme for their generous support of approximately £500,000 across 2025/26, enabling Hatch – previously delivered in partnership with UK Youth – to be brought into the Foundation. Hatch supports young people facing barriers to sustainable employment by building skills and offering paid work experience. Trustees agreed to deliver the programme as a two-year pilot, recognising the added value it brings to our overall offer. During 2025, we also began a partnership with the Department for Work and Pensions to deliver Hatch in three additional locations. Over the year, 115 young people engaged in the programme; 62% progressed into education, employment or training within three months of completion, and 63% were retained through to programme completion.

Our Community Grants Programme was also reviewed and refined during the year, with revised criteria introduced to strengthen alignment with the Foundation's impact priorities. While 2026 will be the first year of delivery under the revised framework, 2025 was an exceptional year for the programme. We received 772 applications, around double the number seen in previous years, and concluded the grant round by investing £540,000 in 180 organisations.

I remain deeply impressed by our grant partners, youth workers and, above all, the young people they support. In the face of these challenges, they continue to demonstrate extraordinary agility, resilience and resourcefulness. Their advocacy for young people and determination to create empowering environments is both humbling and inspiring.

To support the scale and pace of change across the Foundation, we grew our staff team from four to twelve during the year. I would like to thank this dedicated group of change-makers, whose commitment and professionalism have made our achievements possible.

I am also delighted to recognise the exceptional support of KFC team members and the generosity of our wider community. Colleagues across restaurants, head office and our franchise network have shown extraordinary commitment through everything from quiz nights to skydiving, enabling the Foundation to continue supporting inspirational organisations across the UK.

Finally, my sincere thanks go to our Board of Trustees. Their commitment and leadership have helped drive the momentum built over the past two years and underpinned the growth and transformation achieved in 2025. We were pleased to welcome Claire Owen, KFC Franchisee, to the Board in February; Damon Boughen in April, bringing income generation and safeguarding expertise; and Ella Smith, KFC Chief Legal Officer, in November 2025.

James Fletcher

James Fletcher
Chair of Trustees



Trustees' Report

The Trustees present their Annual Report and Accounts for the period ended 31 December 2025. 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 (working name KFC Youth 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. 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.

In addition to five annual Board meetings we also have three committees which play a crucial role in the governance and management of the Foundation; the Grant Making Committee, Finance Committee and Safeguarding Committee.

Management

Key management personnel of the Foundation comprise the Trustees, Louise Norris (Foundation Manager), Kelly Read (Finance Manager) and Jennie Barnes (Income Generator), who hold responsibility for the charity's strategy, governance and operational management. The staff team who supports Louise has grown in the year, from three staff members to 12. Three of these staff are contracted to KFC with their salary 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.

Objectives & Activities

The Foundation's main purpose is to support charitable activities for the public benefit, as determined by the Trustees, with a particular focus 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 and Vision

The KFC Youth Foundation's vision is of a world where every young person is empowered to overcome barriers, raise their aspirations and fulfil their potential as the leaders of the future. Our mission is to empower young people across the UK to build positive futures by creating safe and supportive spaces, helping them unlock talent, develop life skills, access mentoring and improve their chances of gaining meaningful employment. We do this through grant making, operating youth hubs and delivering Hatch, our employability programme.

In 2025, we also worked together as a team to develop a new set of organisational values. These values now play an important role in shaping our culture and were embedded into the performance management framework we introduced, helping define not only what we want to achieve as an organisation, but how we work together to achieve it.

Our values

Collaborative

We work together by listening openly, sharing ideas generously and building relationships based on trust and respect. We make decisions with young people, not for them, and bring honesty, kindness and shared purpose to our work with colleagues, communities and young people alike.

Accountable

We take responsibility for our work and for the part we each play in achieving our shared goals. We create an environment where every voice matters, where people feel trusted and supported, and where everyone is encouraged to lead with honesty, purpose and care.

Positive

We bring energy and enthusiasm to everything we do, creating a workplace where people feel connected, supported and motivated. We celebrate success, encourage one another and recognise that positivity helps build stronger teams and better outcomes for young people.

Empowering

We believe in giving both colleagues and young people the tools, support and opportunities they need to grow in confidence and fulfil their potential. It is not about having all the answers, but about creating the conditions in which people feel seen, supported and able to thrive. These values can be seen in different ways across the organisation, whether people are learning, living, leading or championing them in their day-to-day work.

What we did in 2025

Over the course of 2025, the KFC Youth Foundation experienced a period of significant growth and transformation. Having previously operated solely as a grant-making charity, the Foundation took an important step forward by opening its first Youth Hub in Middlesbrough, expanding both its reach and its direct support for young people. Alongside this, our grant making, Hatch programme and fundraising activity all continued to grow, reflecting a year of increasing ambition, wider impact and a more diverse model of delivery.

To support this rapid development, the Foundation invested in building organisational capability and capacity; with new roles strengthening delivery across all areas of the Foundation and supporting the development of an executive team. We also tendered for and implemented a new Salesforce CRM system to improve data management and impact reporting for both the Youth Hub and the Hatch programme, supported by the appointment of a temporary Senior Technology and Business Analyst to help embed the system successfully across the organisation.

This progress has been made possible not only by our staff team, but also by the many volunteers who support activity across the Foundation, including sessional work in our youth clubs, and by colleagues from KFC who generously give their time and expertise. Their support ranges from helping make grant decisions to advancing our use of AI, reducing administrative burden and enabling us to focus more of our resources on delivering meaningful impact.

Community Grant Making Programme

In 2025, the KFC Youth Foundation continued to grow as both a service delivery organisation and a financial partner to communities across the UK. While the Foundation expanded its overall offer during the year, the Community Grants Programme remained central to our mission of supporting young people aged 11-25 who are experiencing economic disadvantage. The programme continues to focus on small, grassroots youth organisations that are deeply rooted in their communities and best placed to respond to local need.

As the Foundation evolved, 2025 provided an important opportunity to reflect on our existing programmes, including grants, and ensure they continued to align with our wider strategy, mission and vision. This review reaffirmed the importance of grant making as a vital form of financial partnership with local organisations, complementing our growing service delivery work and helping us reach young people where support is needed most.

This was also a significant year of development for the Community Grants Programme. We delivered our first full year of two-year grants, giving funded organisations greater stability and confidence to plan ahead. At the same time, the annual grant value increased to £3,000 in recognition of rising costs and the continued financial pressure facing grassroots youth organisations.

800+ applications
received

180 grants paid

£540,000 paid out

During the year, the Foundation paid a record-breaking £540,000 to organisations across multiple grant cohorts. This included 34 organisations receiving a £3,000 one-year grant in 2025. A further 78 organisations received the first year of a new two-year grant, with £3,000 paid in 2025 and a further £3,000 committed for 2026, subject to satisfactory reporting. We also paid second-year instalments to organisations first funded in 2024, who received £2,500 in their first year and £3,000 in 2025. Together, this made 2025 the first year in which the Foundation delivered two-year grant funding at scale.

Funded organisations supported young people facing financial disadvantage and reduced access to opportunity, including those affected by poverty and wider structural inequalities. While delivery models varied, common themes included mentoring and trusted adult support, employability and skills development, and creating safe, inclusive spaces where young people could build confidence, skills and aspiration.

Demand for the Community Grants Programme reached a record high in 2025, with more than 800 applications received. This level of demand reflects both the growing need among young people and the importance of flexible funding for small, community-based organisations. Applications once again far exceeded available funding, underlining the need for a robust and consistent assessment process. Priority continued to be given to organisations that could clearly demonstrate their understanding of the financial barriers facing the young people they support.

Alongside grant awards, we continued to strengthen the way we communicate and engage with funded partners. Clear guidance, accessible information and transparent criteria remained a key part of this work, helping organisations understand both what the Foundation can fund and where we may not be the right fit. Feedback from grantees has reinforced the value of this approach, with one partner describing the Foundation as offering “a modern, flexible approach to grant making”.



Community Grant Making Programme

InUnity

“InUnity were delighted to receive funding from the KFC Youth Foundation. The flexibility of this grant has been particularly valuable, enabling us to respond quickly and appropriately to the emerging needs of young people.”

JP joined Woodpecker Court at 16 after a long period of disengagement from education. He was withdrawn, lacked confidence, and struggled to attend or interact, shaped by previous trauma and low self-esteem. With a reduced timetable, trusted one-to-one support and close work with his family, JP gradually re-engaged. He accessed counselling and careers guidance, and a key turning point came through supported work experience in Woodpecker Court's café, funded through Field to Fork. This helped him build confidence, routine and social skills. JP progressed from Entry Level 1 to Entry Level 3 in English and Maths and is now working towards Level 1 qualifications. He is preparing to study Computing at college, demonstrating how the right environment can re-engage and empower young people.



Woodpecker Wood

“This flexibility also enables our project workers to be more responsive and adaptable to the changing needs of the young people we support. Rather than being constrained by rigid project budgets, unrestricted funding empowers us to adjust our approach, offer timely interventions, and provide holistic, person centred support that reflects the real-world challenges young people face”

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Youth Hub Middlesbrough

The KFC Youth Foundation's Middlesbrough Youth Hub officially opened its doors in April 2025 following refurbishment. The opening was marked by a launch event attended by local MP Andy McDonald, councillors, community partners, local youth organisations and KFC representatives, followed the next day by a community celebration where the Hub welcomed young people and their families into the space.



Since opening, the Hub has provided a safe, supportive and engaging environment for young people in the local community. Through a growing range of programmes and partnerships, it has created opportunities for young people to build confidence, develop life skills and access positive activities.

One of the most important developments this year has been the creation of a Youth Leader Group, helping to ensure that youth voice is embedded across the Hub's work. The group gives young people the opportunity to shape decision-making, share ideas and influence the activities on offer. This has strengthened participation and helped ensure that the Hub continues to reflect the interests and needs of the young people it serves.

Our Monday Night Youth Club remains one of the Hub's core weekly offers and is now operating at full capacity, with up to 32 young people attending each week. These sessions provide a structured but welcoming space where young people can take part in sports, games, discussions and social activities while building positive relationships with their peers.

We have also continued to work closely with local schools to deliver our Screen to Spoon programme, encouraging young people to develop healthier habits through practical cooking and wellbeing activities.

Alongside this, the Hub has delivered a number of more targeted programmes designed to respond to different needs and interests. These include Level Up, a boys' group focused on identity, wellbeing and personal development, and Girls Rising, which has been delivered in three local schools as well as through a dedicated girls' youth club.

Our Beyond Mentorship programme has continued to provide one-to-one support for young people referred by social services, Early Help teams, schools, parents and carers. Through mentoring and tailored support, the programme works with young people facing additional challenges, helping them to build resilience, confidence and more positive pathways for the future.

The Hub also hosted the Mic Drop programme in partnership with KFC and Bauer Academy, creating creative opportunities in media and communication. As part of the programme, participants travelled to London to visit the Kiss FM studios, offering an inspiring opportunity to explore potential career pathways.

In addition to structured programmes, the Hub has continued to offer drop-in wellbeing sessions and holiday activities and food provision during school holidays. These sessions provide safe spaces for young people to socialise, access support and take part in positive activities. Our Stay and Play sessions have also created opportunities for younger children and families to engage with the Hub in a welcoming community setting.

“It can be difficult raising teenagers in the area as there's a lot going on in the community. Knowing my son has somewhere safe to go where he's supported, having fun, and learning new things gives me real peace of mind. The youth hub has become a place where he can grow and be himself.”

Youth Hub Middlesbrough (continued)

Over the course of the year, the Middlesbrough Youth Hub recorded more than 1,895 interactions with young people and served 1,553 meals through its programmes and holiday provision. We also worked in partnership with more than 60 organisations, schools and community groups, helping to strengthen local support networks and widen opportunities for young people.

These achievements have been made possible through the commitment of staff, volunteers and partner organisations, all working together to create a safe, inclusive and empowering environment. The Foundation remains committed to building on this momentum and ensuring that young people in Middlesbrough can continue to access the support, opportunities and encouragement they need to thrive.

1,895 interactions
with young people

1,553 meals
served

60 partner
organisations



“My daughter loves coming to the hub, its a safe place for her to make new friends.”

“I can have fun, learn new stuff, and just be me.”

The Hatch Programme

Hatch supports young people who are not in education, employment or training to take practical, supported steps towards work. Through employability training, workplace insight and strong employer partnerships, the programme helps young people build confidence, develop skills and access four weeks of paid work experience.

Originally established in 2022 through a partnership between KFC and UK Youth, Hatch entered a new phase at the end of 2024 when the Foundation took on direct delivery of the programme. We are grateful to the Yum! Foundation and its Unlocking Opportunity Programme for its generous support of approximately £500,000 across 2025 and 2026, enabling Hatch to be brought into the Foundation. As a result, 2025 became a year of growth, learning and evolution as we built on the journey KFC had started and worked towards a sustainable model for long-term impact.

To strengthen consistency and quality across delivery, we invested in the core foundations of the programme. A dedicated Employability Co-ordinator was appointed to support young people, delivery partners and employers. We also worked with external learning and development specialists to design our own employability workshops and resources. Importantly, we sought feedback from delivery partners and former Hatch participants to help shape the content, ensuring that sessions reflected real workplace experiences, challenges and aspirations.

In 2025, we also implemented Salesforce Nonprofit Cloud to improve the way we manage programmes and understand their impact. For Hatch, this has streamlined programme management, improved data quality and reporting, and strengthened our ability to track longer-term outcomes for young people. Further development is planned in 2026 to make the system easier for external delivery partners to use as the programme continues to grow.

Hatch launched for the year in June 2025, with cohorts delivered in Manchester, Blackburn, Burnley and Middlesbrough, alongside additional delivery in Liverpool, Essex and East London through our partnership with the Department for Work and Pensions (DWP). Across 2024–25, 99 young people completed the programme. Feedback from participants has been especially encouraging: 98% rated Hatch as excellent or very good, young people rated KFC 4.2 out of 5 as a place to work, and self-reported wellbeing improved following the programme.



“The people I worked with was very friendly and I learnt a lot during my time there, I honestly would love to stay here full time :)”

Yoseph started Hatch with low confidence in customer-facing work but quickly grew in confidence, communication, and teamwork through his placement. He became a reliable, motivated team member and achieved strong results, including generating 126 Google reviews. His journey shows how support and work experience can quickly improve confidence and employability.

At the three-month follow-up point, 62% of young people had responded, 56% were no longer NEET, and 44% were actively seeking employment or other positive opportunities. These early outcomes are encouraging and reflect the value of practical support, trusted relationships and meaningful workplace experience.

Supporting young people into future opportunities has remained a priority throughout the year. Through Hatch, the Foundation has worked to connect young people with employment opportunities while helping them develop the skills, confidence and experience needed to take their next steps.

99 young people
completed Hatch

98% rated Hatch
excellent or v. good

Improved wellbeing
reported post Hatch

HATCH
KFC
YOUTH FOUNDATION KFC

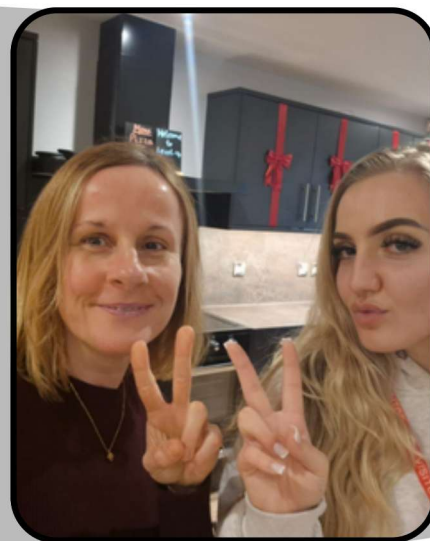
The Hatch Programme (continued)

Alongside core Hatch delivery, we piloted a new model in partnership with the DWP. The DWP-funded programme supported 26 young people across Liverpool, Essex and East London, with 52% securing employment after completing the programme. The pilot gave us valuable insight into how Hatch can be delivered in different ways, how it might reach more young people cost-effectively, and how the model can scale without losing quality or impact.

Employer engagement continued to play a central role in Hatch's success. Encouragingly, 95% of Restaurant General Managers said they would recommend the programme. Reported benefits included pride in giving back to the community, improved diversity and inclusion, stronger leadership development and the opportunity to build a future talent pipeline. Employer partnerships also led to tangible progression outcomes. One young person who completed work experience with Daisy Communications went on to secure an apprenticeship with the business, demonstrating Hatch's potential to support young people into sustained employment.

Presley completed a work experience placement at Middlesbrough Youth Hub, where she built her confidence and showed strong potential in an admin setting. The experience helped her feel more confident socially and in her abilities, especially after being out of work for several years. Because of the positive impression she made, she is joining the team in an Administration Assistant role. Her journey shows how the Hatch programme helps people gain confidence, workplace experience, and progress into employment.

“It was enjoyable and helped build confidence and was a really nice work environment.”



Fundraising



2025 marked a major milestone for the KFC Youth Foundation: 10 years of supporting young people across the UK. It was a moment to celebrate a decade of commitment, collaboration and belief in creating brighter futures. Thanks to the continued generosity of customers, franchisees, teams and suppliers, the Foundation also reached an incredible achievement.

£10 million raised since it began.

This anniversary year became our biggest fundraising year yet, with record-breaking support from colleagues, customers, franchise partners and suppliers. Together, these efforts helped us raise more funds than ever before and reach more young people across the UK.

Customer giving remained a cornerstone of our fundraising success. The £1 on Buckets campaign once again played an important role, raising an additional £254,000 between 15 and 21 September while also helping to build awareness of the impact that small acts of giving can have. Donations made through the KFC app and in-restaurant kiosks also continued to grow, with more customers choosing to add a contribution at checkout. These simple and accessible donation points are now an important part of our long-term fundraising model and continue to make a meaningful contribution to annual income. Cash donations in restaurants also remained a valued source of support.

Our franchise partners played a vital role in reaching this year's milestone. Their contributions included product donations, such as 5p from every bucket sold throughout the year, as well as a wide range of restaurant-led fundraising activity. From skydives and cricket matches to walk-a-thons and other local challenges, franchisees and restaurant teams brought energy, creativity and commitment to supporting the Foundation. Their collective efforts helped push us past the £10 million mark and demonstrated the strength of the wider KFC community.



Suppliers also continued to make a valuable contribution in 2025. Long-standing partners including McCormick and Shoes For Crews supported the Foundation through a mixture of financial donations and gifts in kind. These included assets for the Youth Hub such as coffee machines, podcasting equipment, maintenance contracts and uniforms for Hatch candidates. This support helps us strengthen delivery, extend our reach and engage wider networks in backing young people.

Restaurant Support Centre colleagues and restaurant teams also played an important part in fundraising throughout the year. Contributions came through KFC events including the Bolo's, RGM Fest and the Franchisee Awards, as well as Tap to Donate trials and team-led initiatives such as sponsored challenges and bake sales. As well as raising important funds, these activities helped build awareness of the Foundation's work and strengthened a shared culture of support across the KFC family.

Plans for the Future

2025 was a year of significant growth and transition for the Foundation. By expanding our service delivery, growing organisational capability and investing in strong foundations, we have put ourselves in a much stronger position for the future.

As we move into 2026, one of our first priorities is a trustee away day, creating space for the Board to get to know one another better and reflect on how trustees can best support the Foundation. This will include considering what the executive team needs most from the Board, how trustees can contribute across support, stretch, stewardship, strategy and scrutiny, and how individual skills can be used most effectively. It will also be an opportunity to agree clear ways of working for the future.

For grant making, our focus in 2026 will be on continuing to streamline processes, reducing administrative burden and ensuring that funding continues to go where it can have the greatest impact, in line with the Foundation's mission and vision. This will help ensure that the Community Grants Programme continues to reach the organisations, communities and young people who need it most.

For Hatch, learning from the DWP pilot has already shaped an agreed delivery model and plan for 2026, including direct delivery of pre-employability modules by our team, both in person and online, for young people identified through Jobcentre Plus.

Meanwhile, the Middlesbrough Youth Hub is set to expand its delivery, supported by National Lottery funding to increase youth worker hours. This will enable the development of new programmes and help us begin laying the groundwork for a second Hub in 2027.

Our 2026 commitments:

POSITION HUB AS THE PROVIDER
OF QUALITY YOUTH SERVICES
LOCALLY
TO MAXIMISE IMPACT ON YOUNG
PEOPLE IN MIDDLESBROUGH

EXECUTION OF ROAD
MAP FOR HUB OPENING
#2 IN 2027

EXECUTION OF GRANTS &
POSITIONING THE
FOUNDATION AS A
COMMITTED FUNDER

DEVELOP THE
FOUNDATION AS AN
EMPLOYER OF CHOICE IN
THE SECTOR

EMBEDDING YOUTH
PERSPECTIVE INTO
STRATEGY & DELIVERY

DELIVERY AND
SUSTAINABILITY OF
HATCH IN 2027

UNIFIED IMPACT
FRAMEWORK FOR
THE FOUNDATION

Public Benefit

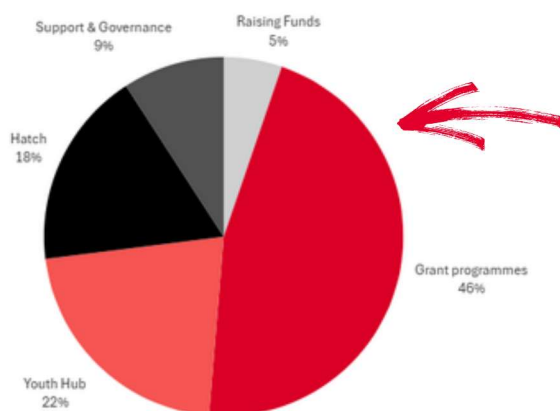
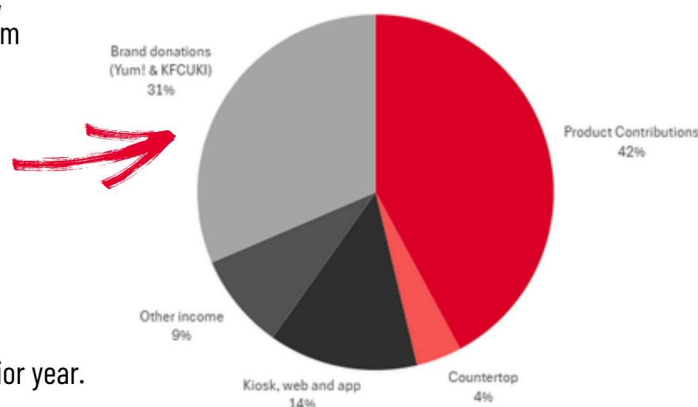
The Trustees confirm that they have referred to the guidance set out in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives. The benefits are clearly set out in the section above.

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 increased significantly in the year to £2,219,162 (2024: £1,165,642), reflecting a period of substantial growth. Donations included £512,933 from Yum! and £180,767 from KFC to support the integration of the Hatch programme into the Foundation and investment in infrastructure to enable this expansion.

Product contributions increased by 26%, driven by the increased contribution of £1 per bucket sale during the fundraising week in September. Cash donations made at counters decreased by 10%, while donations via kiosks, the website and app increased by 13%, reflecting the continued shift away from cash-based transactions. The Foundation also benefited from gifts in kind totalling £103,078 and increased income from fundraising events of £28,931 compared to the prior year.



Expenditure increased to £1,354,946 (2024: £579,615). This reflects an extraordinary year of growth, including the opening of the charity's first youth hub, the integration of the Hatch employability programme, and the award of 180 grants. In addition, staff numbers increased from four to twelve during the year, and investment was made in strengthening internal operations and governance to support the Foundation's expanded activities and future growth.

Investments

The Foundation does not hold any long-term investments and funds are held primarily in NatWest bank accounts, in line with the trustees' approach to managing financial risk and maintaining appropriate liquidity. During 2025, the trustees held over £1m of the charity's cash reserves in a 95-day deposit account with NatWest, enabling the charity to earn interest on surplus funds while retaining access to cash to meet planned expenditure.

Looking ahead, during 2026 the trustees intend to place a greater proportion of available cash in deposit accounts with appropriate regulated institutions, with the dual objectives of earning improved interest returns on surplus funds and spreading counterparty risk, in line with the Foundation's treasury management policy.

Reserves

The trustees review the charity's reserves policy annually to ensure it remains appropriate to the scale, nature and risks of the Foundation's activities. During the year, the policy was reviewed and a target range for free reserves equivalent to between three and six months of budgeted expenditure was agreed. Based on the 2025 budget, this represents a target range of £412,000 to £824,000.

At the year end, the Foundation's total funds amounted to £2,844,640, comprising restricted funds of £472,845 (see note 12), designated funds of £931,000 (see note 13), and unrestricted general funds of £1,440,795. (2024: £1,980,424 total funds, comprising restricted funds of £16,140 and unrestricted general funds £1,964,284)

Reserves (Continued)

Designated funds of £931,000 have been set aside by the trustees to support the Foundation's future strategic plans, including the second year of operating the Middlesbrough youth hub, the provision of year two grant funding in 2026, and the planned opening of a second youth hub in 2027.

After adjusting unrestricted funds to remove fixed assets, the Foundation's free reserves at the year end were £1,279,664, representing approximately nine months of expenditure based on current budgeted levels. The trustees recognise that this level of free reserves is above the agreed target range. However, they are satisfied that this position is appropriate in the context of the charity's planned growth, and expect free reserves to be drawn upon from 2027 onwards as expenditure increases following the opening of the second youth hub

The trustees consider this reserves position to be consistent with the Foundation's strategic plan and reflective of prudent financial management during a period of continued expansion.

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.

Fundraising Policy

The Foundation's approach to fundraising is to predominantly use its relationship with KFC, its employees and guests to raise funds through the sale of products and fundraising activities. The Foundation does not carry out street fundraising, nor does it undertake fundraising mail shots or telephone canvassing. The Foundation does not engage professional fundraisers or commercial participators other than KFC and its franchisees, and no fundraising activities are carried out on behalf of the charity by third parties.

The Foundation works closely with KFC to ensure that all fundraising activities comply with best practice and are carried out in a responsible and ethical manner. Fundraising activity is monitored by the trustees of the Foundation, and any fundraising complaints are reviewed by them. No fundraising complaints were received during the financial year 2024/25. The Foundation is committed to protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches or any undue pressure to donate. Although the Foundation is not a member of a voluntary fundraising regulatory scheme, the trustees ensure that fundraising activities adhere to recognised best practice and relevant legal and ethical standards.

Product contributions are charged to KFC and its franchisees in respect of 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 its franchisees that a donation of 5p is made to the Foundation for each sharing bucket sold. Under the terms of the franchise agreement, KFC has certain rights where debts are due to KFC or other suppliers and partners.

The Foundation has direct access to KFC's reporting systems, which provide data relating to sharing bucket sales, customer kiosk donations, customer donations via the KFC website and app, and the amounts banked from countertop donation boxes. Countertop donations are monitored by the Foundation to ensure that all restaurants are banking customer donations appropriately, and KFC and its franchisees are followed up regularly where necessary.

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 30th June 2026 and signed on its behalf.

James Fletcher

James Fletcher
Chair of Trustees

For further information contact:
KFC FOUNDATION
Orion Gate, Guildford Road, Woking, GU22 7NJ



@kfcyouthfoundationuk



www.kfcyf.org.uk

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

Period from 30 December 2024 to 31 December 2025

Opinion

We have audited the accounts of KFC Foundation (the 'charity') for the period ended 31 December 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025 and of its incoming resources and application of resources 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts 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 annual report, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts

We have been appointed as auditor under section 144 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 accounts 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 accounts.

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 & 2022, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by:
 - Making enquiries to management as to their knowledge of actual, suspected and alleged fraud. We corroborated these views by our review of Trustees' minutes.
 - Considering the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships; and
- Tested journal entries to identify any unusual transactions.

Period from 30 December 2024 to 31 December 2025

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Reading the minutes of meetings of those charged with governance; and
- Enquiring with management as to the presence of any actual or potential litigations or claims.

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 accounts 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 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.

A handwritten signature in black ink that reads "Buzzacott Audit LLP".

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

01 July 2026

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

	Notes	Period from 30 Dec 2024 to 31 Dec 2025			Period from 25 Dec 2023 to 29 Dec 2024		
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
Income from							
Donations	3	1,464,964	706,168	2,171,132	1,134,440	16,480	1,150,920
Investment income		31,871	-	31,871	7,617	-	7,617
Other income		16,159	-	16,159	7,105	-	7,105
TOTAL INCOME		1,512,994	706,168	2,219,162	1,149,162	16,480	1,165,642
Expenditure on							
Raising Funds	4	50,171	33,258	83,429	12,822	-	12,822
Charitable Activities							
Grant programmes	5	635,077	13,922	648,999	421,900	340	422,240
Youth Hub programmes	5	290,546	47,066	337,612	144,553	-	144,553
Employability programme	5	129,689	155,217	284,906	-	-	-
TOTAL EXPENDITURE		1,105,483	249,463	1,354,946	579,275	340	579,615
NET MOVEMENT IN FUNDS		407,511	456,705	864,216	569,887	16,140	586,027

Reconciliation of Funds:

Fund balances at 29 December 2024	1,964,284	16,140	1,980,424	1,394,397	-	1,394,397
Fund balances at 31 December 2025	2,371,795	472,845	2,844,640	1,964,284	16,140	1,980,424

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 25-33 form part of these financial statements.

	Notes	31 Dec 2025 £	29 Dec 2024 £
FIXED ASSETS			
Tangible assets	8	161,131	2,524
TOTAL FIXED ASSETS		161,131	2,524
CURRENT ASSETS			
Debtors	9	267,201	207,127
Short term deposits		1,039,488	506,085
Cash at bank and in hand		1,465,575	1,346,431
TOTAL CURRENT ASSETS		2,772,264	2,059,643
LIABILITIES			
Creditors falling due within one year	10	(88,755)	(81,743)
NET CURRENT ASSETS		2,683,509	1,977,900
TOTAL NET ASSETS		2,844,640	1,980,424
FUNDS:			
Restricted Funds	11	472,845	16,140
Unrestricted Funds:			
Designated Funds	12	931,000	-
General Fund	13	1,440,795	1,964,284
TOTAL UNRESTRICTED FUNDS		2,371,795	1,964,284
TOTAL FUNDS		2,844,640	1,980,424

The financial statements were approved and authorised for issue by the Board of Trustees on 30th June 2026 and signed on its behalf:

James Fletcher

Chair of Trustees - James Fletcher

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

The notes on pages 25-33 form part of these financial statements.

	Period from 30 Dec 2024 to 31 Dec 2025 £	Period from 25 Dec 2023 to 29 Dec 2024 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the reporting period (as per the Statement of Financial Activities)	864,216	586,027
Adjustments for:		
Depreciation	36,104	276
Interest received	(31,871)	(7,617)
(Increase) / decrease in debtors	(60,074)	47
Increase in creditors	7,012	58,155
Net cash provided by operating activities	815,387	636,888
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(194,711)	(2,800)
Purchase of short term deposits	(533,403)	(506,085)
Interest received	31,871	7,617
Net cash provided by investing activities	(696,243)	(501,268)
Change in cash and cash equivalents in the reporting period	119,144	135,620
CASH AT START OF THE PERIOD	1,346,431	1,210,811
CASH AT END OF THE PERIOD	1,465,575	1,346,431

The notes on pages 25-33 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 extended accounting period from 30 December 2024 to 31 December 2025. This accounting period has been adopted to align the financial year end with the calendar year, in line with the Charity's entitlement under the Charities Act 2011 and Charity Commission requirements to amend its accounting reference date. Comparative information is presented for the period from 25 December 2023 to 29 December 2024, and, as the current period is longer, the results should be interpreted in this context; however, the difference in period length is minimal and is not considered to have a material impact on comparability.

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 (updated 2019), 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

General funds are those given freely to the Foundation and can be applied at the discretion of the Trustees for the advancement of the Charity's objectives.

Designated funds are those which have been set aside by the Trustees out of general funds to cover specific future projects. See note 12 for further details.

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. See note 11 for further details.

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.

1. ACCOUNTING POLICIES (CONTINUED)

Expenditure recognition (continued)

Expenditure comprises grants payable in furtherance of the Foundation's charitable activities, costs associated with youth programmes including the operation of the Middlesbrough Youth Hub, costs incurred in delivering the Hatch employability programme, and governance and administrative costs relating 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.

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 14. 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:

	2025	2024
Raising Funds	10%	5%
Grant programmes	20%	40%
Youth Hub programmes	35%	55%
Employability programme	35%	-%

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:

Leasehold improvements	Over the term of the lease
Fixtures, fittings and 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.

1. ACCOUNTING POLICIES (CONTINUED)

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 £1,029 reimbursed to three Trustees (2024: £123 to two Trustees) and these were in relation to travel for Trustee meetings and to our youth hub in Middlesbrough. During the period the Foundation received a £213.50 donation from one Trustee (2024: £40 from one Trustee).

During the period the Foundation received £34,456 (2024: £nil) and had debtors outstanding at period end of £1,829 (2024: £nil) for Kefco Sales Limited which was owned in the period by one of the KFC Foundation Trustees. This represents income from Product Contributions, Countertop Donations, Kiosk Donations and a one off donation.

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:

	30 Dec 2024 to 31 Dec 2025		
	Unrestricted £	Restricted £	Total £
KFC - product contribution	259,024	-	259,024
Franchises of KFC - product contribution	676,294	-	676,294
KFC countertop donations	27,577	-	27,577
Franchises of KFC - countertop donations	63,545	-	63,545
KFC - kiosk donations	77,931	-	77,931
Franchises of KFC - kiosk donations	223,128	-	223,128
Brand donations (see note 11)	4,181	693,700	697,881
Fundraising events	25,430	3,501	28,931
Other donations	4,776	8,967	13,743
Gifts in Kind	103,078	-	103,078
	1,464,964	706,168	2,171,132

Gifts in Kind include the equivalent of one employee's salary contributed by KFC UK&I for the Hatch programme, along with the donation of Hatch uniforms, a coffee machine and podcasting equipment.

3. DONATIONS (CONTINUED)

	25 Dec 2023 to 29 Dec 2024		
	Unrestricted £	Restricted £	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
Brand donations	6,941	-	6,941
Fundraising events	9,465	-	9,465
Other donations	10,593	15,100	25,693
Gifts in Kind	2,800	-	2,800
	1,134,440	16,480	1,150,920

4. RAISING FUNDS

	30 Dec 2024 to 31 Dec 2025 £	25 Dec 2023 to 29 Dec 2024 £
Direct fundraising costs	16,684	7,891
Direct staff costs (see note 7)	54,342	-
Allocation of support costs (see note 6)	12,403	4,931
	83,429	12,822

5. CHARITABLE ACTIVITIES

Grant Programmes

	30 Dec 2024 to 31 Dec 2025 £	25 Dec 2023 to 29 Dec 2024 £
Grants to organisations - under £3,000	541,040	325,309
£100 donations to stage two applicants	5,700	5,630
Payments to organisations that assist with shortlisting	5,020	3,500
Workshops to support organisations	1,872	1,164
Other direct grant costs (IT software, travel etc)	10,057	-
Direct staff costs (see note 7)	60,504	47,187
Allocation of support costs (see note 6)	24,806	39,450
	648,999	422,240

KFC Foundation provided 180 grants of £3,000 to Youth organisations in the period (last period 129 grants of £2,500 - £3,000).

5. CHARITABLE ACTIVITIES (CONTINUED)

Youth Hub Programme

	30 Dec 2024 to 31 Dec 2025	25 Dec 2023 to 29 Dec 2024
	£	£
Youth Programmes	13,037	3,043
Middlesbrough hub running costs (rent, service charges, utilities, depreciation etc)	143,798	35,389
Other direct Youth Hub costs (IT software, travel etc)	37,837	-
Direct staff costs (see note 7)	99,529	51,878
Allocation of support costs (see note 6)	43,411	54,243
	337,612	144,553

Employability Programme

	30 Dec 2024 to 31 Dec 2025	25 Dec 2023 to 29 Dec 2024
	£	£
Hatch programme development and delivery	90,630	-
Other direct Hatch costs (IT software, travel, recruitment etc)	36,074	-
Direct staff costs (see note 7)	114,791	-
Allocation of support costs (see note 6)	43,411	-
	284,906	-

6. SUPPORT AND GOVERNANCE COSTS

Support costs

	30 Dec 2024 to 31 Dec 2025	25 Dec 2023 to 29 Dec 2024
	£	£
Direct staff costs (see note 7)	57,049	48,991
HR and recruitment	62	2,274
Staff training and wellbeing	5,104	2,714
Staff travel and subsistence	3,614	4,351
IT and telephones	2,752	9,448
Depreciation	2,235	276
Legal and professional fees	3,567	-
Insurance	1,780	992
Bank charges	995	714
Other expenses	7,022	9,286
	84,180	79,046

6. SUPPORT AND GOVERNANCE COSTS (CONTINUED)

Governance costs

	30 Dec 2024 to 31 Dec 2025	25 Dec 2023 to 29 Dec 2024
	£	£
Direct staff costs (see note 7)	21,888	6,490
Trustee travel, training and meeting costs	2,483	
Audit fees - current period	15,480	13,020
Audit fees - prior period	-	68
	39,851	19,578
TOTAL SUPPORT AND GOVERNANCE COSTS	124,031	98,624

£39,708 support and governance costs relate to restricted funds in the period (2024: £nil). This relates to KFC UK&I funding towards support staff salaries and Yum! funding towards a Business and Technology Analyst.

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

Reconciliation of apportionment of support and governance costs

	30 Dec 2024 to 31 Dec 2025	25 Dec 2023 to 29 Dec 2024
	£	£
Raising Funds (see note 4)	12,403	4,931
Grant programmes (see note 5)	24,806	39,450
Youth Hub programmes (see note 5)	43,411	54,243
Employability programme (see note 5)	43,411	
	124,031	98,624

7. SALARIES AND WAGES DISCLOSURES

(a) Staff costs

Staff costs during the period were:

	30 Dec 2024 to 31 Dec 2025	25 Dec 2023 to 29 Dec 2024
	£	£
Wages and salaries	351,705	130,588
Social security costs	30,281	12,563
Pension costs	26,117	11,395
	408,103	154,546

At the year end, there were a total of 12 staff (2024: Four).

Three staff members costs were cross charged from KFC (2024: Two) and nine staff members were employed directly by the charity (2024: Two).

7. SALARIES AND WAGES DISCLOSURES (CONTINUED)

(b) Staff numbers

The average number of persons employed during the period ended 31 December 2025 was nine (2024: four).

(c) Higher paid staff

No employees earned over £60,000 in the period (2024: none).

(d) Key management personnel

The key management personnel of the Foundation comprise of the Trustees and three staff members making the executive team. 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 £164,844 (2024: £43,332).

(e) Apportionment of staff costs

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

	30 Dec 2024 to 31 Dec 2025	25 Dec 2023 to 29 Dec 2024
	£	£
Raising Funds (see note 4)	54,342	-
Grant programmes (see note 5)	60,504	47,187
Youth Hub programmes (see note 5)	99,529	51,878
Employability programme (see note 5)	114,791	-
Support costs (see note 6)	57,049	48,991
Governance costs (see note 6)	21,888	6,490
	408,103	154,546

8. FIXED ASSETS

	Leasehold improvements	Furniture & Fittings	Computer Equipment	Total
	£	£	£	£
Cost				
At 29 December 2024	-	-	2,800	2,800
Additions	166,390	21,321	7,000	194,711
At 31 December 2025	166,390	21,321	9,800	197,511
Depreciation				
At 29 December 2024	-	-	276	276
Charge for the period	28,325	5,544	2,235	36,104
At 31 December 2025	28,325	5,544	2,511	36,380
Net book values				
At 29 December 2024	-	-	2,524	2,524
At 31 December 2025	138,065	15,777	7,289	161,131

9. DEBTORS

	31 Dec 2025	29 Dec 2024
	£	£
Trade debtors	188,008	129,003
Amounts due from KFC	21,256	29,737
Prepayments and accrued income	56,355	35,837
Other debtors	1,582	12,550
	267,201	207,127

10. CREDITORS

	31 Dec 2025	29 Dec 2024
	£	£
Trade creditors	3,027	4,170
Amounts due to KFC	54,619	54,754
Accruals	21,675	17,000
Tax and social security	7,783	5,314
Other creditors	1,651	505
	88,755	81,743

11. RESTRICTED FUNDS

	Period from 30 Dec 2024 to 31 Dec 2025				Period from 25 Dec 2023 to 29 Dec 2024			
	Balance 30 Dec 2024	Income	Expenditure	Balance 31 Dec 2025	Balance 25 Dec 2023	Income	Expenditure	Balance 29 Dec 2024
Comic Relief	1,040	-	(1,040)	-	-	1,380	(340)	1,040
Thorntree Academy	15,100	-	(4,999)	10,101	-	15,100	-	15,100
Middlesbrough Hub programmes	-	6,468	(4,053)	2,415	-	-	-	-
Hatch programme	-	699,700	(239,371)	460,329	-	-	-	-
Total net assets	16,140	706,168	(249,463)	472,845	-	16,480	(340)	16,140

Comic Relief: This was the final payment to Comic Relief from our previous partnership.

Thorntree Academy: Money was raised and matched by KFC UK&I in 2024 to be spent on Thorntree Academy, for celebrations, activities and youth programmes with the school.

Middlesbrough hub programmes: This includes £3,500 for our youth club in school holidays, £2,493 for food programmes and £475 towards an intergenerational cafe.

Hatch programme: £512,933 was received from Yum! and £180,767 from KFC UK&I to fund delivery of the Hatch employability programme during 2025 and 2026. The restriction covers the direct delivery of the programme, support costs, and the development of the charity's infrastructure, including impact measurement and CRM development. £6,000 was received from Shoes for Crews towards the programme.

12. DESIGNATED FUNDS

Designated funds represent unrestricted funds which the trustees have set aside for specific future purposes.

At the balance sheet date, total designated funds amounted to £931,000 (2024: £nil), made up as follows:

- £234,000 designated for Year 2 grant funding commitments, expected to be paid during 2026.
- £170,000 designated towards the renovation of a second youth hub, planned for 2027.
- £200,000 designated for first-year operating costs of the second youth hub, relating to the 2027/2028 financial year.
- £327,000 designated for second-year operating costs of the Middlesbrough Youth Hub.

These designations reflect the trustees' current intentions and may be re-designated should circumstances change.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	31 Dec 2025				29 Dec 2024		
	Unrestricted General fund	Unrestricted Designated fund	Restricted funds	Total funds 31 Dec 2025	Unrestricted General fund	Restricted funds	Total funds 29 Dec 2024
Fund balances at period end are represented by:							
Fixed assets	161,131	-	-	161,131	2,524	-	2,524
Current assets	1,368,419	931,000	472,845	2,772,264	2,043,503	16,140	2,059,643
Current liabilities	(88,755)	-	-	(88,755)	(81,743)	-	(81,743)
Total net assets	1,440,795	931,000	472,845	2,844,640	1,964,284	16,140	1,980,424

14. 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 £234,000. (2024: £210,000)

15. 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 31 December 2025 the total commitment is as follows:

	30 Dec 2024 to 31 Dec 2025 £	25 Dec 2023 to 29 Dec 2024 £
Leasehold buildings - up to 1 year	33,252	27,692



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