



ANNUAL REPORT

February 2021 - March 2022



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story OF THE



What started in 2009 as a simple idea to partner with our customers to tackle hunger, has evolved into something extraordinary. Add Hope has grown to support sustainable feeding programmes across South Africa, partnering with over 130 organisations to provide children in need with vital nutrition.

Add Hope is KFC's initiative that encourages the collective effort of a nation to fight malnutrition and hunger in South Africa. Add Hope feeds over 30 million meals to underprivileged children each year to help them cultivate a brighter future. A future where every child has equal opportunities.

Because with a full belly, they'll have the potential to change the world.

To date, R 877 280 262 has been raised from customer and KFC contributions.

the state of hunger in South Africa

According to a report released by Statistics South Africa, Measuring Food Security in South Africa: Applying the Food Insecurity Experience Scale, almost 23,6 per cent of South Africans in 2020 were affected by moderate to severe food insecurity, while almost 14,9% experienced severe food insecurity.



Better nutrition in early childhood can have a lasting impact on physical, cognitive and social development, giving the next generation hope by unlocking potential and boosting prosperity. However, when 74% of rural children are underweight, when one in five pre-schoolers is stunted and risks learning difficulties due to malnutrition, when micronutrient deficiencies permanently damage young brains, and when hunger limits the potential of over 3.2 million children's

performance at school – we are wasting that potential. We have to take action to turn the tide on hunger. Good nutrition is an important factor in creating a better future for our children. The more we can raise together, the more children we can help, creating a brighter future for all of us. When you add hope, you give a child so much more than food. You give them hope for a better future. A future where every child has equal opportunities.

impacting a child's development

Cognitive Development

Good nutrition has a positive impact on the development of a child's IQ and ability to concentrate and learn at school.

Physical Development

A well-nourished brain from infancy is vital for growth and the development of gross and fine motor skills. Being able to engage in more physical activity promotes inclusiveness and gender equality. Improved motor proficiency is linked to better academic performance.

Socio-Emotional Development

Good nutrition boosts self-esteem and confidence in early childhood, a critical period for social and neurocognitive development, improving health and success in adulthood

- 22.8% of children have inadequate access to food
- 23% of 2-5 year old children are either overweight or obese
- 63% of children under 6 years in SA live in poverty
- 1/3 of children fall below the food poverty line and are at risk of malnourishment and food insecurity
- 25% of children under five are stunted

Growing Hope

- 130 NPOs
- More than 30 million meals
- R877 280 262 raised since 2009

Every R2 Donated Goes Towards Buying Nutritious Meals

Add Hope shows how a private company and its customers can join forces to address a societal need. We're proud that we can use our extensive restaurant footprint in South Africa for good.

We're grateful that donations from customers have multiplied every year.

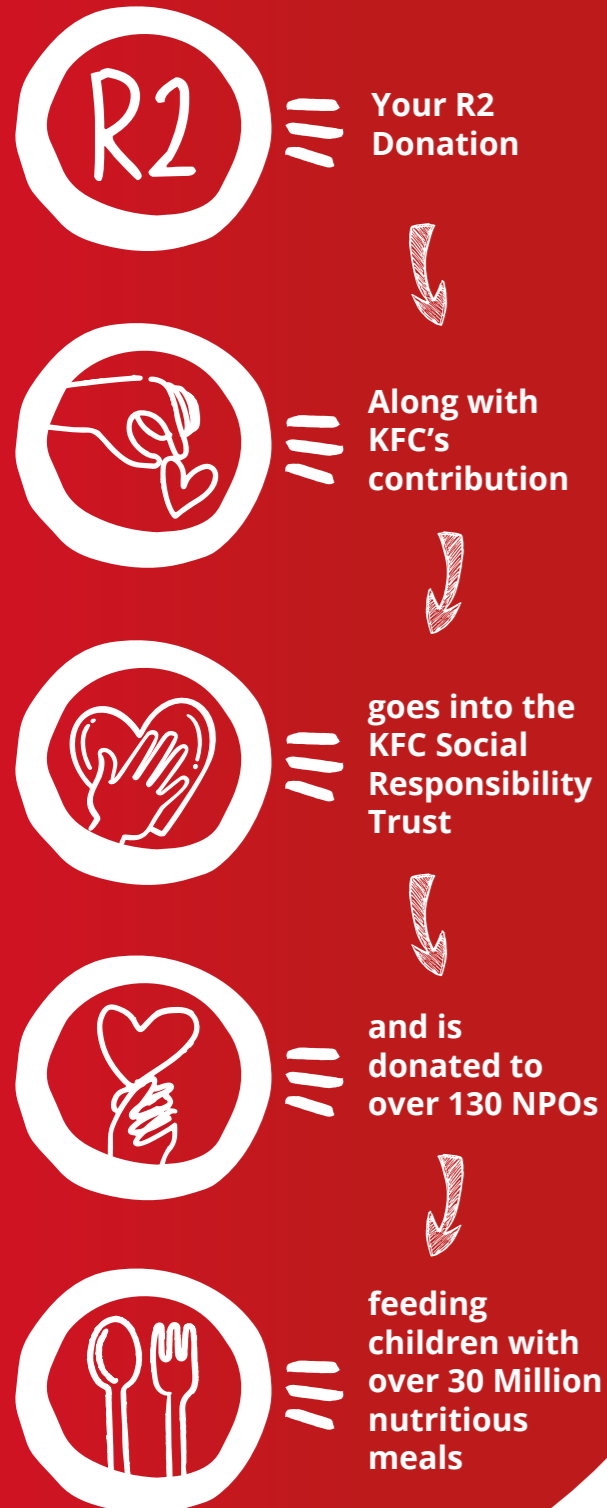
In 2021/2022 customers generously donated **R53 821 379** and KFC restaurants contributed **R34 459 722**.

Even though our customers can Add Hope all year round, World Hunger Day (28 May) and World Hunger Month (October) are opportunities to unite with our customers to take a stand against hunger and make a difference to the children of South Africa.

Add Hope's goal is to maintain levels of nutritious feeding and to increase the number of children that we are able to reach through our partner organisations.



WHAT HAPPENS when you add HOPE



governance & **compliance**

Add Hope raises money through R2 donations from KFC customers, KFC restaurant and franchisee contributions, and private donations; from fundraising events, direct bank transfers and online donations.

The distribution of these funds is carefully administered by the KFC Social Responsibility Trust which meets three times annually. It's run as a separate Public Benefit Organisation and is registered and managed by a Board of Trustees that includes KFC General Manager: Dhruv Kaul; KFC Chief Operating Officer: Thuthuka Nxumalo; Franchisee: Justin Rohloff; Franchisee: Olga Bikitsha.

The Trust further employs four staff members who are responsible for the daily operations of the programme, including a Corporate Social Responsibility Manager, a Trust Finance & Compliance Manager, Trust Operations Manager and a Trust Administrator.

The Trust is independently audited by KPMG. Funds used for marketing purposes come from a separate budget to ensure good governance of the funds in the KFC Social Responsibility Trust.

The Trust maintains reserves to ensure that feeding can be sustained.



expanding **internationally**

Add Hope, born in South Africa, continues to be adopted by KFC in other countries as part of our parent company YUM! International's focus on unlocking children's potential.

We're proud to be able to unite with our customers behind a very relevant cause, as we effectively use our iconic brand status to contribute to society and unlock children's potential through nutritious meals.

Public Benefit Organisation (PBO):

No 930000031

Trust Registration: No IT1079/92

Vat: 4420124713, Level 6 B-BBEE contributor,
Section 18A tax certificate



a partnership approach – **Add HOPE Beneficiaries**

While the National Schools Nutrition Programme and social grants are improving access to food, NPOs are playing a vital role, at times providing the only nutritious meal of the day for many children.

Add Hope has taken a partnership approach, working with Non-Profit Organisations to ensure funds are effectively used.

Add Hope allocates funding to 13 national beneficiaries through the National Programme. These organisations have a large footprint across South Africa and are managed by the KFC Trust Manager directly.

In addition, the Local Store Programme supports (117) beneficiaries that are chosen and managed by our franchisees so that they can have an impact in local communities.

An applicant must be a registered NPO in operation for a minimum of two years offering a sustainable feeding programme for children up to the age of 18.

Funding is provided for a 12 month period and organisations can reapply for funding annually. Beneficiaries including early childhood development organisations, children's homes and school feeding programmes, are added every year.



NATIONAL PROGRAMME

1. 1000 Hills Community Workers
2. Afrika Tikkun
3. Africa Food for Thought
4. Girls & Boys Town
5. Boys and girls club SA
6. HOPE worldwide
7. JAM SA
8. JHB Parent and Child Counselling Centre
9. Johannesburg Child Welfare
10. Lebone Village
11. Mould Empower Serve
12. SOS Children's Villages
13. The Lunchbox fund



beneficiary reporting

All beneficiaries report on their programme impact and finances up to twice annually in order to be considered for renewal funding.

Resources are assigned to assess the beneficiary programmes inhouse and an external evaluator conducts formal assessments.

The reporting framework ensures that beneficiaries supply comprehensive feedback on their respective programmes with the utmost integrity and accountability.

Gauteng - 33

- Ons Kinder en Jeugsentrum
- Golang Day Care Kokomama
- Slovo Park Educational Trust
- Bona Lesedi Women and Child Care
- Door of Hope Childrens Mission
- Mother Of Peace Community
- Vaal Triangle Cerebral Palsy
- Berea - Hillbrow Home Of Hope
- House Of Children Day Care Centre
- Embark Foundation
- Kliptown Youth Program
- The Viva Foundation of South Africa
- Engagement (Engaging) Parents
- Nigel Caring Community
- Rays of Hope
- The Love Trust
- Sizanani Home Based Care Giver
- Laerskool Die Arendse
- Epworth Childrens Village
- Odirile Centre
- Pretoria Sunrise Rotary Club
- Whispers Speech And Hearing Centre
- Laerskool Westerlig
- Giyani Primary School
- Bachana Mokwena Primary School
- Blue-O Community Development
- Cancer Association of South Africa
- Tumang Primary School
- Diodi Primary School
- Good Shepherd Organization
- Tutela/ Christiaan Social Counsel
- Tshepong Centre for the Disabled
- Cmr Fairie Glen





Mpumalanga - 6

- Tiyimiseleni Home Based Care
- Qedusizi Day Care Centre
- Uzwelo Child & Youth Care Centre

- Marietjie School
- Pienaar Dam Community Forum
- Refitlhile Primary School

Limpopo – 5

- ComeTogether CBO Consortium
- Stadspoort
- Zwashu Day Care Centre

- Maungani Drop In Centre
- Noah's Ark Children's Home

Western Cape – 21

- Orion Organisation
- Belindia Creche Beaufort-West
- Shiloh Synergy
- Valley Development Project
- Christel House South Africa
- Holy Cross
- Fikelela Aids Project
- Heartlands Baby Sanctuary
- Home of Hope
- Flukse Voetjies
- Masigcine

- Baitul Ansaar Charitable Foundation
- Mosselbay Care Centre
- The Pebbles Project Trust
- Herberg Kinderhuis
- Olifantsrivier Apd
- Siyabonga
- Karoo Eisteddfod Trust
- James House
- School of Hope/Thembalitsa
- Homestead Projects for Street Children

North West - 4

- Savf Rethabile Klerksdorp Cycc
- Good Hope Day Care

- Kwena Mosadi
- House David for Children

Free State - 6

- Charlotte Theron Kinderhuis
- Maokeng Disabled Childrens Centre
- Laerskool Claremont
- Stompi Seipei Soup Kitchen

- House of Hope Community Life Development
- Child Welfare Bloemfontein

KwaZulu-Natal - 24

- Benjamin Generation Child Care
- Vianney Childrens Home
- Enhlanhleri Care Centre
- Feed The Babies Fund
- St. Monicas Childrens Home
- MI Sultan St Mary's Primary School
- Ethelbert Child & Youth Care Centre
- Durban Child and Youth Care Centre
- Thuthukani Special School
- Arise And Shine Project
- Greytown Childrens Home
- Glenview Primary School
- Harding Association Caring for the Disabled

- Thanda
- Genesis Khula Trust Community Project
- Child Welfare Matatiele
- Hope in Christ
- Pietermaritzburg Childrens Home
- Lungelo Youth Development
- Mother Of Peace Community
- Gimrf Help Centre
- Sifosethu Drycourt
- Tlc Home Services
- Abounding Hope

Eastern Cape - 16

- Acw Cradock
- Catch Projects
- Eluxolweni Charitable Trust
- Oosterland Youth Centre
- Greensleeves
- Salem Baby Care Centre
- Nemato Change A Life
- Uviwe Child & Youth Services

- Khayaletu Youth Centre
- Maranatha Streetworkers Trust
- E.p. Childrens Home
- Mahlasedi
- Miracle Kids Stimulation Centre
- Khanyisa School For Visually Impaired
- Mzomtsha Child And Youth Care
- Star Upliftment Centre

Nothern Cape - 1

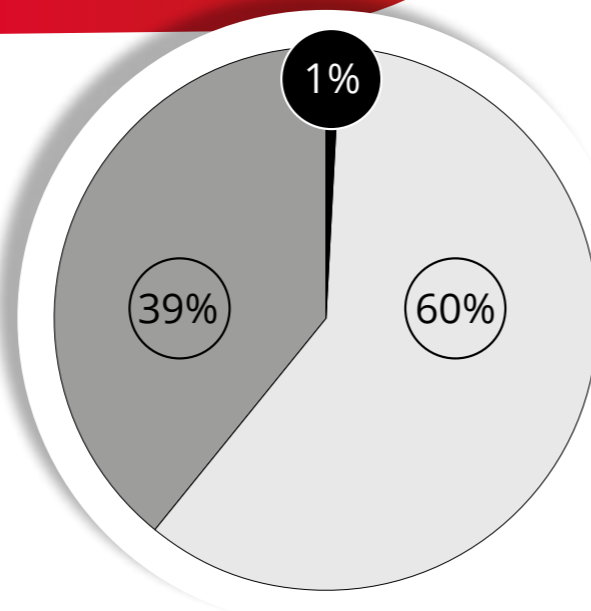
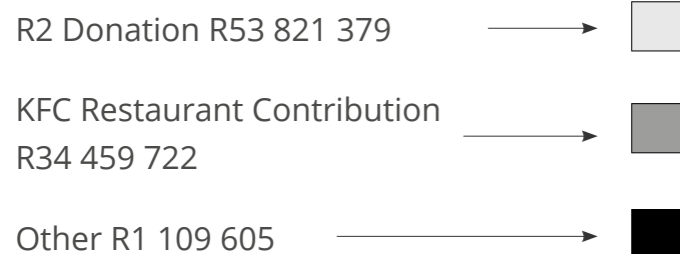
- Oasis Skills Development Centre



Annual Financial Statements for the 2022 Financial year end

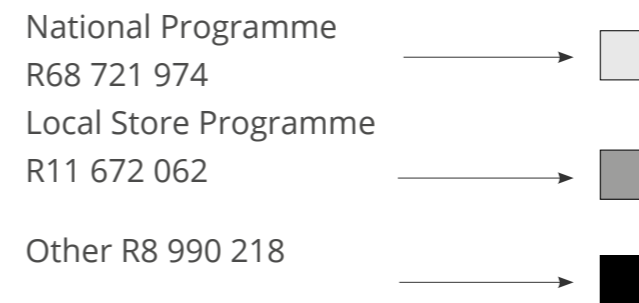
1. Add Hope customer contributions in-store: This contribution makes 60% of Add Hope's income.
2. All KFC restaurants contributed 5% of their turnover as an advertising contribution towards KFC's Marketing Fund. Of this, 5% is donated to the Trust. This contribution makes up 39% of Add Hope's income.
3. Additional donations: Ad hoc donations are received via EFT transfer directly to the Trust's bank account and online donations from the general public and corporate companies and supplies. Ad hoc donations make up 1% of total income. Section 18A tax certificates are issued on request.
4. Investment in Unit Trusts is made up 100% of KFC contributions and serves as security to ensure that the programme can be maintained and safeguarded in the event of an unexpected interruption in donations.

Annual CSR INCOME

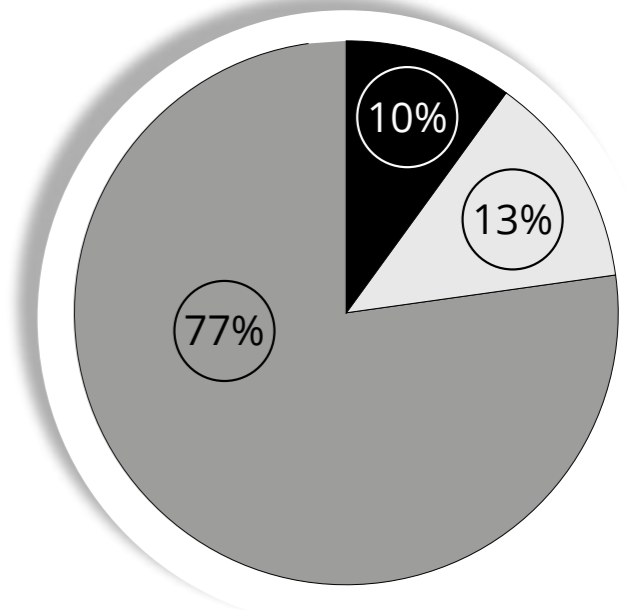


Add Hope raises money through R2 donations from KFC customers, KFC restaurant and franchisee contributions, private donations, direct bank transfers and online donations.

TOTAL BENEFICIARY EXPENDITURE AS OF YEAR - END FEBRUARY 2022



This chart depicts the total amount donated to beneficiaries through the National Programme, the Local Store Programme and Relief and Ad Hoc Feeding.



Annual CSR INCOME

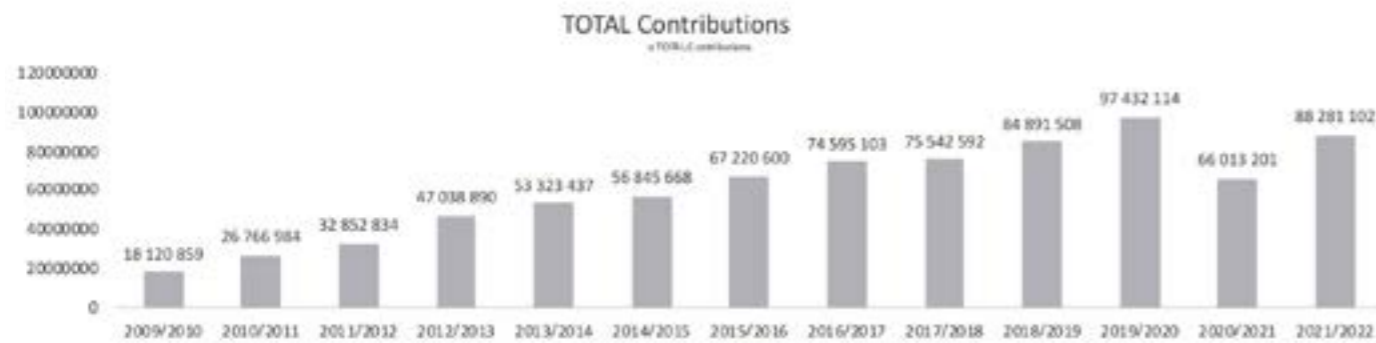
TOTAL DONATIONS RECEIVED FOR YEAR - END 28 FEBRUARY 2022



TOTAL BENEFICIARY ORGANISATION EXPENDITURE AS OF YEAR - END FEBRUARY 2022



Total Donations RECEIVED PER YEAR



This chart depicts the total funds raised, year on year, including customer R2 donations, KFC restaurant and franchisee contributions, and other general income.

"We've set up a partnership with a retailer who provides food at cost plus 1%, and delivers it to our sites for free. So R2 in our hands, buys the equivalent of much more." - Dr. Marc Aguirre, South Africa Country Director, HOPE worldwide.

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2022

	2022	2021
ASSETS		
CURRENT ASSETS		
Accounts receivable	10 675 641	7 411 896
Investments in unit trusts	73 692 487	67 636 812
Cash and cash equivalents	19 556 233	28 898 290
TOTAL ASSETS	103 924 361	103 946 998
FUNDS AND LIABILITIES		
Accumulated Surplus	103 516 791	103 283 592
CURRENT LIABILITIES		
Accounts payable	407 570	663 406
TOTAL FUNDS AND LIABILITIES	103 924 361	103 946 998

STATEMENT OF COMPREHENSIVE INCOME AS FOR THE YEAR ENDED 28 FEBRUARY 2022

	2022	2021
Donation Income	88 268 018	65 885 419
Donation Expense	(89 649 253)	(71 997 132)
GROSS (DEFICIT)	(1 381 236)	(6 111 713)
Operating expenses	(5 410 729)	(5 151 063)
DEFICIT FROM OPERATIONS	(6 791 964)	(11 262 775)
Finance income	690 511	759 885
Unit trust interest income	2 755 877	2 913 355
Unit trust dividends received	330 440	244 830
Unit trust fair value gains (losses)	2 853 442	987 418
Unit trust real estate investment income	394 895	171 016
SURPLUS (DEFICIT) FOR THE YEAR	233 200	(6 186 271)



STATEMENT OF CHANGES IN FUNDS

For the year ended 28 February 2022	
	Accumulated surplus R
Balance at 29 February 2020 - Restated	109 469 863
Deficit for the year	(6 186 271)
Balance at 28 February 2021	103 283 592
Surplus for the year	233 200
BALANCE AT 28 FEBRUARY 2022	103 516 791

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2022

	2022 R	2021 R
Cash flows from operating activities	(9 342 056)	(6 332 808)
Cash utilised by operations	(10 032 568)	(7 092 693)
Finance income	690 511	759 885
Net decrease in cash equivalents at beginning of the year	(9 342 056)	(6 332 808)
Cash and cash equivalents at the beginning of year	28 898 290	35 231 098
CASH AND CASH EQUIVALENTS AT END OF YEAR	19 556 233	28 898 290





*Employee
Volunteering Programme*
(AKA Add Hope Love Army)

As a brand, KFC is about delicious food, sharing, family and having fun. We are authentic and honest, and we care about community. Besides being on the front line when it comes to asking for donations in restaurants, KFC teams take an active role in the communities we serve. Participation has now been formalised through the Add Hope Love Army, whose mandate is to fight child hunger, malnutrition and liberate the kids potential by feeding them nutritious meals and volunteering at their local beneficiary.



stories of Hope

House of Children in Diepsloot

Diepsloot, Afrikaans for “deep ditch”, is a densely populated township in Gauteng, South Africa. It is located in the newly formed Region A of the City of Johannesburg Metropolitan Municipality.

Situated here is House of Children Centre run by Mavis Thamela and is a beneficiary of Add Hope.

Through KFC and Add Hope, as well as your R2 donations, the children at the centre are able to get at least two meals a day and the teachers have got proper training to become qualified Grade R teachers.

Mavis continues to make a lasting impact on the lives of the kids in the Diepsloot area.

Nigel Caring Community in Duduza

Nigel Caring Community is a community based non-profit organisation (NPO) in Gauteng that provides nutritious meals, care and developmental projects to orphaned and vulnerable children in Duduza and surrounding areas.

Here you will meet people like Vusimuzi Joseph Tshabalala, an administrator, who started off as a beneficiary himself, going there after school to avoid the streets and get a meal.

Vusimuzi is now an administrator who receives a stipend and is able to take care of himself and his family, all through KFC and Add Hope, as well as your R2 donations.

Ipolokeng ECD Centre in Tshepisong

Tshepisong Township, a sprawling shack settlement, was established in 1998. Tshepisong’s population of 53,260 is a seething mass of would-be labourers and retrenched workers nursing shattered dreams.

At this location is Ipolokeng ECD Centre, where Wilhelmina Mabunda, principal of the centre, through your donations and KFC’s own contribution, improves children’s lives daily.

Just like many who don’t know what Add Hope does, Wilhelmina was pleasantly surprised when she became an Add Hope beneficiary that R2 can make such a huge difference.





THANK YOU

ACKNOWLEDGEMENTS

The KFC Social Responsibility Trust would like to thank all stakeholders for making a meaningful difference and contributing to the Add Hope initiative including customers and online donors, team members in store, local store marketers, suppliers, beneficiaries, the Add Hope Board of Trustees and advisors and KFC (Pty) Ltd.

ABOUT **ADD HOPE**

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