

THE GREGGS FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

THE GREGGS FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee	The Greggs Foundation Trustee
Directors of the Trustee	J Dyson OBE (Chair) K Bradley S Haines R Hutton J Irving F Nicholson S Singh M Thompson K Wilkinson-Bell
Secretary of the Trustee	J Massingham
Charity number	296590
Principal address	Greggs House Quorum Business Park Newcastle upon Tyne NE12 8BU
Website	www.greggsfoundation.org.uk
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne United Kingdom NE1 4AD
Bankers	National Westminster Bank plc 149 High Street Gosforth Newcastle upon Tyne NE3 1HA
Investment managers	Brewin Dolphin Time Central Gallowgate Newcastle upon Tyne NE1 4SR

THE GREGGS FOUNDATION

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustee of the Greggs Foundation ("the Foundation") presents its report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Foundation's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

The Greggs Foundation has been supporting its local communities for over 30 years. Ian Gregg, the former Chair of Greggs plc, set up the Foundation as a registered charity in 1987 to provide support to the communities where Greggs trades, and where its customers and employees live. The company and the Foundation respect and value each other's independence from one another but equally recognise that they share common values and objectives; to have a positive impact on people's lives and to share their success with local communities.

Our purpose

- Building stronger, healthier communities

Our objectives

- Addressing issues of poverty and inequality
- Ensuring food is at the heart of our communities
- Supporting local community organisations to make a real difference

Our core activities

We meet our purpose and objectives through our grant-making policy. Our principal grant programmes are:

Breakfast Club Programme - established in 1999 to help primary school children get a nutritious start to their school day. Every school is provided with fresh bread from their nearest Greggs shop and a grant to support start-up and ongoing costs.

Community Holiday Club Programme - provides food and activities to children to reduce the impact of poverty and social deprivation during the school holidays.

Hardship Fund - provides small grants to families and individuals in extreme financial hardship. This programme makes grants towards household equipment, such as cookers, fridge freezers and clothing where this will make a significant difference to people's lives.

Community Hub Programme - makes grants of up to £15,000 per year to support charitable organisations in the vicinity of a Greggs outlet to make a real difference in their community. We support organisations that can provide space and opportunity in those communities for people to come together, build connections and improve health and wellbeing.

North East Core Fund – makes grants of up to £45,000 over up to three years to support the core costs of charitable organisations in the North East of England who are supporting their communities.

Health – our Tackling Health programme, delivered in partnership with Premiership Rugby, which ran from 2018 to 2021, took a holistic approach to teaching children about their own health and wellbeing and leading a healthy lifestyle.

Community Urban Rivers Regeneration Fund - provides funds to Rivers Trusts to run educational and community-based environmental projects focused on urban rivers and improving the environment in areas of significant hardship.

Our core activities in 2021 also included our Covid-19 response and recovery support which built on the work that we were already doing in this area in 2020 through our principal grant programmes. Through all of these programmes we aim to build stronger, healthier communities.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Our 2021 achievements

In 2021 we rose to the challenge of continuing to respond effectively to the unprecedented social and economic needs that we saw in our communities. We awarded £3.6 million in grants to organisations and individuals. We focused our grant making on where we could make the most difference, while supporting our aim of building stronger, healthier communities.

We opened more Breakfast Clubs in one year than ever before. 97 new clubs were opened, which was more than double the number of any previous year, reflecting the continued and growing need for this provision.

For the first time in our history, we awarded over £1m in hardship grants to support families and individuals in crisis.

Our Community Hub Programme was launched to support organisations that can provide space and opportunity in their community for people to come together, build connections and improve health and wellbeing.

We published an Impact Report www.greggsfoundation.org.uk/about/impact-report showing our response to the pandemic, and support for the incredible schools, local charities and community groups who've been at the front line.

Despite the challenging environment we saw some amazing fundraising efforts including two golf days with Greggs staff and partners which raised £25,000 and a 10-mile walk through Northumberland National Park which raised £20,000. We also launched our 'Buy a child a breakfast' campaign enabling Greggs customers to make donations at the tills in Greggs shops to support Breakfast Clubs - this raised £57,000.

2021 was also a time for change for us as Joanna Dyson OBE was appointed as Chair of the Foundation with effect from 2 November 2021, succeeding Andrew Davison OBE, who stepped down after nearly 25 years as a Trustee. Andrew made an enormous contribution in his time as the Chair of the Foundation, seeing it grow from making small grants to local community groups to distributing more than £3 million each year to charitable organisations and supporting a national programme of Breakfast Clubs across the UK.



Tracy Lynch Foundation Manager

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Our 2021 achievements (continued)

Outcomes from our programmes in 2021 (continued)

Our focus is on supporting those most in need in our communities and making the greatest difference with our available resources. In 2021 we continued to be flexible, reacting quickly and effectively to rapidly-changing circumstances in order to deliver the outcomes below.

Breakfast Club Programme

We started the Breakfast Club programme in 1999 because we knew there were children all over the country attending school every day without having breakfast. Hungry children find it harder to concentrate and learn, ultimately impacting their academic attainment.

Greggs established the first Breakfast Club relationship and the Foundation now manages the programme providing a nutritious breakfast to over 44,500 school children each school day.

Every school is provided with fresh bread from their nearest Greggs shop and a grant to support start-up and ongoing costs. The average club costs just £3,000 to set up and run for a year.

We encourage the use of parent volunteers in Breakfast Clubs. Research has shown that the clubs create opportunities for volunteers to develop, helping adults become work-ready. Breakfast Clubs also help to build supportive relationships, both between pupils who enjoy socialising over a meal, and between the school and the parents and carers benefiting from the extra support.

We receive funding from a range of partners to support these clubs, often private sector companies including our major partner, Greggs plc. A full list of our Breakfast Club partners in 2021 is shown in the 'Our Donors and Supporters' section and we are immensely grateful for their continued backing which enables us to support schools in a range of diverse communities across the UK.

At the end of 2021, the Foundation and its 124 partners supported:

- **686** **Breakfast Clubs**
- **44,529** **Children in Breakfast Clubs each school day**
- **8,683,155** **Breakfasts served in 2021**

Community Holiday Club Programme

We started the Community Holiday Programme in 2016 as we recognised that children who attended our Breakfast Clubs were potentially missing out on the support that they would otherwise get through those clubs during school holidays. Through this programme we provide funding to schools during school holidays, focusing on areas of deprivation, primarily within reach of Breakfast Club schools.

We have also been able to enrich the programme by engaging with and building on strong relationships with some of our Breakfast Club partners. Their support has enabled us to grow and award more grants to our schools, indirectly supporting families within our communities during the holidays.

In 2021, continued coronavirus restrictions meant that the typical holiday programme which involved children attending clubs during holidays could not always take place, so we adapted our support by funding the provision of food and support packages for families during school holidays and periods of national lockdown. In total in 2021 we provided grants to schools, totalling £640,090 (2020: £526,902), to support their most vulnerable families.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Our 2021 achievements (continued)

Outcomes from our programmes in 2021 (continued)

National Hardship Fund

During 2020 and continuing into 2021 the need for support through our hardship fund grew enormously. The impact of the pandemic had a disproportionate effect on those most vulnerable in communities but also pushed more and more people into poverty. Despite being able to afford the least, families in financial hardship often pay the most for basic essentials like buying a cooker or washing machine through a high-cost rent-to-own company. The hardship fund played a vital role in supplying families with basic essentials such as food and clothing vouchers, white goods, beds and bedding.

We are grateful to the schools that we work with to help identify the families most in need. We are also extremely grateful to our partners and funders whose contributions have meant that we were able to support more children and families than we would otherwise have been able to reach alone.

With their support we were able to help more families, awarding 5,262 hardships grants in 2021 compared to 2,747 grants in 2020 and 605 grants in 2019.

Community Hub Programme

We launched our Community Hub Programme to support organisations that could provide space and opportunity in their communities for people to come together, build connections and improve health and wellbeing. This programme is funded by a share of the profits given to us by Greggs plc from their Outlet shops, which provide affordable food in areas of social deprivation. In 2021 we were able to provide funding of £15,000 each to 16 organisations who were operating in the vicinity of Greggs Outlets. From community centres, food banks, community cafes and social supermarkets to a hub for the homeless and women's centres, this funding supported those organisations who were working to get people more connected and to improve the quality of lives in those communities.

UK Recovery Project Fund

Continuing on from our Covid-19 response and recovery support in 2020 we provided project funding of up to £3,850 to 21 community organisations across the country who we had supported previously with emergency core funding in 2020. This funding was to help those organisations continue with the work they were doing to support their communities from supporting their Covid recovery work or a return to existing work or new and innovative projects.

Health

In 2021 we concluded our successful partnership with Premiership Rugby to deliver the Tackling Health Programme. This was an interactive programme for children aged seven and eight, which took a holistic approach to teaching children about their own health and wellbeing and about leading a healthy lifestyle. During the pandemic as schools closed and delivery could not take place in person, online resources were also developed to support parents and teachers in keeping children engaged with learning using rugby to bring learning to life in both numeracy and health and well-being. Designed to educational and dietary standards set by Public Health England this programme was delivered to 45,000 children across England over a three-year period by Premiership Rugby clubs.

Community Urban Rivers Regeneration Fund

In 2021 we continued to work in partnership with the Rivers Trust to deliver our Community Urban Rivers Regeneration Fund. This provides funds to local Rivers Trusts to run educational and community-based environmental projects, focused on urban rivers. In 2021 we continued to support Lune Rivers Trust, Mersey Rivers Trust, Loch Lomond Fisheries Trust, Severn Rivers Trust, Trent Rivers Trust and Thames 21, with grants of up to £30,000 each per year for up to three years.

This programme has not only resulted in improvements to the environment and opened up areas around rivers to the community but has also encouraged community involvement and engagement in the projects, particularly with hard-to-reach groups through activities such as citizen science, clean ups and river management.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Our 2021 achievements (continued)

Outcomes from our programmes in 2021 (continued)

North East Core Fund

The North East Core Fund supports organisations that are based in the North East of England, where Greggs was first established, and continues to have a significant presence. Grants of up to £15,000 per year for up to three years are made to organisations that are making a difference to communities and people in need. Grants are made to support core costs of an organisation, such as salaries and other overheads.

In 2021 we supported 12 organisations with grants to support their core costs from community centres, to disability organisations, centres for children and young people, a community furniture charity and a hub for asylum seekers and refugees.

North East Hardship Fund

The North East Hardship Fund is a collaborative programme, funded by the Foundation and other funders from around the North East of England. Grants of up to £190 are made to fund essential items including white goods, baby equipment, beds and clothing. These grants support people in financial need in the North East of England and are made through recognised social organisations such as charities, housing associations and social services, acting on behalf of a family or individual in need. The mechanism is well tried and tested. We make our process available to any funder or grant making body who wishes to assist people in this way without charging any administration or handling fee. This means that every penny donated goes directly to those who need it.

To help us administer this programme we provide block grants to Childrens Services at all 12 North East local authorities and other organisations to distribute grants on our behalf to those families identified by them as most in need. We also administer applications made directly to us.

We continue to work in partnership with East Durham Partnership (a charity that reinvests funds generated into creating jobs and opportunities for the local community) to supply white goods directly to those in need.

In 2021 we were particularly grateful for the continued support from other trusts and funders to help us meet the significant demand as the impact of the pandemic continued to be felt across communities.

In 2021 grants totaling £428,939 were awarded (2020: £374,985), to help make a significant difference to people's lives in the North East of England.

Further details of our grant programmes including our priorities and criteria is on our website at www.greggsfoundation.org.uk.

Plans for the future

We will continue to expand our reach nationwide and explore funding and collaborative opportunities to strengthen our impact.

The number of Breakfast Clubs is planned to grow. Our ambition is to reach 1,000 schools by 2025. Our network of schools, established through the Breakfast Club programme, enables us to support communities in real need, not just through breakfast provision but also by providing access to hardship grants, community holiday funding and by utilising the skills and expertise that our partners can bring to them too.

We will continue to work with Greggs to support our future plans, including growing our Community Hub Programme to support local organisations to make a difference in their community.

As pressures on communities grow, we recognise more than ever the importance of staying true to our purpose of 'building stronger, healthier communities', while ensuring that we adapt to conditions and direct our support where it is most needed.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for the future (continued)

Our key objectives for 2022

In 2021 Greggs plc published its first full sustainability report "The Greggs Pledge". A number of the commitments made by the company involve working with, or providing funding to the Foundation. In particular:

- Helping the Foundation to grow the number of Breakfast Clubs we support to 1,000 by 2025, providing some 70,000 meals each school day.
- Working with educators to help Breakfast Club pupils make more sustainable food choices.
- Diverting surplus food to those most in need in our communities.
- Sharing the profits from Greggs Outlet shops with local community organisations.

The Greggs Pledge commitments create an opportunity to further strengthen the already strong relationship with Greggs plc and its employees, to the benefit of the communities that we support. The ambition to create "Stronger, healthier communities" is one that both organisations share.

In 2022, our key objectives are:

- To grow the number of Breakfast Clubs to 760 clubs by the end of 2022.
- To increase our support around holiday provision to our Breakfast Club schools.
- To grow our support of children, families and individuals nationally with the Hardship Programme.
- To support the delivery of a health and environmental programme to our Breakfast Club schools.
- To support 26 community hubs within the local area of Greggs outlet shops.
- To continue to provide support to charitable organisations in the North East of England with core funding.

Financial Review

The financial results for the year are summarised in the Statement of Financial Activities. Total incoming resources in 2021 were £3,311,500 (2020: £3,888,667). Total resources expended were £4,024,597 (2020: £3,630,773) resulting in net expenditure before investment gains of £713,097 (2020: surplus of £257,894). The net operating deficit in 2021 comprises a planned deficit on unrestricted activities, reflecting our decision to utilise existing reserves to provide additional support during the Covid pandemic, and a small deficit on restricted activities.

Reserves

The Trustee has the benefit of a substantial investment fund, consisting of shares in Greggs plc and also a well-diversified portfolio of investments under professional management. The Foundation's objective is to make grants each year which, when added to running costs, broadly equal its income. This income may be supplemented by an element of capital drawn down from the investment fund in order to realise the benefit of capital gains while still protecting in real terms the value of the portfolio in the medium term. This flexibility in access to the investment fund means that the Trustee can prioritise the use of cash to pursue its charitable objectives even if this means running a free reserve deficit in the short term. At 31 December 2021, free reserves excluding the investment balance of £26,551,964 and designated/restricted funds amounted to a deficit of £122,897 (2021: deficit of £161,940).

Going concern

The accounts are prepared on a going concern basis unless it is inappropriate to presume that the Foundation will continue in operation. The Trustee has approved the Foundation's budgets and forecasts for 2022, have considered the resources available in 2023 and conclude that the charity has adequate resources to continue in operational existence for at least 12 months from the signing of the financial statements. Further considerations around the going concern assumption are included within the Accounting Policies.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review (continued)

Our Fundraising

Almost all income generation activity is conducted by Foundation staff directly or on behalf of the Foundation through Greggs staff following Foundation guidance to ensure compliance with the requirements of the Charity Commission, Fundraising Regulator and Information Commissioner's Office. The Foundation also connects to potential funders and partners through networking and by raising our profile through communications. The Foundation does not use professional fundraisers, direct marketing, telephone, doorstep or on-street fundraising or share information about funders or supporters without their express permission. The Foundation maintains records of all complaints received and during the year received no complaints on its fundraising activities.

Payroll Giving

The Foundation raised £26,869 (2020: £28,453) through the Payroll Giving scheme, which is open to all Greggs staff. Income raised through Payroll Giving for any causes nominated by Greggs employees is matched from the Foundation's core funding where those causes meet the Foundation's criteria of supporting people in need in our local communities.

Local Fundraising

£413,032 (2020: £266,682) was collected for the Foundation through fundraising by Greggs staff and others and through collection boxes in Greggs shops. Our 'Buy a child a breakfast' fundraising campaign was also launched in Greggs shops enabling Greggs customers to add a donation to their purchase at the tills.

BBC Children in Need Appeal

BBC Children in Need was supported for the fifteenth year running. In 2021, Greggs raised £534,236 (2020: £303,116). Since 2006 over £10 million has been raised by Greggs for BBC Children in Need. Whilst not accounting for these funds in the financial statements, the Foundation continues to project manage this initiative and provides administrative support and co-ordination to ensure the appeal effort runs smoothly.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Our structure, governance and management

The Foundation is governed by its trust deed dated 31 March 1987 (as amended) and is registered with the Charity Commission. The Greggs Foundation Trustee (the corporate Trustee) was incorporated on 13 October 2021 and appointed as the sole Trustee of the Foundation on 2 November 2021. The overall strategic direction of the Foundation is the responsibility of our corporate Trustee and is developed in conjunction with the Foundation Manager. The directors of the corporate Trustee are aware of their governance responsibilities and have the necessary skills to meet these. The Trustee board is the Foundation's governing body and usually meets formally with the Foundation Manager four times a year. Large grants including North East Core Funding and Community Hub grants are approved at the Trustee board meetings. Authority to make small grants, including those under the Hardship Fund, is delegated to the Foundation Manager who oversees the day-to-day management of the Foundation.

In addition to the formal Trustee meetings, five committees exist to assist the Trustee board in fulfilling its role. They are: Finance and Audit committee, Breakfast Club committee, Grant Making committee, Monitoring and Evaluation committee and Nominations committee. The formal Trustee meetings and committees operate in accordance with their respective terms of reference, which are reviewed regularly.

Foundation governance structure



Our Trustees and Trustee Directors who served during 2021 were:

The Greggs Foundation Trustee (appointed 2 November 2021)

The Greggs Foundation Trustee (the Trustee) was incorporated on 13 October 2021 and appointed as the Trustee to the Foundation on 2 November 2021. On appointment of the Trustee to the Foundation the other trustees retired and were appointed as directors of the Trustee company with immediate effect. Joanna Dyson, OBE was also appointed as an additional director while Andrew Davison, OBE retired from the Trustee company with immediate effect.

Joanna Dyson, OBE (appointed as director of the Corporate Trustee 2 November 2021)

Joanna has held senior level roles in retail buying, supply chain and logistics and, prior to retiring in 2021, was Head of Food at FareShare. Joanna was awarded an OBE for services to charitable food distribution during the Covid-19 pandemic and is the Chair of the Nominations committee and a member of the Finance and Audit committee.

Kate Bradley (appointed as director of the Corporate Trustee 2 November 2021)

Kate is Executive Director (maternity cover) of Virgin Money Foundation and has a wealth of experience in the charitable sector. Kate is the Chair of the Foundation's Grant Making committee.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Steve Haines (appointed as director of the Corporate Trustee 2 November 2021)

Steve is Director of Public Affairs at Impetus. Steve brings a wide range of knowledge of working with communities, charity governance and measuring impact. Steve is a member of the Monitoring and Evaluation committee.

Jane Hartley (appointed as director of the Corporate Trustee 2 November 2021)

Jane is an Associate with Voluntary Organisations Network North East, a support body for the voluntary, community and social enterprise sector. Jane is a member of the Foundation's Grant Making committee.

Richard Hutton (appointed as director of the Corporate Trustee 2 November 2021)

Richard is Finance Director of Greggs plc. His knowledge of financial governance and business acumen help the Foundation to be a robust and well-managed organisation. Richard is the Chair of the Foundation's Breakfast Club committee, Chair of the Finance and Audit committee and a member of the Nominations committee.

Fiona Nicholson (appointed as director of the Corporate Trustee 2 November 2021)

Fiona is a dedicated volunteer for the Foundation, with knowledge of the history and culture of Greggs as a member of the Gregg family. Fiona is a member of the Foundation's Grant Making committee, Breakfast Club committee and Nominations committee.

Sanjay Singh (appointed as director of the Corporate Trustee 2 November 2021)

Sanjay is Head of Programmes at the NHS Edinburgh Foundation. Sanjay's knowledge of over 20 years in business development from the banking sector, combined with his charitable sector career, gives him unique expertise in understanding how to manage complex high-value funding portfolios with social purpose. Sanjay is a member of the Grant Making committee.

Mick Thompson (appointed as director of the Corporate Trustee 2 November 2021)

Mick retired as a Senior Partner from KPMG in 2018 and now has a portfolio of locally based non-executive roles. Mick has extensive knowledge of the retail and construction sectors, social housing, education, and charity sectors. Mick is the Chair of the Monitoring and Evaluation committee and a member of the Finance and Audit -committee.

Karen Wilkinson-Bell (appointed as director of the Corporate Trustee 2 November 2021)

Karen Wilkinson-Bell is an independent consultant and Director of NKB Associates Ltd. She has expert knowledge of corporate social responsibility and business supporting the voluntary sector. Karen is a member of the Foundation's Finance and Audit committee and the Monitoring and Evaluation committee.

Tony Rowson (retired as trustee from the Foundation 7 June 2021)

Andrew Davison, OBE (appointed as director of the Corporate Trustee 13 October 2021, retired 2 November 2021)

Andrew was an independent Trustee who brought his knowledge and expertise from the legal sector and was former Company Secretary of Greggs. He also worked with a number of other social, cultural and environmental organisations. Andrew was the Chair of the Foundation's Nominations committee and a member of the Finance and Audit committee.

Roisin Currie (appointed as director of the Corporate Trustee 2 November 2021, retired 8 February 2022)

Roisin is the Chief Executive Officer Designate of Greggs plc. Roisin brought her expert knowledge of the Greggs business to help Greggs Foundation engage its 23,000 Greggs people. Roisin was a member of the Nominations committee.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Our volunteers

Groups of volunteers in Greggs support the work of the Foundation by contributing their specialist skills to the operation of the Foundation, raising awareness of the Foundation amongst Greggs staff and helping to raise funds by maximising shop charity collections, payroll giving and other fundraising initiatives.

We are enormously grateful for all the hard work that they do.

Placing a monetary value on the contribution of the volunteers presents significant difficulties. With the lack of a market comparator price for general volunteers, it is impractical for their contribution to be measured reliably for accounting purposes. Given the absence of a reliable measurement basis, the contribution of volunteers has not been included as income in our accounts.

Our funders and partners

We are immensely grateful for the continued and invaluable support of our funders and partners in 2021. Without them we could not have achieved all that we have in our communities.

We are fortunate to receive continued support from Greggs plc, Greggs customers who give generously to the Foundation and Greggs staff who fundraise and volunteer their time for us throughout the year.

Funders and partners

AB Mauri UK & Ireland
ADM
Agrial Fresh Produce
Arla Foods
Ashford Cladding Systems Limited
Baker Hughes
Bank of England
Barbet Charitable Trust
Barbour Foundation
Barrhead Travel
Believe Housing
Bellway Homes
Beyond Housing
Biffa
Billington Foods
Biscuit Factory Foundation
Blue Barns Poultry Farm
Brewin Dolphin
British Engines
Broadacre Housing
Broadacre Housing
Burnley FC in the Community
Capita
Carrs Flour Mills
Cash for Kids
CCS Media
Chiesi Ltd
Chrysalis Trust
Claire Bescoby
Clegg Food Projects
Confederation of British Industry
DAC Beachcroft Solicitor
Dalziel
Danish Crown
David Wood Baking Ltd
Deloitte
Dimensions
Driver Hire UK

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Our Funders and Partners (continued)

Funders and partners (continued)

Drummond Central Ltd
Dunbia
Encore Envelopes
English Provender
Enterprise RAC UK Ltd
ESS Safeforce
Euro Garages Group
Findel
General Mills
Gentoo
Glasgow Clyde College
Gracelands CMS Ltd
Hadrian Trust
Hatmill
Jewson Partnership Solutions
Jigsaw Homes
Joicey Trust
Joseph Brough Charitable Trust
JT Blakemans Ltd
KEP Print Group
KPMG
L & J Ross
Leyland Rountable 665
Lintz Hall Farm
Livin Housing
Martin Hart Shopfitting Ltd
MOTO in the Community
Newcastle Falcons Community Foundation
Newcastle United Foundation
NORTH
North Star Housing
North Tyneside Council
Oakfield Foods
Orbit
Orion Books
Orion Developments & Investments & University of Glasgow
Paulig
Peak Scientific
Pilgrim's UK
Port of Tyne
Pretty Little Thing
Quorn Foods
Redu
Rothley Trust
Royal Bank of Scotland
Rutherglen Lawn Tennis Club
Sec-Tech UK
Sir James Knott Trust
Sky Blue Homes
Space Group
Speedy Freight
Stagecoach
Sudzucker UK
Symingtons Ltd

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Our Funders and Partners (continued)

Funders and partners (continued)

Synergy Flavour Ltd
Talent 84
Teal & Mackrill Ltd
The Bart Caulker Foundation
The Caledonia Investments Charitable Foundation
The Config Team
The Gateshead Housing Company
The Lower Green Foundation
The PWC Foundation
The Social Co
Thirteen Housing
Timpson
Torus Foundation
Troy Asset Management Ltd
Turnaround Foundation
Tyneside Rotary Club
UBS AG
UCC Coffee UK & Ireland
UK Land Estates (Partnership LTD)
Virgin East Coast Trains
Ward Hadaway LLP
Warrens Biocapital
Welbilt UK Limited
Wingrove Motor Company
Womble Bond Dickinson (UK) LLP
Yeo Valley
Your Homes Newcastle

Our policies

Equality and Diversity

We are committed to encouraging equality, diversity and inclusion among our staff and directors, and eliminating unlawful discrimination. In our grant giving work, we are also committed against unlawful discrimination of applicants, grantees or the public.

Financial delegation

The Trustee will approve an annual operational plan and budget in accordance with the approved timescale. The operational plan incorporates the staff required and the budget, which is the financial expression of the resources required. Where day to day change is deemed appropriate by the Foundation Manager, they can implement such changes without referral to the Trustee, provided that they do not materially alter the level or quality of service provided, the approved staff level or the expenditure required.

Grant making

We meet our aim and objectives through our grant making policy. The grant criteria and amounts are set by the Trustee and reviewed from time to time. New funding proposals are made to the Trustee for sign off. The work of the receiving organisations must also be consistent with the Foundation's strategic aims. Reporting and monitoring arrangements are in place to seek to ensure that the grants are used appropriately.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Our policies (continued)

Investments

There are no restrictions on the Foundation's power to invest. The investment strategy is set by the Trustee and takes account of recent demand for funds and the quality of the funding applications. The Trustee obtains advice on their investments from Brewin Dolphin.

The Finance and Audit committee meets periodically to review investment performance and to make recommendations on investment strategy. In setting their investment strategy, the Trustee considers the income requirements of the Foundation and risk profile. This strategy is set within an overall policy which states that the Foundation's accumulated funds, excluding the shareholding in Greggs, are to be invested in medium risk investments with a view to ensuring that, over time, capital appreciation (including income) of the fund exceeds inflation by an agreed margin.

The Trustee has the discretion to widen the investment portfolio and continue to take advice from Brewin Dolphin. At 31 December 2021 the total value of the portfolio was £26,551,964 (2020: £21,148,235). The trustee board is satisfied with the investment performance over the year.

Public benefit

The Trustee reviews the Foundation's public benefit annually against Charity Commission guidance and is entirely satisfied that the Foundation continues to fulfil a valuable public benefit. We continue to meet our aim and objectives through our grant making policy and our principal grant programmes.

Trustee recruitment, induction and training

The Trustee has the authority to nominate and appoint new directors of the Trustee company. The Trustee considers a prospective director's skills, knowledge and experience to support the Foundation's aim. Newly appointed directors are briefed on their legal obligations under charity law, the content of the trust deed, the committee and the decision-making processes, the business plan and recent financial performance of the Foundation. New directors are appointed by the existing Trustee directors. An induction meeting with the Chair takes place followed by meetings with the Foundation Manager. New directors are provided with an induction pack based on Charity Commission essential guidance for new trustees which includes our previous year's annual report, annual review, a copy of governing trust deed and a brief history of the Foundation. New directors are encouraged to visit beneficiary charities with a member of staff from the Foundation team. Periodic training is arranged for directors.

Related third parties

The Foundation is closely associated to, but independent of, Greggs plc. The Trustee of the Foundation takes all decisions in the best interest of the furtherance of the Foundation and its charitable objectives.

Safeguarding and whistle blowing

The Foundation's safeguarding and whistle blowing policies reflect the areas of work that we are involved in. The Foundation takes its duties seriously and there is a clear process to follow if there is any cause for concern. These policies are reviewed in line with changes in policy or guidance from the Charity Commission and other relevant bodies.

Risk management

The Trustee receives an assessment of risk prepared by the executive team and agrees steps to manage risk. The risk register is reviewed by the Trustee quarterly and covers governance, financial, operational, compliance and external risks. Risks identified are prioritised on the basis of likelihood of occurrence and potential impact. The main risks identified during 2021 were the risk to income from the Greggs donation from profits and from the income generated from product donations, particularly in light of the impact of covid on trading. The income from collection boxes in Greggs shops was also identified as a main risk, as the use of cash continued to decline too. Rolling forecasts were implemented and the finance and audit committee met regularly to discuss and review any impact on operations and budgets. Digital donations in Greggs shops were also introduced in 2021 to help mitigate the risk to cash donations.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor

A resolution to reappoint RSM UK Audit LLP as auditor will be put to the Trustee Board before the end of the next financial year.

Disclosure of information to auditor

Each of the Trustee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustee's report was approved by the Board of Trustee on 18th May 2022.....



J Dyson OBE (Chair)

on behalf of the Trustee

Dated: 18th May 2022

THE GREGGS FOUNDATION

STATEMENT OF TRUSTEE'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustee is responsible for preparing the Trustee's Report and the financial statements 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 Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that year.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Opinion

We have audited the financial statements of The Greggs Foundation (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities including Income and Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year 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.

Basis for opinion

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of Trustee

As explained more fully in the Statement of Trustee's Responsibilities, set out on page 15, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011 and the charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

Enquiries were made of management and the Trustee in relation to laws and regulations where non-compliance could have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and agreeing income to third party documentation.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011. 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 auditors' 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.

RSM UK AUDIT LLP

RSM UK Audit LLP
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
United Kingdom, NE1 4AD
...26/05/22.....

THE GREGGS FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Donations and legacies	2	1,651,235	955,251	2,606,486	3,300,360
Charitable activities	3	239,541	163,311	402,852	268,682
Investments	4	302,162	-	302,162	319,625
Total income		2,192,938	1,118,562	3,311,500	3,888,667
<u>Expenditure on:</u>					
Raising funds	5	14,580	-	14,580	7,110
Charitable activities	6	2,871,579	1,138,438	4,010,017	3,623,663
Total resources expended		2,886,159	1,138,438	4,024,597	3,630,773
Net (expenditure) / income		(693,221)	(19,876)	(713,097)	257,894
Net gains / (losses) on investments	11	6,366,237	-	6,366,237	(1,243,479)
Net incoming/(outgoing) resources before transfers		5,673,016	(19,876)	5,653,140	(985,585)
Gross transfers between funds		176,505	(176,505)	-	-
Net movement in funds		5,849,521	(196,381)	5,653,140	(985,585)
Total funds brought forward		21,679,432	1,691,282	23,370,714	24,356,299
Total funds carried forward		27,528,953	1,494,901	29,023,854	23,370,714

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE GREGGS FOUNDATION

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	13	26,551,964		21,148,235	
Current assets					
Debtors	14	92,409		111,145	
Cash at bank and in hand		2,857,139		2,908,580	
		2,949,548		3,019,725	
Creditors: amounts falling due within one year	15	(388,179)		(697,986)	
Net current assets		2,561,369		2,321,739	
Total assets less current liabilities		29,113,333		23,469,974	
Creditors: amounts falling due after more than one year	16	(89,479)		(99,260)	
Net assets		29,023,854		23,370,714	
Income funds					
Restricted funds	17	1,494,901		1,691,282	
Unrestricted funds		27,528,953		21,679,432	
		29,023,854		23,370,714	

The financial statements were approved by the Trustee on 18th May 2022

J Dyson

J Dyson OBE (Chair)
on behalf of the Trustee

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THE GREGGS FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	19		(1,316,111)		(6,759)
Investing activities					
Purchase of intangible assets		-		(3,744)	
Payment of stock broker charges from cash held as part of investment portfolio		12,779		-	
Proceeds on disposal of investments		951,569		234,172	
Dividends and interest received		300,322		319,625	
Net cash generated from investing activities			1,264,670		550,053
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(51,441)		543,294
Cash and cash equivalents at beginning of year			2,908,580		2,365,286
Cash and cash equivalents at end of year			2,857,139		2,908,580

THE GREGGS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Greggs Foundation is an unincorporated Trust registered as a charity in England and Wales. The address of its principal place of business is Greggs House, Quorum Business Park, Newcastle upon Tyne, NE12 8BU and the nature of its operations are set out in the Trustee's Report.

Accounting convention

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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Foundation meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The Trustee has considered the impact of Covid-19 on the going concern assumption. While some aspects of income have reduced as a result of Covid-19 and are expected to continue at a lower value into 2022, the Trustee is confident that it has sufficient funds to pay committed grants and other liabilities as they fall due.

The Foundation remains committed to delivering its core charitable objectives through grant giving. Should further grant programmes be approved or current programmes expanded, the Trustee may consider utilisation part of the Foundation's investment funds; however any drawdown of investment would ensure the maintenance of a significant investment portfolio in order to continue to provide future revenue streams.

Based on these considerations along with our detailed forecasts, the Trustee is confident that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustee continues to adopt the going concern basis of accounting in preparing the financial statements.

Charitable funds

Unrestricted funds are free to be used in accordance with the charitable objects at the discretion of the Trustee. Unrestricted funds include designated funds where the Trustee, at its discretion, has created a fund for a specific purpose.

Restricted funds can only be used for particular restricted purposes within the objects of the Foundation. Restrictions arise when specified by the donor or where funds are raised for particular restricted purposes. Restricted funds are also expended at the discretion of the Trustee.

Further explanation of the nature and purpose of each fund is included in note 17 to the financial statements.

Incoming resources

Income is recognised in the Statement of Financial Activities when the Foundation has legal entitlement to the funds, any conditions attached to the income have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE GREGGS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Income from donations and legacies include cash donations from individuals, companies, Give As You Earn and other Trusts. Donations are recognised when there is entitlement, the Foundation is probable of the receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the donation relates to future accounting periods. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Donated services and facilities are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantified and measurable. No income is recognised when there is no financial cost borne by a third party.

Income from government grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from charitable activities includes a range of fund raising activities carried out by the Local Charity Committees and is accounted for when receivable.

Income from investments includes dividends and interest receivable. It is included when receivable and the amount can be measured reliably.

Resources expended

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

Expenditure on raising funds are those costs incurred in attracting donations, and those incurred in activities undertaken by the Local Charity Commissions that raise funds.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes grants payable under the seven grant-making programmes. Grants payable are recognised when an unconditional offer has been made by the Foundation. Grants offered which are subject to conditions are recognised when the Trustee have reason to believe that the conditions have been met. Where the Trustee approves a grant that is payable in instalments over a period of two or three years without specific conditions attached, the total amount of that grant is charged in the accounts during the year of approval.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the value grant awards made. The allocation of support and governance costs is analysed in note 7.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

THE GREGGS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

THE GREGGS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations and gifts	1,277,183	622,251	1,899,434	2,238,154
DCMS grant	-	320,000	320,000	680,000
Other grants	-	13,000	13,000	40,024
Donated goods and services	374,052	-	374,052	342,182
	<u>1,651,235</u>	<u>955,251</u>	<u>2,606,486</u>	<u>3,300,360</u>
For the year ended 31 December 2020	<u>1,302,076</u>	<u>1,998,284</u>		<u>3,300,360</u>
Donations and gifts				
Greggs plc - company donations	912,028	30,900	942,928	980,224
Greggs plc - donations from product sales	297,755	-	297,755	156,129
Greggs plc - give as you earn	26,869	-	26,869	28,453
Individuals (including gift aid)	35,531	101,855	137,386	153,789
Other Trusts	-	68,000	68,000	100,372
Breakfast Club partners	-	421,496	421,496	719,187
Barclays donation	5,000	-	5,000	100,000
	<u>1,277,183</u>	<u>622,251</u>	<u>1,899,434</u>	<u>2,238,154</u>

Donated goods and services

Donated goods and services comprises the cost of staff involved with the management and administration of the Foundation of £331,102 (2020: £307,959), free office space of £32,950 (2020: £29,723) and legal services of £10,000 (2020: £4,500). These services are provided by Greggs plc and the Trustee and the related costs of these donated services are included in notes 6 and 7.

THE GREGGS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hardship				
Appeal and fundraising events	-	-	-	50,000
Community				
Appeal and fundraising events	207,804	186	207,990	205,494
General Fundraising				
Fundraising platforms	3,473	-	3,473	8,828
Breakfast Clubs				
Appeal and fundraising events	28,264	163,125	191,389	4,360
	<u>239,541</u>	<u>163,311</u>	<u>402,852</u>	<u>268,682</u>
For the year ended 31 December 2020	<u>258,723</u>	<u>9,959</u>		<u>268,682</u>

4 Investments

	2021 £	2020 £
Income from listed investments	301,428	314,069
Interest receivable	734	5,556
	<u>302,162</u>	<u>319,625</u>

Income from investments relate entirely to unrestricted funds.

5 Raising funds

	2021 £	2020 £
Fundraising and publicity		
Other fundraising costs	14,580	7,110
	<u>14,580</u>	<u>7,110</u>

Income from investments relate entirely to unrestricted funds.

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
North East Core Fund				
Grant-making	401,546	-	401,546	133,780
Share of support costs (see note 7)	42,270	-	42,270	18,922
Share of governance costs (see note 7)	2,336	-	2,336	688
	<u>446,152</u>	<u>-</u>	<u>446,152</u>	<u>153,390</u>
Hardship				
Grant-making	1,314,338	379,547	1,693,885	774,611
Donated wages and salaries	80,000	-	80,000	20,000
Share of support costs (see note 7)	186,739	-	186,739	112,387
Share of governance costs (see note 7)	10,322	-	10,322	4,085
	<u>1,591,399</u>	<u>379,547</u>	<u>1,970,946</u>	<u>911,083</u>
Community				
Grant-making	100,770	-	100,770	350,535
Share of support costs (see note 7)	10,608	-	10,608	49,579
Share of governance costs (see note 7)	586	-	586	1,802
	<u>111,964</u>	<u>-</u>	<u>111,964</u>	<u>401,916</u>
Environmental grants				
Grant-making	50,000	-	50,000	200,000
Share of support costs (see note 7)	5,263	-	5,263	28,288
Share of governance costs (see note 7)	291	-	291	1,028
	<u>55,554</u>	<u>-</u>	<u>55,554</u>	<u>229,316</u>
Breakfast Clubs				
Grant-making	283,995	659,191	943,186	568,059
Share of support costs (see note 7)	99,290	-	99,290	80,345
Share of governance costs (see note 7)	5,489	-	5,489	2,921
	<u>388,774</u>	<u>659,191</u>	<u>1,047,965</u>	<u>651,325</u>
Food Poverty				
Grant-making	-	99,700	99,700	279,600
Share of support costs (see note 7)	10,495	-	10,495	39,546
Share of governance costs (see note 7)	580	-	580	1,438
	<u>11,075</u>	<u>99,700</u>	<u>110,775</u>	<u>320,584</u>

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities (Continued)

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Health grants				
Grant-making	-	-	-	200,000
Share of support costs (see note 7)	-	-	-	28,288
Share of governance costs (see note 7)	-	-	-	1,028
	-	-	-	229,316
COVID response and recovery				
Grant-making	-	-	-	633,827
Share of support costs (see note 7)	-	-	-	89,646
Share of governance costs (see note 7)	-	-	-	3,260
	-	-	-	726,733
Community hubs				
Grant-making	240,000	-	240,000	-
Share of support costs (see note 7)	25,265	-	25,265	-
Share of governance costs (see note 7)	1,396	-	1,396	-
	266,661	-	266,661	-
	2,871,579	1,138,438	4,010,017	3,623,663
For the year ended 31 December 2021	2,206,614	1,417,049		3,623,663

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Support costs

	Support costs £	Governance costs £	2021 £	2020 £	Basis of allocation
In kind staff costs	251,102	-	251,102	279,723	Value of grants made
Loss on disposal	-	-	-	41,040	Value of grants made
Other office costs	19,296	-	19,296	18,622	Value of grants made
In-kind rent and rates	32,950	-	32,950	19,723	Value of grants made
Professional fees	63,952	-	63,952	49,355	Value of grants made
Printing and publications	4,040	-	4,040	21,341	Value of grants made
Matched funding	8,590	-	8,590	17,197	Value of grants made
Audit and accountancy fees	-	21,000	21,000	16,250	Governance
	<u>379,930</u>	<u>21,000</u>	<u>400,930</u>	<u>463,251</u>	

Support costs are met in full by Greggs plc, being either incurred directly by the company and donated to the Foundation, or met from unrestricted donations received from the company. This enables all restricted income to be applied directly to the various charitable activity programmes.

Support costs have been allocated to these programmes for statutory accounts purposes based on the value of grants distributed across each charitable activity programme.

8 Auditor's remuneration

Fees payable to the Foundation's auditor and associates:	2021 £	2020 £
Audit of the annual accounts	13,750	13,750
Other audit services to the Foundation		
- Grant claim audit	4,750	-
Total audit fees	<u>18,500</u>	<u>13,750</u>
Non-audit services		
Other non-audit services	<u>2,500</u>	<u>2,500</u>

9 Trustee

None of the directors of the Trustee (or any persons connected with them) received any remuneration or benefits from the Foundation during the year. During the year total expenses reimbursed to directors of the Trustee for travel and subsistence, amounted to £657 (2020: £nil). The number of directors of the Trustee who claimed expenses in the year was two (2020: nil).

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Staff costs

There are 7.9 full time equivalent personnel (2020: 6.9) employed by Greggs plc involved with the management and administration of the Foundation. The support of these employees is donated by Greggs plc to the Foundation. The Foundation has no direct employees.

The key management personnel of the Foundation are considered to be the directors of the Trustee. Please see note 9 for details of trustee remuneration and expenses.

11 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Change in market value of investments	6,292,000	-	6,292,000	(1,401,558)
Gain on sale of investments	74,237	-	74,237	158,079
	<u>6,366,237</u>	<u>-</u>	<u>6,366,237</u>	<u>(1,243,479)</u>
For the year ended 31 December 2021	<u>(1,243,479)</u>	<u>-</u>		<u>(1,243,479)</u>

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Fixed asset investments

	Listed investments - Equities £
Cost or valuation	
At 1 January 2021	20,738,372
Additions	756,775
Valuation changes	6,292,000
Disposals	<u>(1,773,579)</u>
At 31 December 2021	<u>26,013,568</u>
Carrying amount	
At 31 December 2021	<u>26,013,568</u>
At 31 December 2020	<u>20,738,372</u>

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Fixed asset investments (Continued)

	2021 £	2020 £
Investments at fair value comprise:		
Equities	26,013,568	20,738,372
Cash held within investment portfolio	538,396	409,863
	<u>26,551,964</u>	<u>21,148,235</u>

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	22,675	24,900
Prepayments and accrued income	69,734	86,245
	<u>92,409</u>	<u>111,145</u>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Grants payable	361,591	675,635
Accruals	26,588	22,351
	<u>388,179</u>	<u>697,986</u>

16 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Grants payable	89,479	99,260

Where the Trustee approves a grant that is payable in instalments over a period of two or three years, the total amount of that grant is charged in the accounts during the year of approval. This is because, although payment of each subsequent grant instalment is subject to review and certain conditions being met, the Trustee anticipates that the conditions will be met.

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

17 Analysis of charitable funds

Unrestricted funds

Unrestricted funds are available to be spent for any of the purposes of the charity. These funds include designated funds where the Trustee, at its discretion, has created a fund for a specific purpose.

Restricted funds:

Hardship

The Hardship fund administered by the Foundation works in partnership with other charitable trusts in the region. Funds received from other trusts are deposited into a separate bank account and distributed, at no cost to the contributors, to families and individuals in need via statutory and voluntary welfare agencies. Total funds received from other trusts for the year amounted to £68,000 (2020: £209,073).

Breakfast Club

The Breakfast Club scheme provides free breakfasts to children at primary schools in disadvantaged areas in the UK. The scheme is funded by donations from Greggs plc, partner organisations and individuals. Amounts received from partners, individuals and for specific clubs are treated as restricted.

Environmental

This initiative has been funded in part through the generosity of individuals and through donations from Greggs plc as a result of the carrier bag levy. The Rivers Trust is using a grant from the Foundation to teach hundreds of young children about the ecology of our rivers and how to care for the environment. Other organisations across the UK benefit from grants to help them improve their local environment.

Nominated charities

This fund includes donations from employees of Greggs plc, who have nominated a specific charity they wish to donate to. Funds are received by the Foundation through the Give as You Earn scheme, and then donated to the nominated charities.

Health

In 2019 we rolled out our national programme Tackling Health across the UK in partnership with Premiership Rugby, by Greggs plc. This programme offers thousands of children in our Breakfast Clubs the opportunity to learn about healthy food choices and encourage them to get active through tag rugby.

Barclays

Barclays 100 x 100 was received in the prior year, comprising £100,000 for additional funding to support our hardship programme across the UK, which supports individuals in financial crisis and awards them with essential white goods, beds or bedding and supermarket vouchers for food or clothing.

DCMS grant

Applications were entered in the prior year to the DCMS Community Match fund for £1,000,000, the application was for match funding to support our hardship programme in England via our breakfast club school network. It enabled us to support families in financial crisis and award them with essential white goods, beds or bedding and supermarket vouchers for food or clothing.

Community Foundation

The grant comprised additional funding to support our hardship programme in the North East which supports individuals in financial crisis and awards them with essential white goods.

North Tyneside Council grant

The North Tyneside Council (NTC) grants received of £3,000 and £10,000 were in relation to NTC's Covid local support funding and NTC's household support fund respectively, to support North Tyneside residents by providing grants for food and utility support only. Both grants were distributed through our existing North East Hardship Fund.

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

17 Analysis of charitable funds (Continued)

For the year ended 31 December 2021:

	Movement in funds					
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2021
	£	£	£	£	£	£
Unrestricted funds						
Accumulated fund	20,986,295	953,771	(817,056)	(1,060,180)	6,366,237	26,429,067
Designated funds						
Hardship	160,719	60,960	(499,590)	389,624	-	111,713
Breakfast club	186,848	508,170	(283,995)	172,868	-	583,891
Environmental	163,119	100,000	(50,000)	(163,119)	-	50,000
Food poverty	20,400	-	-	(20,400)	-	-
Local projects	1,177	201,007	(2,439)	(199,745)	-	-
Covid response & recovery	40,874	-	(98,331)	57,457	-	-
Community hubs	120,000	369,030	(240,000)	-	-	249,030
Match fund	-	-	(894,748)	1,000,000	-	105,252
	<u>21,679,432</u>	<u>2,192,938</u>	<u>(2,886,159)</u>	<u>176,505</u>	<u>6,366,237</u>	<u>27,528,953</u>
Restricted funds						
Hardship	8,505	68,000	-	(76,505)	-	-
Breakfast club	1,454,718	584,671	(659,191)	-	-	1,380,198
Environmental	-	106,805	-	-	-	106,805
Nominated Charities	2,297	186	-	-	-	2,483
Health	(25,900)	25,900	-	-	-	-
Barclays	100,000	-	-	(100,000)	-	-
DCMS grant	128,358	320,000	(448,358)	-	-	-
Community Foundation	23,304	-	(23,304)	-	-	-
North Tyneside Council grant	-	13,000	(7,585)	-	-	5,415
	<u>1,691,282</u>	<u>1,118,562</u>	<u>(1,138,438)</u>	<u>(176,505)</u>	<u>-</u>	<u>1,494,901</u>
Total funds	<u>23,370,714</u>	<u>3,311,500</u>	<u>(4,024,597)</u>	<u>-</u>	<u>6,366,237</u>	<u>29,023,854</u>

In 2020 The Greggs Foundation was awarded a grant of £1 million from DCMS as part of the Community Match Challenge programme. The Trustee pledged to match the £1 million by withdrawing £750k from the charity's investment portfolio and designating this to the fund, transferring £150k from existing unrestricted funds and by allocating the £100k restricted donation from Barclays' 100 x 100 programme.

A large portion of the Foundations income is received as Unrestricted and is transferred to the Restricted and Designated funds to reflect the nature of the donation. Restricted and Designated funds are also managed and monitored closely by the Foundation team and are balanced with the Unrestricted fund where necessary.

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

17 Analysis of charitable funds (Continued)

For the year ended 31 December 2020:

	Balance at 1 January 2020	Incoming resources	Movement in funds			Balance at 31 December 2020
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
Unrestricted funds						
Accumulated fund	22,590,933	596,258	(957,417)	-	(1,243,479)	20,986,295
Designated funds						
Hardship	86,105	380,321	(305,707)	-	-	160,719
Breakfast club	213,843	168,311	(195,306)	-	-	186,848
Environmental	213,119	150,000	(200,000)	-	-	163,119
Food poverty	42,000	50,000	(29,600)	(42,000)	-	20,400
Local projects	110,211	295,534	9,432	(414,000)	-	1,177
Covid response & recovery	-	120,000	(535,126)	456,000	-	40,874
Community hubs	-	120,000	-	-	-	120,000
	23,256,211	1,880,424	(2,213,724)	-	(1,243,479)	21,679,432
Restricted funds						
Hardship	68,675	209,073	(269,243)	-	-	8,505
Breakfast club	1,104,691	722,777	(372,750)	-	-	1,454,718
Nominated Charities	2,622	6,369	(6,694)	-	-	2,297
Health	(75,900)	250,000	(200,000)	-	-	(25,900)
Barclays	-	100,000	-	-	-	100,000
DCMS grant	-	680,000	(551,642)	-	-	128,358
Community Foundation	-	40,024	(16,720)	-	-	23,304
	1,100,088	2,008,243	(1,417,049)	-	-	1,691,282
Total funds	24,356,299	3,888,667	(3,630,773)	-	(1,243,479)	23,370,714

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

18 Analysis of net assets between funds

For the year ended 31 December 2021:

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2021 are represented by:			
Investments	26,551,964	-	26,551,964
Current assets/(liabilities)	1,066,468	1,494,901	2,561,369
Long term liabilities	(89,479)	-	(89,479)
	<u>27,528,953</u>	<u>1,494,901</u>	<u>29,023,854</u>

For the year ended 31 December 2020:

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2020 are represented by:			
Investments	21,148,235	-	21,148,235
Current assets/(liabilities)	630,457	1,691,282	2,321,739
Long term liabilities	(99,260)	-	(99,260)
	<u>21,679,432</u>	<u>1,691,282</u>	<u>23,370,714</u>

19 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	5,653,140	(985,585)
Adjustments for:		
Investment income recognised in statement of financial activities	(302,162)	(319,625)
(Gain)/loss on disposal of intangible assets	-	41,040
Gain on disposal of investments	(74,237)	(158,079)
Fair value gains and losses on investments	(6,292,000)	1,401,558
Movements in working capital:		
Decrease in debtors	18,736	109,468
(Decrease) in creditors	(319,588)	(95,536)
Cash absorbed by operations	<u>(1,316,111)</u>	<u>(6,759)</u>

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

20 Analysis of changes in net debt

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	2,908,580	(51,441)	2,857,139
	<u>2,908,580</u>	<u>(51,441)</u>	<u>2,857,139</u>

21 Related party transactions

Transactions with related parties

During the year the Foundation entered into the following transactions with related parties:

	Donations 2021 £	2020 £
Greggs plc	1,267,552	1,193,042
Director of the Trustee / former Trustees	-	50,000
Family members of a director of the Trustee	101,805	98,701
	<u>1,369,357</u>	<u>1,341,743</u>

All transactions are made on an arm's length basis. A balance of £nil was outstanding at the year end (2020: £nil). Donated services totalling £364,052 (2020: £337,682) were provided by Greggs plc, further details are given in note 2.

Included in fixed asset investments is an investment held in Greggs plc of £9,577,190 (2020: £5,370,179). Included in net gains on investments is a gain on disposal of shares of £21,872 (2020: £nil) and an unrealised gain of £4,511,705 (2020: loss of £1,524,058) in relation to this investment.

Donated legal services totalling £10,000 (2020: £4,500) were provided by a company of which a director of the Trustee is a partner.