

THE GREGGS FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

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 G Long A Taylor
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 2022

The Trustee of The Greggs Foundation ("the Foundation") present their report and financial statements for the year ended 31 December 2022.

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 35 years. Ian Gregg, the former Chair of Greggs plc ('Greggs'), 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. Greggs 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. We believe lasting change occurs when communities can grow sustainably from within. That's why we build long term partnerships with local schools and community hubs, offering up funds, food and resources and tried and tested programmes, whilst connecting them to a wider network of business partners and volunteers. 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 funding for food for children to reduce the impact of poverty and social deprivation during the school holidays. This is included under Hardship within note 6.

Hardship Fund – provides small grants to families and individuals in financial hardship to fund food vouchers and 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 £20,000 per year to support charitable organisations in the vicinity of a Greggs Outlet shop 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 £60,000 over up to three years to support the core costs of charitable organisations in the North East of England who are supporting their communities.

Agents of Change Programme - is a sustainable educational resource offered free to primary schools, delivered through Rethink Food, to encourage children to explore issues relating to sustainability.

Through all of these programmes we aim to build stronger, healthier communities. The Trustee has had due regard to the guidance issued by the Charity Commission on public benefit when reviewing the Foundation's aim and objectives, in ensuring that these are met through these core activities.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Chair's report

Our 2022 achievements

For many, 2022 was expected to be a time to put the problems of the Covid pandemic behind us as we looked to a more positive future. However, rapidly rising inflation, a war in Ukraine and the cost-of-living crisis brought a new set of challenges to communities that we as a Foundation have worked to support.

Lack of job security, low-income, financial insecurity and a crowded home environment are issues that many families in our communities face daily, which together with significant food inflation, soaring energy bills and the cost-of-living crisis, are a very real challenge to meeting basic needs.

In 2022, our focus as always was on building stronger, healthier communities but over the course of the year, a greater sense of urgency developed across many of our grant programmes.

We rose to the challenge of ensuring that we continued to respond effectively to the unprecedented social and economic needs that we saw in our communities. We awarded £3.5 million in grants to organisations and individuals. We focused our grant making in areas where we could make the most difference, while supporting our aim of building stronger, healthier communities.

We opened 97 new Breakfast Clubs in 2022, matching the number we opened in 2021, which was more than double the number of any previous year reflecting the continued and growing need for this provision.

In 2021, for the first time, we awarded over £1m in hardship grants to support families and individuals in crisis. In 2022 we increased this to over £1.4 million.

Our Community Hub Programme, which funds organisations that are focused on creating positive change for communities, continued to grow and provide vital support to keep the doors open.

In 2022 we also launched our Agents of Change Programme with Rethink Food, a not for profit organisation, growing a network to alleviate food insecurity. This is an educational resource offered free to primary schools, that will encourage children to lead more sustainable lives.

Despite the challenging environment we saw some amazing fundraising efforts including a 19 mile walk in Northumberland from Holy Island to Bamburgh Castle which raised £50,456 and two golf days with Greggs staff and partners which raised £29,026.

We also continued to evolve as an organisation, undertaking a strategic review in 2022 that will result in developing a new Theory of Change model for 2023.

2022 was also a time of change for us as we said goodbye to two of our directors, Roisin Currie and Karen Wilkinson- Bell who both retired from the Foundation after nine years of service. Roisin as Retail and People Director of Greggs brought expert knowledge of the business to help the Foundation engage Greggs people and although retired as a director of the Foundation on her appointment as Chief Executive Officer of Greggs remains an enthusiastic supporter of the Foundation. Karen brought expert knowledge of social responsibility and business support for the voluntary sector. We are extremely grateful for Roisin's and Karen's support over the years. In 2022 we appointed two new directors; Gillian Long and Tony Taylor, directors of Greggs, who bring expertise, valuable links to the business and a passion for the work of the Foundation.

And finally, our thanks go to the Foundation's staff team, the directors who give their time and expertise, to Greggs and to all our volunteers, funders and partners, without whom we could not have achieved all that we have to support our communities. We are grateful to them, and we would also like to express our thanks and admiration to all those in the schools and community groups who receive our funding and put it to good use to make a difference and provide a better future for those they support.

Joanna Dyson, OBE, Chair

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Our 2022 achievements (continued)

Outcomes from our programmes in 2022

Our focus is on supporting those most in need in our communities and making the greatest difference with our limited resources. In 2022 we continued to be flexible in our approach, reacting quickly and effectively to rapidly-changing circumstances to deliver the outcomes described below.

Breakfast Club Programme

We see schools as a real hub of the local community. The Foundation realised early on that schools could play a significant role in meeting our aims. As well as providing support to children, they are well-placed to identify areas where support is needed most. Since the first breakfast club was founded in 1999, the staff and volunteers at our network of schools have become a central part of the success of the programme. During the current cost-of-living crisis, they have been essential in making sure that our support gets to where it is needed most.

The 789 Breakfast Clubs we supported in 2022 have had a positive impact on nearly 50,000 children who receive a healthy and nutritious breakfast every day. The clubs are a place to eat, talk, play and prepare for the school day. They are also a place to address the most basic of needs for children to ensure hunger is not a barrier to learning.

Every school is provided with fresh bread from their nearest Greggs shop and a grant to support start-up and ongoing costs. We receive funding from a range of partners to support these clubs, often private sector companies including our major partner, Greggs. A full list of our Breakfast Club partners in 2022 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.

In 2022, we opened 97 new breakfast clubs, bringing us closer to our goal of supporting 1,000 breakfast clubs by 2025.

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 to provide food and other support packages for children during school holidays. In 2022 we provided grants to schools, totalling £388,500 to support their most vulnerable families.

National Hardship Fund

Teachers and schools play a pivotal role in identifying children and families in need within their communities. Through our network of schools the Hardship programme has proved that it can be a fast and responsive lifeline to those in need.

As the cost-of-living increases have impacted the ability of families and individuals to manage their household budgets the Hardship programme has become a core part of the Foundation's work. Our work is concentrated in disadvantaged areas where lower-income families have found meeting the challenges presented by inflation increasingly difficult to meet.

We provide hardship grants to help people to meet everyday basic requirements. For many, replacing a malfunctioning fridge may seem like a minor inconvenience. However, for others, it can be the unforeseen expense that is a gateway to longer-term financial difficulties.

In 2022 the demand for hardship grants surged dramatically. We issued grants to 4,278 people totalling £591,232. The significant increase in demand for grants highlights the challenges that families are facing in meeting their everyday needs.

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 many more children and families than we would otherwise have been able to reach alone.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Our 2022 achievements (continued)

Outcomes from our programmes in 2022 (continued)

Agents of Change Programme

Our Agents of Change programme launched in 2022 and is delivered through our partner Rethink Food. This is a sustainable educational resource offered free to primary schools, providing an interactive learning experience to engage children in sustainable lifestyle choices, healthy diet and physical activity. In 2022, 3,400 children in 121 schools benefited from participation in the programme.

Community Hub Programme

In our quest to build stronger, healthier communities we support organisations that aim to improve their communities from within. From community centres, food banks, community cafes and social supermarkets to a hub for the homeless and women's centres, this core funding supports those organisations that are working to connect people, address food insecurity and improve the quality of lives in their communities.

The Community Hubs programme, funded through a share of the profits generated from Greggs Outlets, issued grants totalling £417,920 to 23 community organisations in 2022.

Core funding can provide the financial stability necessary for charitable organisations to maintain their presence in the community. It plays a crucial role in helping community hubs to serve their communities and achieve their mission of creating positive social change.

In 2022, the Foundation funding supported community hubs in a range of ways, including:

Helping a homeless support charity deliver core support services while undergoing a major renovation.

Helping to recruit a manager for a food bank to improve delivery and help recruit, train and support more volunteers.

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 £20,000 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 2022 we supported 16 organisations with grants totalling £650,000 to support their core costs. These included community centres, a substance and alcohol support centre, a food growing project, a disability theatre group 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, where there is acute need. Grants of up to £200 are made to fund essential items including white goods, 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.

To help us administer this programme we provide block grants to Childrens Services at all 12 North East local authorities and to other organisations who 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 2022 we were particularly grateful for the continued support from other trusts and funders to help us meet the significant demand for hardship grants as the impact of the pandemic continued to be felt across communities.

In 2022 grants totalling £431,804 were awarded, 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

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for the future

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 our hardship grants, Agents of Change programme, community holiday funding and by utilising the skills and expertise that our partners can bring to them too. Our ambition is that 1,000 schools should benefit from the programme by 2025 and we will continue to ensure that our funding model best meets schools' needs in an evolving and challenging educational climate.

We will continue to work with Greggs and other partners 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.

Our key objectives for 2023

In 2021 Greggs 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 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 2023, our key objectives are:

- To grow the number of Breakfast Clubs to 850 clubs by the end of 2023.
- To support children, families and individuals nationally through the Hardship Programme by providing hardship funding of £1.4 million.
- To support the continued delivery of our Agents of Change programme to children in 200 schools delivering 216,000 hours of learning in the first full year of this programme.
- To provide core funding of £1.4 million to support charitable organisations through our Community Hub and North East Core Fund programmes.
- To continue to improve our organisation through the development and implementation of our updated Theory of Change model following our strategic review in 2022.

Financial review

The financial results for the year are summarised in the Statement of Financial Activities. Total incoming resources in 2022 were £4,522,438 (2021: £3,311,500). Total resources expended were £4,122,730 (2021: £4,024,597) resulting in a net surplus of £399,708 (2021: deficit of £713,097).

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review (continued)

Reserves

The Trustee has the benefit of a substantial investment fund, consisting of shares in Greggs 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. The 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 2022, free reserves excluding the investment balance of £21,712,702, intangible fixed assets and designated/restricted funds amounted to a surplus of £217,793 (2021: deficit of £122,897).

Going concern

The accounts are prepared on a going concern basis. The Directors of the Trustee have approved the Foundation's budgets and forecasts for 2023, has considered the resources available in 2024 and concludes 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.

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 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 and supporters without their express permission. The Foundation maintains records of all complaints received and during the year received no complaints in relation to its fundraising activities.

Payroll Giving

The Foundation raised £22,796 (2021: £26,869) through the Payroll Giving scheme, which is open to all Greggs employees. 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

£424,712 (2021: £413,302) was collected for the Foundation through fundraising by Greggs employees and customers through collection boxes in Greggs shops. Our 'Buy a child a breakfast' fundraising campaign continued 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 sixteenth year running. In 2022, Greggs raised £782,000 (2021: £534,236). Whilst not accounting for these funds in the financial statements, the Foundation continues to project manage this charitable 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 2022

Our structure, governance and management

The Foundation is governed by its trust deed dated 31 March 1987 (as amended 21 May 1997, 29 April 2009 and 21 October 2021) 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 2022 were:

The Greggs Foundation Trustee

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

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, the UK's national network of charitable food redistributors. 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

Kate is Managing Director of Platform Media and has a wealth of experience in the charitable sector. Kate is the Chair of the Foundation's Grant Making committee.

Steve Haines

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.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Jane Irving (born Hartley)

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 and stepped in to Chair the committee in 2022.

Richard Hutton

Richard is Finance Director of Greggs. 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

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

Sanjay is Director of the ICAS 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

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.

Gillian Long (appointed as director of the Corporate Trustee 18 May 2022)

Gillian is the Retail Operations Director of Greggs. Gillian brings an important connection to Greggs' shops and colleagues in communities that the Foundation supports across the UK. Gillian chairs the Unsold Food Committee in Greggs and is a member of the Breakfast Club committee.

Tony Taylor (appointed as director of the Corporate Trustee 18 May 2022)

Tony is the IT & Business Change Director of Greggs and is passionate about using technology to improve how we operate, ensuring we maximise our impact across the Foundation. Tony is a member of the Monitoring and Evaluation committee.

Roisin Currie (retired as director of the Corporate Trustee 8 February 2022)

Roisin was the Retail and People director of Greggs and retired from the Foundation on her appointment as its Chief Executive Officer. Roisin brought her expert knowledge of the Greggs business to help Greggs Foundation engage its 30,000 Greggs colleagues. Roisin was a member of the Nominations committee.

Karen Wilkinson-Bell (retired as director of the Corporate Trustee 9 November 2022)

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

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022. 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
Bank of England East Midlands
Bank of England West Midlands
Barrhead Travel
Believe Housing
Bellway Homes
Beyond Housing
Biffa
Billington Foods
Biscuit Factory Foundation
Blue Barns Poultry Farm
Brewin Dolphin
British Engines
Broadacres Housing
Burnley FC in the Community
Capita
Carrs Flour Mill
Cash for Kids
CCS Media
Chiesi Ltd
Christeyns Food Hygiene UK
Chrysalis Trust
Clegg Food Projects
Confederation of British Industry
DAC Beachcroft LLP
Dalziel
Danish Crown
David Wood Baking Ltd
Decker's Hospitality Group Ltd
Deloitte
Dimensions
Driver Hire UK

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Our Funders and Partners (continued)

Funders and partners (continued)

Drummond Central Ltd
Dunbia
Encore Envelopes
Endless LLP - Turnaround Foundation
English Provender
Enterprise RAC UK Ltd
Euro Garage Group
Findel Education
Gateshead Council
General Mills
Gentoo
Glasgow Clyde College
Gracelands CMS Ltd
Greener Miles Running
Hadrian Trust
Hatmill
Hollyhock Charitable Foundation
Jewson Partnership Solutions
Jigsaw Homes
Joseph Brough Charitable Trust
JT Blakeman
Karbon Homes
KEP Print Group
KPMG
L & J Ross
LDC
Leyland Roundtable 665
Lintz Hall Farm
Livin Housing
Martin Hart Shopfitting Ltd
MOTO in the Community
Nation Educational Trust (NEU)
Newcastle Falcons Community Foundation
Newcastle United Foundation
NORTH
North Star Housing
O2
Oakfield Foods Ltd
Onjali Rauf
Orbit
Orion Books
Orion Developments & Investments
Paulig
Peak Scientific
Pilgrim's UK (Tulip Ltd)
Port of Tyne
Pretty Little Thing
PWC Scotland Partner Group
Qualitest Group UK Ltd - Experior
Quorn
Redu
Royal Bank of Scotland
Rutherglen Lawn Tennis Club
SAP
Sec-Tech UK

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Our Funders and Partners (continued)

Funders and partners (continued)

Sir James Knott Trust
Sky Blue Homes
Space Group
Speedy Freight
Stagecoach Newcastle
Sudzucker UK
Sunbelt Rentals
Symingtons Ltd
Synergy Flavour Ltd
Talent 84
Teal & Mackrill Ltd
The Barbour Foundation
The Caledonia Investments Charitable Foundation
The Config Team
The Joicey Trust
The Lower Green Foundation
The Rothley Trust
The Social Company
Thirteen Housing
Timpson
Torus Foundation
Travis Perkins Group
Troy Asset Management
Tyneside Rotary Club
UBS AG
UCC Coffee UK & Ireland
UK Land Estates (Partnership Ltd)
University of Glasgow
Ward Hadaway LLP
Warren Biocapital
Welbilt UK Limited
Wingrove Motor Company
Winn Group
Womble Bond Dickinson (UK) LLP
Yeo Valley
Yoplait
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 to eliminating 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.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Our policies (continued)

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.

Investment

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. 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 2022 the total value of the portfolio was £21,712,702 (2021: £26,551,964).

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. 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.

THE GREGGS FOUNDATION

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 were the risk to income from the Greggs donation from profits and from income generated from product sales donations, particularly considering challenging trading conditions. The income from collection boxes in Greggs shops was also identified as a risk as the use of cash continues to decline and other calls on customers' generosity arising from Disaster Emergency Committee Appeals. The finance and audit committee meet regularly to discuss and review any impact on operations and budgets and digital donation channels continue to be explored.


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 15/05/23



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J Dyson OBE (Chair)

on behalf of the Trustee

Dated: 15/05/23.....

THE GREGGS FOUNDATION

STATEMENT OF TRUSTEE'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustee are 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 are 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 are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them 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. They are 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 are 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 2022 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 2022 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 Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report and financial statements other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the report and financial statements. 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 Trustee's 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 14, 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 Trustee's Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

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, agreeing income to third party documentation and testing income transactions around the year end.

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 trustee, 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 trustee 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 trustee 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

16/05/23.....

THE GREGGS FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	2	2,952,432	589,108	3,541,540	2,606,486
Charitable activities	3	235,820	188,892	424,712	402,852
Investments	4	556,186	-	556,186	302,162
Total income		3,744,438	778,000	4,522,438	3,311,500
Expenditure on:					
Raising funds	5	22,089	-	22,089	14,580
Charitable activities	6	3,449,653	650,988	4,100,641	4,010,017
Total resources expended		3,471,742	650,988	4,122,730	4,024,597
Net income / (expenditure)		272,696	127,012	399,708	(713,097)
Net (losses) / gains on investments	11	(4,872,471)	-	(4,872,471)	6,366,237
Net (outgoing)/incoming resources before transfers		(4,599,775)	127,012	(4,472,763)	5,653,140
Gross transfers between funds		(175,646)	175,646	-	-
Net movement in funds		(4,775,421)	302,658	(4,472,763)	5,653,140
Total funds brought forward		27,528,953	1,494,901	29,023,854	23,370,714
Total funds carried forward		22,753,532	1,797,559	24,551,091	29,023,854

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	13	19,920		-	
Investments	14	21,712,702		26,551,964	
		<u>21,732,622</u>		<u>26,551,964</u>	
Current assets					
Debtors	15	169,028		92,409	
Cash at bank and in hand		3,334,234		2,857,139	
		<u>3,503,262</u>		<u>2,949,548</u>	
Creditors: amounts falling due within one year	16	(515,017)		(388,179)	
Net current assets		<u>2,988,245</u>		<u>2,561,369</u>	
Total assets less current liabilities		<u>24,720,867</u>		<u>29,113,333</u>	
Creditors: amounts falling due after more than one year	17	(169,776)		(89,479)	
Net assets		<u><u>24,551,091</u></u>		<u><u>29,023,854</u></u>	
Income funds					
Restricted funds	19	1,797,559		1,494,901	
Unrestricted funds		22,753,532		27,528,953	
		<u><u>24,551,091</u></u>		<u><u>29,023,854</u></u>	

The financial statements were approved by the Trustee on 15/05/23



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J Dyson OBE (Chair)
on behalf of the Trustee

THE GREGGS FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(25,962)		(1,316,111)
Investing activities					
Purchase of intangible assets		(19,920)		-	
Payment of stock broker charges from cash held as part of investment portfolio		-		12,779	
Proceeds on disposal of investments		-		951,569	
Dividends and interest received		522,977		300,322	
Net cash generated from investing activities			503,057		1,264,670
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			477,095		(51,441)
Cash and cash equivalents at beginning of year			2,857,139		2,908,580
Cash and cash equivalents at end of year			3,334,234		2,857,139

THE GREGGS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Greggs Foundation is an unincorporated Trust registered as a charity in England and Wales. The Trustee is The Greggs Foundation Trustee, a Private Limited Company by guarantee without share capital and use of 'Limited' exemption and incorporated 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 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 19 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.

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.

THE GREGGS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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 Committees 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 has 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.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. The software development was still in progress at the year end therefore no amortisation has been charged.

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.

Impairment of fixed assets

At each reporting end date, the Foundation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THE GREGGS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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, accrued income 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 2022

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and gifts	2,550,879	489,108	3,039,987	1,899,434
DCMS grant	-	-	-	320,000
Other grants	-	100,000	100,000	13,000
Donated goods and services	401,553	-	401,553	374,052
	<u>2,952,432</u>	<u>589,108</u>	<u>3,541,540</u>	<u>2,606,486</u>
For the year ended 31 December 2021	<u>1,651,235</u>	<u>955,251</u>		<u>2,606,486</u>
Donations and gifts				
Greggs plc - company donations	2,045,477	-	2,045,477	942,928
Greggs plc - donations from product sales	334,820	-	334,820	297,755
Greggs plc - give as you earn	22,796	-	22,796	26,869
Individuals (including gift aid)	117,786	-	117,786	137,386
Other Trusts	-	77,500	77,500	68,000
Breakfast Club partners	30,000	411,608	441,608	421,496
Barclays donation	-	-	-	5,000
	<u>2,550,879</u>	<u>489,108</u>	<u>3,039,987</u>	<u>1,899,434</u>

Donated goods and services

Donated goods and services comprises the cost of staff involved with the management and administration of the Foundation of £371,778 (2021: £331,102), free office space of £29,775 (2021: £32,950) and legal services of £nil (2021: £10,000). These services are provided by Greggs plc and the Trustee and the related costs of these donated services are included in note 7.

THE GREGGS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Community				
Appeal and fundraising events	202,527	3,957	206,484	207,990
General Fundraising				
Fundraising platforms	12,201	-	12,201	3,473
Breakfast Clubs				
Appeal and fundraising events	21,092	184,935	206,027	191,389
	<u>235,820</u>	<u>188,892</u>	<u>424,712</u>	<u>402,852</u>
For the year ended 31 December 2021	<u>239,541</u>	<u>163,311</u>		<u>402,852</u>

4 Investments

	2022 £	2021 £
Income from listed investments	547,136	301,428
Interest receivable	9,050	734
	<u>556,186</u>	<u>302,162</u>

Income from investments relate entirely to unrestricted funds.

5 Raising funds

	2022 £	2021 £
Fundraising and publicity		
Other fundraising costs	22,089	14,580
	<u>22,089</u>	<u>14,580</u>

Expenditure on fundraising and publicity entirely to unrestricted funds.

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
North East Core Fund				
Grant-making	650,000	-	650,000	401,546
Share of support costs (see note 7)	98,443	-	98,443	42,270
Share of governance costs (see note 7)	3,576	-	3,576	2,336
	<u>752,019</u>	<u>-</u>	<u>752,019</u>	<u>446,152</u>
Hardship				
Grant-making	1,431,111	7,635	1,438,746	1,693,885
Donated wages and salaries	-	-	-	80,000
Share of support costs (see note 7)	217,898	-	217,898	186,739
Share of governance costs (see note 7)	7,916	-	7,916	10,322
	<u>1,656,925</u>	<u>7,635</u>	<u>1,664,560</u>	<u>1,970,946</u>
Community				
Grant-making	30,954	-	30,954	100,770
Share of support costs (see note 7)	4,688	-	4,688	10,608
Share of governance costs (see note 7)	171	-	171	586
	<u>35,813</u>	<u>-</u>	<u>35,813</u>	<u>111,964</u>
Environmental grants				
Grant-making	-	-	-	50,000
Share of support costs (see note 7)	-	-	-	5,263
Share of governance costs (see note 7)	-	-	-	291
	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,554</u>
Breakfast Clubs				
Grant-making	363,375	448,873	812,248	943,186
Share of support costs (see note 7)	123,016	-	123,016	99,290
Share of governance costs (see note 7)	4,468	-	4,468	5,489
	<u>490,859</u>	<u>448,873</u>	<u>939,732</u>	<u>1,047,965</u>
Food Poverty				
Grant-making	-	-	-	99,700
Share of support costs (see note 7)	-	-	-	10,495
Share of governance costs (see note 7)	-	-	-	580
	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,775</u>

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities (Continued)

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Agents of change				
Grant-making	-	194,480	194,480	-
Share of support costs (see note 7)	29,454	-	29,454	-
Share of governance costs (see note 7)	1,070	-	1,070	-
	<u>30,524</u>	<u>194,480</u>	<u>225,004</u>	<u>-</u>
Community hubs				
Grant-making	417,920	-	417,920	240,000
Share of support costs (see note 7)	63,294	-	63,294	25,265
Share of governance costs (see note 7)	2,299	-	2,299	1,396
	<u>483,513</u>	<u>-</u>	<u>483,513</u>	<u>266,661</u>
	<u>3,449,653</u>	<u>650,988</u>	<u>4,100,641</u>	<u>4,010,017</u>
For the year ended 31 December 2021	<u>2,871,579</u>	<u>1,138,438</u>		<u>4,010,017</u>

7 Support costs

	Support costs £	Governance costs £	2022 £	2021 £	Basis of allocation
In kind staff costs	371,778	-	371,778	251,102	Value of grants made
Other office costs	26,214	-	26,214	19,296	Value of grants made
In-kind rent and rates	29,775	-	29,775	32,950	Value of grants made
Professional fees	65,079	-	65,079	63,952	Value of grants made
Printing and publications	6,868	-	6,868	4,040	Value of grants made
Conferences	18,682	-	18,682	-	Value of grants made
Matched funding	18,397	-	18,397	8,590	Value of grants made
Audit and accountancy fees	-	19,500	19,500	21,000	Governance
	<u>536,793</u>	<u>19,500</u>	<u>556,293</u>	<u>400,930</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.

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Auditor's remuneration

Fees payable to the Foundation's auditor and associates:	2022 £	2021 £
Audit of the annual accounts	16,750	13,750
Other audit services to the Foundation		
- Grant claim audit	-	4,750
Total audit fees	16,750	18,500
Non-audit services		
Other non-audit services	2,750	2,500

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 £1,868 (2021: £657). The number of directors of the Trustee who claimed expenses in the year was three (2021: two).

10 Staff costs

There are 9.3 full time equivalent personnel (2021: 7.9) 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 (losses)/gains on investments

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Change in market value of investments	(4,852,435)	-	(4,852,435)	6,292,000
(Loss)/gain on sale of investments	(20,036)	-	(20,036)	74,237
	(4,872,471)	-	(4,872,471)	6,366,237
For the year ended 31 December 2021	6,366,237	-		6,366,237

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.

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Intangible fixed assets

	Software development £
Cost	
At 1 January 2022	-
Additions	19,920
	<hr/>
At 31 December 2022	19,920
	<hr/>
Amortisation and impairment	
At 1 January 2022 and 31 December 2022	-
	<hr/>
Carrying amount	
At 31 December 2022	19,920
	<hr/> <hr/>
At 31 December 2021	-
	<hr/> <hr/>

14 Fixed asset investments

	Listed investments - Equities £
Cost or valuation	
At 1 January 2022	26,013,568
Additions	893,382
Valuation changes	(4,852,435)
Disposals	(1,169,083)
	<hr/>
At 31 December 2022	20,885,432
	<hr/>
Carrying amount	
At 31 December 2022	20,885,432
	<hr/> <hr/>
At 31 December 2021	26,013,568
	<hr/> <hr/>

	2022 £	2021 £
Investments at fair value comprise:		
Equities	20,885,432	26,013,568
Cash held within investment portfolio	827,270	538,396
	<hr/>	<hr/>
	21,712,702	26,551,964
	<hr/> <hr/>	<hr/> <hr/>

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	90,043	22,675
Prepayments and accrued income	78,985	69,734
	<u>169,028</u>	<u>92,409</u>

16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Grants payable		389,234	361,591
Deferred income	18	90,043	-
Accruals		35,740	26,588
		<u>515,017</u>	<u>388,179</u>

17 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Grants payable	<u>169,776</u>	<u>89,479</u>

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 and deferred to the year in which the grant is payable. 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. 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.

18 Deferred income

	2022 £	2021 £
Brought forward	-	-
Income deferred in the year	90,043	-
Amounts released from prior year	-	-
	<u>90,043</u>	<u>-</u>

Deferred income has arisen on income received in the year that relates to the year to 31 December 2023.

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

19 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 £77,500 (2021: £68,000).

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. Carrier bag income currently sat in restricted environmental reserves was agreed by the Trustee (F&A committee) to be moved to pay for the Rethink Food programme. This money will be needed in 2023/24 to cover any shortfall in income assigned to the programme.

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.

Agents of change programme

Our Agents for Change Programme launched in 2022 and is delivered through our partner Rethink Food. This is a sustainable educational resource offered free to primary schools, that will help children to become more carbon resourceful. Children are encouraged to eat to save the planet.

DCMS grant

The DCMS Community Match Fund for £1,000,000 finished in 2021. This 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.

North Tyneside Council grant

The North Tyneside Council (NTC) grants received in the prior year 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 2022

19 Analysis of charitable funds (Continued)

For the year ended 31 December 2022:

	Movement in funds					
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2022
	£	£	£	£	£	£
Unrestricted funds						
Accumulated fund	26,429,067	2,199,005	(1,228,382)	(576,804)	(4,872,471)	21,950,415
Designated funds						
Hardship	111,713	15,623	(938,868)	811,532	-	-
Breakfast club	583,891	446,071	(363,375)	-	-	666,587
Environmental	50,000	190,000	-	(240,000)	-	-
Community holiday	-	-	(330,050)	330,050	-	-
Local projects	-	196,486	(27,954)	(168,532)	-	-
Covid response & recovery	-	-	(3,000)	3,000	-	-
Community hubs	249,030	697,253	(417,920)	(406,480)	-	121,883
Match fund	105,252	-	(162,193)	71,588	-	14,647
	<u>27,528,953</u>	<u>3,744,438</u>	<u>(3,471,742)</u>	<u>(175,646)</u>	<u>(4,872,471)</u>	<u>22,753,532</u>
Restricted funds						
Hardship	-	177,500	(2,500)	(77,500)	-	97,500
Breakfast club	1,380,198	596,543	(448,873)	-	-	1,527,868
Environmental	106,805	-	-	-	-	106,805
Nominated Charities	2,483	3,957	-	-	-	6,440
Agents of change	-	-	(194,480)	253,146	-	58,666
North Tyneside Council grant	5,415	-	(5,135)	-	-	280
	<u>1,494,901</u>	<u>778,000</u>	<u>(650,988)</u>	<u>175,646</u>	<u>-</u>	<u>1,797,559</u>
Total funds	<u>29,023,854</u>	<u>4,522,438</u>	<u>(4,122,730)</u>	<u>-</u>	<u>(4,872,471)</u>	<u>24,551,091</u>

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 2022

19 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.

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20 Analysis of net assets between funds

For the year ended 31 December 2022:

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2022 are represented by:			
Intangible fixed assets	19,920	-	19,920
Investments	21,712,702	-	21,712,702
Current assets/(liabilities)	1,190,686	1,797,559	2,988,245
Long term liabilities	(169,776)	-	(169,776)
	<u>22,753,532</u>	<u>1,797,559</u>	<u>24,551,091</u>

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>

21 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(4,472,763)	5,653,140
Adjustments for:		
Investment income recognised in statement of financial activities	(556,186)	(302,162)
Loss/(gain) on disposal of investments	20,036	(74,237)
Net loss/(gain) on value of investments	4,852,435	(6,292,000)
Movements in working capital:		
(Increase)/decrease in debtors	(76,619)	18,736
Increase/(decrease) in creditors	117,092	(319,588)
Increase in deferred income	90,043	-
Cash absorbed by operations	<u>(25,962)</u>	<u>(1,316,111)</u>

THE GREGGS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

22 Analysis of changes in net debt

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	2,857,139	477,095	3,334,234
	<u>2,857,139</u>	<u>477,095</u>	<u>3,334,234</u>

23 Related party transactions

Transactions with related parties

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

	Donations 2022 £	2021 £
Greggs plc	2,403,093	1,267,552
Director of the Trustee	50,000	-
Family members of a director of the Trustee	-	101,805
	<u>2,453,093</u>	<u>1,369,357</u>

All transactions are made on an arm's length basis. A balance of £nil was outstanding at the year end (2021: £nil). Donated services totalling £401,553 (2021: £364,052) 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 £6,733,020 (2021: £9,577,190). Included in net gains on investments is a gain on disposal of shares of £nil (2021: £21,872) and an unrealised loss of £2,844,170 (2021: gain of £4,511,705) in relation to this investment.

Donated legal services totalling £nil (2021: £10,000) were provided by a company of which a director of the Trustee is a partner.