



# **Trustees' Report and Financial Statements**

**31 December 2006**

**Registered Charity Number 296590**

## **Contents**

Reference and Administrative Information	1
Trustees' Report	2
Statement of Trustees' Responsibilities	6
Report of the Independent Auditors to the Trustees of Greggs Trust	7
Statement of Financial Activities	8
Balance Sheet	9
Notes	10
Appendices	
Appendix I – Major Grants	16
Appendix II – Divisional Charity Committees' Grants	19

## Reference and Administrative Information

### Trustees

Andrew Davison (Chairman)  
Felicity Deakin  
Richard Hutton  
Peter McKendrick  
Fiona Nicholson  
Annemarie Norman  
Lesley Spuhler

### Staff

Mark Wilson, Trust Manager  
Gillian Hansom, Administrator

### Divisional Charity Committees

Greggs North East (Newcastle upon Tyne)  
Greggs of Scotland (Glasgow/Edinburgh)  
Greggs of Yorkshire (Leeds)  
Greggs North West (Manchester)  
Greggs of the Midlands (Birmingham)  
Greggs of Treforest (South Wales)  
Greggs South East (North London)  
Greggs South East (West London)  
Greggs of Cumbria (Penrith)  
Bakers Oven Midlands (Nottingham)  
Bakers Oven South (London)  
Greggs Head Office (Newcastle upon Tyne)  
Greggs Balliol Park (Newcastle upon Tyne)  
Greggs Distribution Service (Kettering, Northants)

### Address for Contact

Fernwood House  
Clayton Road  
Jesmond  
Newcastle upon Tyne  
NE2 1TL

Website: [www.greggs.org.uk](http://www.greggs.org.uk)  
Email: [greggs.trust@greggs.co.uk](mailto:greggs.trust@greggs.co.uk)

### Bankers

National Westminster Bank Plc  
149 High Street  
Gosforth  
Newcastle upon Tyne  
NE3 1HA

### Independent Auditors

KPMG LLP  
Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX

## **Report of the Trustees for the year ended 31<sup>st</sup> December 2006**

The Trustees present their report along with the financial statements of the charity for the year ended 31<sup>st</sup> December 2006. The financial statements have been prepared in accordance with the accounting policies set out on page 10 and comply with the charity's trust deed and applicable law. It is an unincorporated Trust registered as a charity with number 296590.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Ian Gregg (former chairman of Greggs plc) set up the Trust as a registered charity in 1987 with the aim of putting something back into the communities where Greggs plc trades and where customers and employees live.

The Trust is governed by its Trust Deed. A voluntary Board of Trustees manages the Trust and has the power to appoint new Trustees. They meet twice a year and approve major grants four times per year. Authority to make small grants is delegated to the Trust Manager and the Divisional Charity Committees.

At the year end, there were 7 Trustees (see page 1) including the Company Secretary of Greggs plc, its Group Finance Director, Ian Gregg's two daughters and independent specialists with knowledge of the charitable sector. Newly appointed trustees take part in an informal induction programme, and periodic training is arranged for Trustees.

By agreement with Greggs plc Elaine Nylander continued to provide assistance with the financial administration of the Trust, including the preparation of the annual financial statements, and Jackie Crombie continued to provide management and support to the Trust staff.

The Trustees are aware of their governance responsibilities and have the necessary skills to manage the Trust's affairs. They determine the charitable objectives, the policies and procedures and ensure that the Trust's activities remain within these. The Trust is a member of the Association of Charitable Foundations (ACF), which provides much helpful information on good practice and changes in the law affecting charities.

Jenni Wagstaff was employed as the Trust Manager until her resignation on 13<sup>th</sup> June 2006. The trustees would like to record their thanks to Jenni for her work and contribution to the activities of the Trust. Since the year end, Mark Wilson has been appointed as the new Trust Manager. Gillian Hansom continued as part time Administrator.

Terence Finley was retained on a consultancy basis as Advisor to the Trustees.

### **People**

Groups of volunteers in the Greggs and Bakers Oven divisions of Greggs plc carry out much of the work of Greggs Trust. These Divisional Charity Committees are essential to the Trust, enabling it to achieve its objective of making a difference to the communities in which Greggs plc operates across the country. The Trustees are enormously grateful for all the hard work they do.

### **Risk Management**

The Trustees have sought to identify the major risks to which the Trust may be subject. Systems have been established which are designed to mitigate all major risks. The Trustees review their risk management strategy annually, or more often if circumstances require.

### **OBJECTIVES AND ACTIVITIES**

#### **Policies and Objectives**

The Trustees make grants to organisations with charitable objectives in the North East of England with the aim of improving the lives of disadvantaged people and enhancing the quality of life in local communities. Divisional Charity Committees of Greggs plc also make grants around the country on behalf of the Trust under these same guidelines.

## **Trustees' Report** *(continued)*

### **Trust Policy and Grant Distribution**

#### **▪ Major Grants**

Applications for Major Grants are assessed in March, June, September and November and applications should be sent to the Trust Manager at least two months prior to the meeting dates. We like to support organisations that 'make a difference' to their local area, and give priority to hard to fund causes, as well as projects which involve clients and users.

Under the major grants programme, funding is given for core costs (i.e. salaries and overheads) typically between £10,000-£15,000 per annum for one, two or three years in accordance with the objectives and guidelines referred to above.

Options and considerations for future grant-making priorities were discussed during the year, as the Trust has been receiving an increasing number of applications, which far exceed the funds available for distribution. This is in part due to the increased competition from small organisations because of the significant loss to the sector of government and European funds. As a result the Trustees will review the grant making policy and guidelines during 2007.

#### **▪ Hardship Payments**

Greggs Trust also administers a Hardship Fund. As well as funding from Greggs it includes donations from the Brough Benevolent Association, The Hadrian Trust, The Joicey Trust, The Sir James Knott Trust, The 1989 Willan Charitable Trust and The Rothley Trust. Grants up to a maximum of £150 are made for essential items including white goods, basic furniture and clothing to people in extreme social need who live in the North East of England. Priority is given to children and families, and applications must be made on behalf of a client by a welfare agency.

Thanks go to the Trusts whose much valued contributions to the Hardship Fund continue to help support many families and individuals in need.

#### **▪ Divisional Charity Committees**

The Trust continued to support and develop the charitable activities within the divisions of Greggs plc throughout the UK via the 14 Divisional Charity Committees (as listed on page 1).

The Committees are made up of staff who work in each of the operating divisions of Greggs plc and make grants under the same guidelines as the Trust. They usually make smaller one-off grants, typically in the region of £500, to projects which are based in their area.

The Committees are responsible for their individual funds and each Committee is required to submit an annual return at the year end which summarises the activities during the year and the funds at the balance sheet date. The Trust manager oversees the work of the activities of the Committees, on behalf of the Trustees.

The Bakers Oven North division closed during 2006, and its charity funds were transferred to the Greggs North East division for distribution to local charities. The Greggs North East Charity Committee have agreed to honour the existing commitments made by their colleagues at Bakers Oven North.

For further information on the Trust's policy for grant distribution, including a list of exclusions see the Trust's website: [www.greggstrust.org.uk](http://www.greggstrust.org.uk)

## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of activities**

#### **▪ Major Grants**

During 2006 donations totalling £385,333 (2005: £339,552) were made in the North East of England to benefit voluntary organisations. (See Appendix I for a list of major grants).

An example of one of the projects supported in 2006, was the Ladder Centre in Ferryhill, Co Durham. The Trustees agreed to a grant of £15,000 per year for three years, to this project which was set up in 2001 by local residents, who were concerned at the lack of facilities on their estate. The Centre provides a meeting place for people living on the estate, as well as welfare and benefits advice, activities and events and a community garden which is enjoyed by the

whole community. The grant has been used to cover core costs, and to enable the charity to run a wider range of activities and encourage more people to use the centre.

### **Trustees' Report** *(continued)*

Following an initiative to identify a special project for funding in 2006, the Trustees are pleased to report that they have decided to support a project called Local Action on Global Issues. This is a grant making programme managed by the Community Foundation and supported by several grant making trusts to educate and raise awareness on environmental

issues. It was agreed that £40,000 would be donated to the project in 2006, with additional non-contractual donations of £40,000 to be made in 2007 and 2008.

Payments for the second and third instalments of grants are only made on receipt of a progress report and a copy of the Annual Report and Accounts from the funded organisation. The Trustees must be satisfied with the documents and the circumstances of the organisation before any further funding is released. It is the intention of the Trust Manager to visit a number of previously funded organisations to monitor the effectiveness of grants.

#### ▪ **Hardship Fund**

The following charitable trusts made donations totalling £56,000 (2005: £51,500) to the Hardship Fund during the year: The Brough Benevolent Association, The Hadrian Trust, The 1989 Willan Charitable Trust, The Joicey Trust, The Sir James Knott Trust and The Rothley Trust. In addition, Greggs Trust allocated £125,000 (2005: £125,000) towards the Fund (see note 18).

Over 1,149 (2005: 1,175) grants were made amounting to a total of £97,291 (2005: £109,203) with a further £86,000 (2005: 108,000) paid in block grants for distribution by welfare agencies.

#### ▪ **Divisional Charity Committees**

The Divisional Charity Committees raised £69,782 (2005: £64,761) via the payroll 'Give As You Earn' scheme which is open to all Greggs plc staff. Greggs Trust also matches employees' donations pound for pound.

A further £131,949 (2005: £108,152) was collected via the staff's own fundraising efforts. This includes a total of £54,941 (2005: £35,300) from Greggs Trust Collection Boxes. The Trust's boxes have now been installed in nearly all of the Greggs and Bakers Oven shops throughout the UK.

The Divisional Charity Committees awarded a total of £421,253 (2005: £373,845) in grants to local voluntary organisations (see Appendix II for a list of grants).

#### ▪ **Future Grant Making**

At the end of the year, the future grant making programme for the next 3 years amounted to £498,994 (2005: £332,618) as disclosed in note 15. These payments are second or third instalments of major grants approved in 2006 or in previous years. These payments are not guaranteed and are only paid out at the discretion of the Trustees, subject to certain conditions being met. These conditions include the satisfactory performance of the organisation over the year and the submission of their annual report and accounts.

### **FINANCIAL REVIEW**

The financial results for the year are summarised in the Statement of Financial Activities on page 8. Total incoming resources increased to £978,519 (2005: £914,978). The main source of income continues to be corporate donations and dividends from the Trust's shareholding in Greggs plc. In addition, there was a continuing significant contribution from fundraising activities generated by the Divisional Charity Committees.

Total resources expended increased by 3% to £1,048,248 (2005: £1,018,231). This resulted in net outgoing resources of £69,729 (2005: £103,253). This is in line with the Trustees reserves policy which has allowed a programme of increased grant expenditure.

#### **Reserves Policy**

The Trustees have a policy which is to maintain free reserves, other than the shareholding in Greggs plc and restricted income funds at such a level as to satisfy potential future grants which have been approved, but are subject to conditions and only payable at the Trustees discretion, and to allow for the continued management of the Trust whilst this

programme is conducted. At 31 December 2006, these reserves amounted to £1,034,554 (2005: £1,028,596), against an ideal reserve of £575,000. The Trustees hope to reduce this surplus over time.

### **Investment Policy**

There are no restrictions on the Trust's power to invest. The investment strategy is set by the Trustees and takes account of recent demand for funds and the quality of the funding applications. The Trustees obtain advice on their investments in Equity Funds, except in relation to shareholding in Greggs plc, from John Henderson, Henry F Dodds (Life & Pensions) Ltd.

The Trustees consider the income requirements and the risk profile. This strategy is set within an overall policy which states that the Trust's accumulated funds, excluding the shareholding in Greggs plc, are to be invested in medium risk investments with a view to ensuring that capital appreciation of the fund exceeds inflation. The Trustees have the discretion to widen the investment portfolio, and have therefore invested in designated charity investment funds: Charishare and Charifund. These specialist tax exempt funds are believed to be appropriate investments that will achieve long-term growth. The performance of these funds was in line with the increase in the FT All Share Index, including the annual yield, over the year ended 31 December 2006.

A significant cash holding is currently held in competitive interest bearing bank accounts, pending receipt of suitable grant making opportunities which are in accordance with the Trust's charitable objectives.

Ordinary shares held in Greggs plc account for a significant proportion of the Trust's fixed asset investment. 215,000 shares were donated by Ian Gregg, a former Trustee. These gifted shares are retained by the Trustees to provide income.

An investment sub-committee meets periodically to advise the Trustees on investment strategy.

### **PLANS FOR THE FUTURE**

The Trust will continue to review its grant making policy in the light of an increasing number of applications, particularly because of the loss of significant funding for the sector, after the withdrawal of several government and European grants.

During 2007 the Trustees plan to review the grant making policies and agree funding priorities for the next year. In addition they will assess their knowledge and responsibilities, and identify any training needs.

### **Disclosure of information to auditors**

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### **Appointment of Auditors**

KPMG LLP were re-appointed as Auditors of the Trust.

On behalf of the Trustees

**Andrew Davison**  
*Trustee – Chairman*

Fernwood House  
Clayton Road  
Jesmond  
Newcastle upon Tyne  
NE2 1TL

29<sup>th</sup> June 2007

## **Statement of Trustees' responsibilities in respect of the Trustees' report and the financial statements**

Under charity law, the Trustees are responsible for preparing the Trustees' Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period. In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statement,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustees are required to act in accordance with the Trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under Section 42(1) the Charities Act 1993, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

## **Independent Auditors' Report to the Trustees of Greggs Trust**

We have audited the financial statements of Greggs Trust for the year ended 31 December 2006 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' responsibilities for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 6.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2006 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

29<sup>th</sup> June 2007

## Statement of Financial Activities For the year ended 31<sup>st</sup> December 2006

		Unrestricted Funds 2006 £	Restricted Funds 2006 £	Total 2006 £	Total 2005 £
	<i>Note</i>				
<b>Incoming Resources</b>					
Incoming resources from generated funds:					
Voluntary income	2	523,979	56,000	579,979	556,148
Activities for generating funds	3	131,949	-	131,949	108,152
Investment income	4	262,268	4,323	266,591	250,678
<b>Total Incoming Resources</b>		<b>918,196</b>	<b>60,323</b>	<b>978,519</b>	<b>914,978</b>
<b>Resources Expended</b>					
Cost of generating funds	5	8,028	-	8,028	8,071
Charitable activities	6,7	853,237	183,291	1,036,528	1,006,668
Governance costs	7	3,692	-	3,692	3,492
<b>Total Resources Expended</b>		<b>864,957</b>	<b>183,291</b>	<b>1,048,248</b>	<b>1,018,231</b>
<b>Net Incoming/(Outgoing) Resources before transfers</b>					
Transfers between funds	18	53,239 (125,000)	(122,968) 125,000	(69,729) -	(103,253) -
<b>Net (Outgoing)/Incoming for the year</b>					
Unrealised gains on investment assets	10	(71,761) 77,719	2,032 12,781	(69,729) 90,500	(103,253) 2,310,143
Unrealised loss on investment assets	10	(860,000)	-	(860,000)	-
<b>Net Movement in Funds</b>	18	<b>(854,042)</b>	<b>14,813</b>	<b>(839,229)</b>	<b>2,206,890</b>
Fund balances brought forward at 1 <sup>st</sup> January 2006		11,133,596	83,642	11,217,238	9,010,348
<b>Fund Balances Carried Forward at 31<sup>st</sup> December 2006</b>	19	<b>10,279,554</b>	<b>98,455</b>	<b>10,378,009</b>	<b>11,217,238</b>

Where appropriate, comparative figures for 2005 have been restated in accordance with the principles of the SORP 2005. This has no impact on the net result for the year.

The Trust has no recognised gains or losses other than the net movement in funds for the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 10 to 15 form part of these financial statements.

**Balance Sheet**  
**At 31<sup>st</sup> December 2006**

	<i>Note</i>	<b>2006</b>	2005
		£	£
<b>Fixed Assets</b>			
Investments	10	<b>9,943,354</b>	10,712,854
Office equipment	11	-	428
		<u><b>9,943,354</b></u>	<u>10,713,282</u>
<b>Current Assets</b>			
Debtors	12	<b>24,956</b>	27,273
Cash at bank	13	<b>414,956</b>	493,630
Petty cash		<b>85</b>	227
		<u><b>439,997</b></u>	<u>521,130</u>
<b>Liabilities:</b> amounts falling due within one year	14	<b>(5,342)</b>	(17,174)
<b>Net Current Assets</b>		<u><b>434,655</b></u>	<u>503,956</u>
<b>Net Assets</b>	19	<u><b>10,378,009</b></u>	<u>11,217,238</u>
<b>Funds</b>			
Unrestricted funds	18	<b>10,279,554</b>	11,133,596
Restricted income funds	18	<b>98,455</b>	83,642
		<u><b>10,378,009</b></u>	<u>11,217,238</u>

The notes on pages 10 to 15 form part of these financial statements.

Approved by the Trustees and signed on their behalf on 29<sup>th</sup> June 2007 by:

**Andrew Davison**  
*Trustee - Chairman*

**Richard Hutton**  
*Trustee*

## **Notes (forming part of the financial statements)**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments to market value, in accordance with the Charities Act 1993 and with the guidelines set out in the Statement of Recommended Practice: "Accounting and Reporting by Charities" (SORP) 2005 issued in March 2005 and applicable accounting standards.

Where appropriate, comparative figures for 2005 have been restated in accordance with the principles of the SORP 2005. This has no impact on the net result for the year.

The Trust has taken advantage of the exemption contained within Financial Reporting Standard 1 in not presenting a cash flow statement on the grounds of its size.

### **1 Accounting Policies**

The principal accounting policies adopted by the Trustees are as follows:

#### ***Income***

Incoming resources from generated funds are accounted for when receivable.

#### ***Expenditure***

Costs of generating funds, support costs and overheads are accounted for on an accruals basis.

Grants payable are recognised when an unconditional offer has been made by the Trust. Grants offered which are subject to conditions are recognised when the Trustees have reason to believe that conditions have been met. The Trustees can exercise discretion over the future payments of all grants.

#### ***Investments***

Investments are valued at the mid-market prices quoted by the fund managers at the balance sheet date.. The net change in market value for the year is recognised in the Statement of Financial Activities (SOFA).

#### ***Investment Income***

Investment income and related tax credits are accounted for on an accruals basis.

#### ***Intangible Income***

Intangible income, which comprises donated services, is 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.

#### ***Fund Accounting***

Funds held by the Trust are either:

- Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Restricted funds are also expended at the discretion of the Trustees.

Further explanation of the nature and purpose of each fund is included in note 18 to the financial statements.

#### ***Tangible Fixed Assets***

The cost of fixed assets is their purchase price, together with any incidental costs of acquisition. Depreciation is charged so as to write off the cost over the estimated life of the asset on a straight line basis and the principal rates are as follows:

Computers and equipment: 3 years  
Fixtures and fittings: 10 years

**Notes** (continued)

**2 Voluntary income**

	Unrestricted Funds 2006 £	Restricted Funds 2006 £	Total 2006 £	Total 2005 £
Greggs plc - company	313,710	-	313,710	300,000
Greggs plc - employees (Give As You Earn)	69,782	-	69,782	64,761
Individuals	129,487	-	129,487	129,487
Intangible income	11,000	-	11,000	10,400
Other Trusts	-	56,000	56,000	51,500
	<u>523,979</u>	<u>56,000</u>	<u>579,979</u>	<u>556,148</u>

Intangible income comprises free office space (£4,400) and management staff (£6,600) seconded for a number of days during the year. These services are kindly provided by Greggs plc and the related costs of these donated services are included in Note 7.

**3 Incoming resources from activities for generating funds**

	2006 £	2005 £
Divisional Charity Committees - fund-raising	<u>131,949</u>	<u>108,152</u>

**4 Investment income**

	2006 £	2005 £
Interest receivable	9,745	8,041
Interest receivable – Hardship Fund	723	1,026
Greggs plc - Ordinary Shares	232,200	219,300
Merrill Lynch - Charishare Fund	7,971	7,505
M & G Investments - Charifund	12,352	11,465
M & G Investments – Charifund (Hardship Fund)	3,600	3,341
	<u>266,591</u>	<u>250,678</u>

**5 Cost of Generating Funds**

	2006 £	2005 £
Divisional Charity Committees' fund-raising costs	<u>8,028</u>	<u>8,071</u>

**6 Charitable activities**

	2006 £	2005 £
Grant-making:		
Major Grants	385,333	339,552
Divisional Charity Committees' Grants	421,253	373,845
Hardship Payments	183,291	217,203
Support costs attributable to grant-making	46,651	76,068
	<u>1,036,528</u>	<u>1,006,668</u>

See Trustees' Report and appendices for further analysis of major and Divisional Charity Committee grants. Within the above, expenditure relating to Hardship Payments is made from the restricted fund (see note 18).

**Notes** (continued)

**7 Allocation of support costs and overheads**

The breakdown of management and administration costs and how these were allocated between Charitable Activities and Governance is shown in the table below

	Charitable activities	2006 Governance costs	Total	2005 Total
	£	£	£	£
Staff Costs - wages and salaries	21,204	-	21,204	30,462
- salaries in-kind	4,200	2,400	6,600	6,200
- social security costs	1,669	-	1,669	2,656
Office Costs - other	4,056	-	4,056	3,148
Office Costs - in-kind rent and rates	4,400	-	4,400	4,200
Consultancy Fees	4,062	-	4,062	15,118
Audit Fees	-	1,292	1,292	1,292
Conferences and Meetings	-	-	-	10,861
Printing and Publications	7,060	-	7,060	5,623
	<u>46,651</u>	<u>3,692</u>	<u>50,343</u>	<u>79,560</u>

There are 1.4 full time equivalent employees (2005:1.4) employed by the Trust involved with the management and administration.

No employees had emoluments in excess of £60,000 during the year (2005: nil).

**8 Trustees remuneration and expenses**

During the year the Trustees did not receive any remuneration or reimbursed expenses from the Trust (2005: £nil)

**9 Taxation**

No taxation has been provided in the financial statements because, as a registered charity, income and expenditure relating to charitable activities are exempt in accordance with Section 505 of the Income and Corporation Taxes Act 2000.

**10 Investments – Fixed Assets**

	As at 1 January 2006	Change in market value	As at 31 December 2006
	£	£	£
Greggs plc - Ordinary Shares	10,105,000	(860,000)	9,245,000
Merrill Lynch - Charishare Fund	259,910	33,869	293,779
M & G Investments - Charifund	269,418	43,850	313,268
	<u>10,634,328</u>	<u>(782,281)</u>	<u>9,852,047</u>
M & G Investments - Charifund (For Hardship Fund)	78,526	12,781	91,307
	<u>10,712,854</u>	<u>(769,500)</u>	<u>9,943,354</u>

All investments are held in the UK.

**Notes** (continued)

**11 Office equipment**

	<b>£</b>
<i>Cost</i>	
At 1 January 2006	<b>1,283</b>
Additions	-
At 31 December 2006	<u><b>1,283</b></u>
<i>Depreciation</i>	
At 1 January 2006	
Charged in period	<b>855</b>
	<b>428</b>
At 31 December 2006	<u><b>1,283</b></u>
<i>Net Book Value</i>	
At 31 December 2006	<u>-</u>
At 31 December 2005	<u><b>428</b></u>

**12 Debtors**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Other debtors	<u><b>24,956</b></u>	<u>27,273</u>

**13 Cash at Bank**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Head Office	<b>211,996</b>	276,208
Divisional Charity Committees	<b>195,580</b>	211,974
Hardship Fund	<b>7,380</b>	5,448
	<u><b>414,956</b></u>	<u>493,630</u>

**14 Liabilities: amounts falling due within one year**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Accruals	<b>5,342</b>	1,292
Grants payable	-	15,882
	<u><b>5,342</b></u>	<u>17,174</u>

**Notes** (continued)

**15 Future Grant Making**

The future grant making programme over the next two to five years is as follows:

	2006 £	2005 £
Grants due within one year	298,237	204,838
Grants due between two to five years	200,757	127,780
	498,994	332,618

These payments are not guaranteed and are only paid out at the discretion of the Trustees, subject to certain conditions being met. These conditions include the satisfactory performance of the organisation over the year and the submission of their annual report and accounts.

**16 Contingent liabilities**

There were no contingent liabilities at 31<sup>st</sup> December 2006.

**17 Related party transactions**

Some of the Trustees made unconditional monetary donations to the Trust during the year.

**18 Movement in Funds**

	Unrestricted Funds 2006 £	Restricted Income Funds 2006 £	Total 2006 £
Balance at 1 <sup>st</sup> January 2006	11,133,596	83,642	11,217,238
Incoming resources	918,196	60,323	978,519
Resources expended	(864,957)	(183,291)	(1,048,248)
Transfers	(125,000)	125,000	-
Gains and losses	(782,281)	12,781	(769,500)
Balance at 31 <sup>st</sup> December 2006	10,279,554	98,455	10,378,009

The restricted income fund relates to the Hardship Fund administered by Greggs Trust working in partnership with other charitable Trusts in the region. Funds received from other Trusts are deposited in 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 £56,000 (2005: £51,500). In addition, the Trustees transferred £125,000 (2005: £125,000) into the Hardship Fund to make good the shortfall in restricted income funding.

Total expenditure from the restricted income fund amounted to £183,291 (2005: £217,203). Expenditure relates to grant payments made to families and individuals experiencing hardship. In addition, block grants were made to approved welfare agencies who distribute funds on the Trust's behalf.

With the exception of the Hardship Fund bank accounts (see note 13) all assets and liabilities are held for use within the unrestricted funds of the Trust.

In the opinion of the Trustees, sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with restrictions imposed.

**Notes** (continued)

**19 Analysis of Net Assets between Funds**

	<b>Unrestricted Funds 2006 £</b>	<b>Restricted Income Funds 2006 £</b>	<b>Total 2006 £</b>
Fixed asset	9,852,047	91,307	9,943,354
Current assets	432,617	7,380	439,997
Current liabilities	(5,110)	(232)	(5,342)
Total	<u>10,279,554</u>	<u>98,455</u>	<u>10,378,009</u>

## Appendix I – Major Grants

£

### **Community Foundation, Local Action on Global Issues, Newcastle upon Tyne.**

Contribution to a grant making programme run by The Community Foundation, to educate and raise awareness of environmental issues. The money will be used to make grants to projects that have specific local outputs, giving participants a greater awareness of global issues at the end of the project.

40,000

### **Easterside Partnership, Easterside, Middlesbrough.**

A small voluntary organisation which runs a number of activities with the aim of improving the social, economic and environmental well being of the 3,500 people who live on the Easterside Estate. 1st instalment of a 3 year grant.

15,450

### **The Seaham Youth Initiative, Seaham, Co. Durham.**

This project provides a detached youth worker for five sessions a week, on the Eastlea Estate in Seaham. The worker provides a wide range of activities and access to training. 2nd instalment of a 3 year grant towards the salary of the youth worker.

15,000

### **Ferryhill Ladder Centre, Ferryhill, Co. Durham.**

This project was set up in 2001 by local residents, who were concerned at the lack of facilities on their estate. They provide welfare and benefits advice, activities and events and have built a community garden which can be enjoyed by the whole community. 1st instalment of a 3 year grant.

15,000

### **Farringdon Jubilee Centre, Farringdon, Sunderland.**

The centre provides community services, training and activities for people who live in the Farringdon area of Sunderland. They provide youth groups, kids clubs and a job link service, which is particularly targeted at hard to reach groups in an area with high unemployment. 1st instalment of a 3 year grant

15,000

### **CHANCE, East End, Sunderland.**

Chance focuses on providing practical support, information and learning opportunities for parents, carers and children, to help improve their quality of life. They work in an area where there is a high dependency on benefits, and a large proportion of people living on low incomes. 1st instalment of a 3 year grant to help to pay for the post of Administration and Finance Officer.

15,000

### **The Willows Centre, Stockton on Tees, Teesside**

A community resource centre operating in a very deprived area. Salary costs for the Administrator and the Caretaker/Cleaner. 2nd instalment of a 2 year grant.

15,000

### **The Bridge Enterprise Centre, South Stanley, Co Durham**

A training and resource centre providing informal learning opportunities for local residents. A grant towards salary costs. 2nd instalment of a 3 year grant.

15,000

### **Amble MACPI Drop In Centre, Amble, Northumberland**

A youth drop in offering support and activities to socially excluded young people. A grant towards the Youth Services Co-ordinator post. 1st year of a 2 year grant.

14,780

### **Headlight, Sunderland.**

A mental health charity which aims to offer help and advice to anyone living with mental ill health and their families. 1st instalment of a 3 year grant towards the salaries of part-time support and admin workers.

14,004

### **Links, Hexham, Northumberland**

A supported housing advice and information project offering employment and training services. A grant towards core costs. 3rd instalment of a 3 year grant.

12,338

### **Newcastle Advocacy Project, Newcastle upon Tyne, Tyne & Wear**

Salary costs for a project working with people with physical and learning disabilities and mental health problems. 2nd instalment of a 2 year grant.

12,000

**Escape Family Support, Blyth, Northumberland**

A charity that provides support, counselling and educational information for drug users, their families and carers. A grant for salary costs. 2nd instalment of a 3 year grant. 12,000

**Independent Advocacy, North Shields, Tyne and Wear.**

The charity provides advocacy to vulnerable people living in North Tyneside, to help ensure that they can express their views in relation to their care and in official matters such as benefits and housing. 1st instalment of a 2 year grant to help the charity develop a group for women with learning disabilities. 11,551

**West End Refugee Service, Newcastle upon Tyne, Tyne & Wear**

This project offers practical help, support and advice to refugees and asylum seekers. A grant towards salary costs for a project worker. 3rd instalment of a 3 year grant. 11,000

**Kids Kabin, Walker, Newcastle upon Tyne, Tyne & Wear**

A community arts centre providing creative arts, performing arts and crafts facilities for local young people and schools and community groups. A grant towards the salary costs of the full time Project Administrator. 2nd instalment of a 3 year grant. 10,000

**The Crocodile Krew Project, Gateshead, Tyne & Wear**

This is a group of adults with learning disabilities who train in performance, DJ skills, technical, administration and organisational expertise. They host nightclubs and social events for the learning disabled community. A grant towards the running costs. 3rd instalment of a 3 year grant. 10,000

**Speaking Up Groups in Durham, Lanchester, Co Durham**

A self-advocacy project run by and for people with learning disabilities. They help people by providing information and advocacy in order for them to obtain their full rights and privileges as citizens. A grant towards general running costs. 3rd instalment of a 3 year grant. 10,000

**Cockerton and Branksome Living Enterprise Limited, Darlington, Co Durham**

A community project providing local residents with education and training opportunities and courses such as self awareness, communication and confidence building, IT and driving theory. A grant towards core costs. 3rd instalment of a 3 year grant. 10,000

**NIWE Easting Distress Service, Newcastle upon Tyne, Tyne & Wear**

An advice and support service for women with eating distress offering a free and confidential telephone helpline, counselling and group workshops sessions. A grant towards the salary costs for a Project Manager and the Administrator. 3rd instalment of a 3 year grant. 10,000

**Single Homeless Action Initiative in Derwentside (SHAID), Consett, Co Durham**

A housing support service for socially excluded young people aged 25 and under in Derwentside providing practical and emotional support via a drop-in facility, home visiting service and life skills training. A grant towards the Project Manager's salary costs. 3rd instalment of a 3 year grant. 10,000

**St Chad's Community Project, Gateshead, Tyne & Wear**

A community project working in an area of high unemployment and lone parents offering a wide range of services including childcare, play schemes, health awareness sessions and parenting courses. 3rd instalment of a 3 year grant. 10,000

**Women's Health in South Tyneside (WHIST), South Shields, Tyne & Wear**

A support service providing individual assistance and finding effective ways of meeting specific health problems. They offer courses such as homeopathy, reflexology, confidence building, managing anxiety and panic attacks. A grant towards the salary costs for the Finance/Admin worker. 3rd instalment of a 3 year grant. 10,000

**HEBNAC, Hebburn, Tyne & Wear.**

This project gives debts, welfare rights and benefits advice to people living in the Hebburn area. The area has many people living on low incomes, with two wards in Hebburn being in the top 10% of the most deprived wards in the country. 1st instalment of a 3 year grant towards general running costs. 10,000

**Caring Hands, Shieldfield, Newcastle.**

A community project offering a range of services to support older and disabled people living in the Shieldfield area, to enable them to continue to live independently. They organise drop in sessions, social meetings and a handyman service. 1st instalment of a 3 year grant for core costs. 10,000

**Headland Future Ltd, Hartlepool.**

This project works with disadvantaged young people living on the Headland in Hartlepool. It runs drop in sessions five nights per week as well as activities and help to find employment in an area where academic achievements are below average, and there are few other activities for young people. 1st instalment of a 3 year grant towards general running costs. 10,000

**Choysez, Bedlington, Northumberland.**

A youth group which runs training, team building, basic skills and employment courses for young people aged between 16 and 19. The project works with 250 young people each year in a part of South East Northumberland which is noted for its high levels of deprivation. 1st instalment of a 3 year grant. 10,000

**Hadston House, Hadston, Northumberland.**

A community project which is providing a number of activity groups for people of all ages living in an isolated community in Northumberland. One off grant towards the cost of employing a centre manager. 5,960

**St John's Living Well, Stockton on Tees.**

A community project which runs a number of activities helping to promote the emotional health and wellbeing of people living in a deprived area of Teesside. 1st instalment of a 2 year grant towards the funding of a Development Worker. 9,000

**Hartlepool Families First, Hartlepool.**

A self help group which runs play schemes and after school clubs for families in Hartlepool. They also run a Health Bus which tours the town and gives free health checks, especially for people who are reluctant to visit their GP. 1st instalment of a 3 year grant towards core costs. 7,000

**D2 Youth Zone, Newbiggin Hall Estate, Newcastle upon Tyne, Tyne & Wear**

Based in a deprived estate, they support vulnerable young people with issues such as homelessness, drugs, relationships, sexual health and help with employment/training opportunities. Salary costs of a part time Project Development Worker. 2nd instalment of a 2 year grant. 7,500

**West End Refuge Service, Newcastle upon Tyne, Tyne & Wear**

One-off grant towards their hardship fund 2,500

**Great North Air Ambulance, Darlington, Co Durham.**

One-off grant in support of the Air Ambulance 250

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**Total** **385,333**

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## Appendix II – Divisional Charity Committees' Grants

£

### Greggs North East (Newcastle upon Tyne)

Grace House Appeal		10,980
RVI Children's Cancer Ward		4,420
QE Hospital, Breast cancer		3,760
St Oswald's Hospice		3,200
North Tyneside General Hospital (Oncology Day Unit)		3,000
D.A.TO. Romanian and Poland Orphanages		2,900
Dr Barnardos		1,292
Zoe's Place		1,050
South Tyneside Women's Aid		1,000
S.O.D.A. Women's Centre		1,000
People and Drugs		1,000
North Tyneside Disability Forum		1,000
Harelaw School		1,000
Free the Way		1,000
	<b>Grants Over £1,000</b>	<b>36,602</b>
	<b>Grants Under £1,000</b>	<b>70,177</b>
	<b>Total</b>	<b>106,779</b>

### Bakers Oven North (Newcastle upon Tyne)

Different Strokes		2,250
Child Victim Support		1,750
Gymworld		1,376
South Tyneside Women's Aid		1,300
BLISS		1,287
Woohouse Community Project		1,000
Tyneside Recreational club for the Blind		1,000
Tim Reeve charitable trust		1,000
Sunderland Councelling Services		1,000
Owton Manor West Neighbourhood Watch and Residents Association		1,000
Moor Park Community Group		1,000
Little Tigers Creche		1,000
Kirkleatham Holiday Club		1,000
Fire sands		1,000
Depaul Trust		1,000
Darlington Toy Library		1,000
Cowgate Community Forum		1,000
Castle Morpeth Disability Association		1,000
African Community Advice		1,000
Advocacy		1,000
Advance		1,000
	<b>Grants Over £1,000</b>	<b>23,963</b>
	<b>Grants Under £1,000</b>	<b>22,051</b>
	<b>Total</b>	<b>46,014</b>

### Greggs of the Midlands (Birmingham)

Bridge School – Longmore campus - Sensory Garden		34,142
SCALE - children with learning difficulties		2,189
	<b>Grants Over £1,000</b>	<b>36,331</b>
	<b>Grants Under £1,000</b>	<b>10,255</b>
	<b>Total</b>	<b>46,586</b>

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**Greggs of Scotland (Glasgow/Edinburgh)**

FARE		10,000
Children 1st		4,172
Cancer Research		2,248
Sisters of Mercy		1,540
Breast Cancer Care Scotland		1,484
Yorkhill Children's Foundation		1,238
Women's Centre		1,000
The Rock Trust		1,000
Crisis Fareshare		1,000
	<b>Grants Over £1,000</b>	<b>23,682</b>
	<b>Grants Under £1,000</b>	<b>14,832</b>
	<b>Total</b>	<b>38,514</b>

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**Greggs Head Office (Newcastle upon Tyne)**

Pendower Project		10,000
Cornerstone		5,000
The Jesmond Trust		3,600
The Samaritans		1,000
The Rainbow Trust		1,000
	<b>Grants Over £1,000</b>	<b>20,600</b>
	<b>Grants Under £1,000</b>	<b>14,460</b>
	<b>Total</b>	<b>35,060</b>

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**Greggs North West (Manchester)**

Help a Local Child		7,552
Cancer Research		3,628
Zoes Hospice		1,000
Trafford MS Therapy		1,000
The Christie Hospital		1,000
	<b>Grants Over £1,000</b>	<b>14,180</b>
	<b>Grants Under £1,000</b>	<b>13,158</b>
	<b>Total</b>	<b>27,338</b>

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**Greggs of Treforest (South Wales)**

Princes Trust		6,000
Marie Curies Cancer Care		2,926
Children Safety Education Foundation		2,000
Age Concern. Wiltshire		1,150
Tenovous		1,020
	<b>Grants Over £1,000</b>	<b>13,096</b>
	<b>Grants Under £1,000</b>	<b>12,068</b>
	<b>Total</b>	<b>25,164</b>

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**Bakers Oven South (London)**

DWS Swimming Club	4,883
Axis Youth Production	2,000
Not Just Talking	1,850
Stepping Stones	1,293
Wilton Riding for the Disabled	1,200
Police Community Club of Britain	1,000
Children Leukemia	1,000
	<b>Grants Over £1,000</b>
	<b>13,226</b>
	<b>Grants Under £1,000</b>
	<b>6,463</b>
	<b>Total</b>
	<b>19,689</b>

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**Greggs South East (West London)**

Children In Need	1,000
Home Start	2,360
St Roaphaels Hospice	1,500
Children's Trust	1,998
Vita Nova	1,738
React	1,975
Cambrian Community Centre	2,000
Surron People Forst	1,500
	<b>Grants Over £1,000</b>
	<b>14,071</b>
	<b>Grants Under £1,000</b>
	<b>3,310</b>
	<b>Total</b>
	<b>17,381</b>

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**Bakers Oven Midlands (Nottingham)**

Macmillan Cancer Nurses	1,500
Beaumont House Hospice, Newark	1,000
Hope House Hospice, Oswestry	1,000
Parks School for disabled children, Oakham	1,000
Mary Stevens Hospice, Stourbridge	1,000
Bedford Homestart	1,000
St Barnabus Hospice, Spalding	1,000
Mind - Wallingford	1,000
BBC Children in Need	1,000
Christian Lewis Trust	1,000
Shelter	1,000
	<b>Grants Over £1,000</b>
	<b>11,500</b>
	<b>Grants Under £1,000</b>
	<b>4,855</b>
	<b>Total</b>
	<b>16,355</b>

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**Greggs of Yorkshire (Leeds)**

St Vincents Support Centre	5,050
Bobath Centre	2,850
West Yorkshire MS Therapy Centre	1,780
Candlelighters Trust	1,000
	<b>Grants Over £1,000</b>
	<b>10,680</b>
	<b>Grants Under £1,000</b>
	<b>4,082</b>
	<b>Total</b>
	<b>14,762</b>

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**Greggs South East (North London)**

Amazon		3,173
North London Parachute Centre		3,045
Forest Gate Football Club		1,000
	<b>Grants Over £1,000</b>	<b>7,218</b>
	<b>Grants Under £1,000</b>	<b>3,635</b>
	<b>Total</b>	<b>10,853</b>

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**Greggs of Cumbria (Penrith)**

Hospice at Home		3,450
Maryport Inshore Rescue Boat		2,000
Edington Centre		1,000
	<b>Grants Over £1,000</b>	<b>6,450</b>
	<b>Grants Under £1,000</b>	<b>6,601</b>
	<b>Total</b>	<b>13,051</b>

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**Greggs Balliol Park (Newcastle upon Tyne)**

		<b>0</b>
	<b>Grants Over £1,000</b>	
	<b>Grants Under £1,000</b>	<b>3,069</b>
	<b>Total</b>	<b>3,069</b>

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**Greggs Distribution Service (Kettering, Northants)**

		<b>0</b>
	<b>Grants Over £1,000</b>	
	<b>Grants Under £1,000</b>	<b>638</b>
	<b>Total</b>	<b>638</b>

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		<b>231,599</b>
	<b>Total Grants Over £1,000</b>	
	<b>Total Grants Under £1,000</b>	<b>189,654</b>
	<b>Grand Total</b>	<b><u>421,253</u></b>