



Trustees' Report and Financial Statements

31 December 2007

Registered Charity Number 296590

Contents

Trustees' report and the financial statements	1
Statement of Trustees' responsibilities in respect of the Trustees' report and the financial statements	6
Independent Auditors' Report to the Trustees of Greggs Trust	7
Statement of Financial Activities	8
Balance Sheet	9
Notes <i>(forming part of the financial statements)</i>	10
Appendix I – Major Grants	16
Appendix II – Divisional Charity Committees' Grants	20

Report of the Trustees for the year ended 31st December 2007

The Trustees present their report along with the financial statements of the charity for the year ended 31st December 2007. 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. Greggs Trust is an unincorporated Trust registered as a charity.

REFERENCE AND ADMINISTRATIVE INFORMATION

<u>Charity number:</u>	296590
<u>Principal Office:</u>	Fernwood House, Clayton Road, Jesmond, Newcastle upon Tyne, NE2 1TL
Website	www.greggstrust.org.uk
Email	greggs.trust@greggs.co.uk
Bankers	National Westminster Bank Plc, 149 High Street, Gosforth, Newcastle upon Tyne, NE3 1HA
Auditors	KPMG LLP, Quayside House, Newcastle upon Tyne, NE1 3DX

Trustees

The trustees serving during the year and since the year end were as follows:

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

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)

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 giving something back to the communities where Greggs plc trades, and where customers and employees live.

Governing document

The Trust is governed by its Trust Deed dated 31 March 1987 as amended on 21 May 1997 and 24 February 1998.. It is registered as a charity with the Charity Commission.

Appointment of trustees, induction and training

The Trustees have the authority to nominate and appoint new Trustees. Newly appointed trustees take part in an informal induction programme to brief them on their legal obligations under charity and company law, the content of the Trust Deed, the committee and the decision making processes, the business plan and recent financial performance of the charity. Periodic training is arranged for Trustees.

Trustees' Report *(continued)*

Organisation

A voluntary Board of Trustees manages the Trust. They meet twice a year and approve major grants four times per year. Authority to make small grants is delegated to the Trust Manager, who manages the day to day operations of the charity and the Divisional Charity Committees.

At the year end, there were 7 Trustees (see above) 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.

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 believe that they 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.

A review of the Trustees' roles & responsibilities was carried out during the year, and this will be used to identify the needs for training and skills development in future years.

Related Party

The charity has a close relationship with Greggs plc. However, the Trustees of the charity are independent and are able to make decisions in the best interests of the furtherance of the Trust and its objectives.

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.

Volunteers

Groups of volunteers in Greggs plc carry out much of the work of Greggs Trust through Divisional Charity Committees. 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.

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. The Trustees are confident that through its grant making the Trust is reaching its objectives of relieving poverty, social isolation and promoting positive living in communities where there are few activities available for residents.

Trustees' Report *(continued)*

Trust Policy and Grant Distribution

▪ Major Grants

Major Grants are awarded by the Trustees, mainly in the North East of England where Greggs plc was founded and has its head office. 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. The Trustees 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 £5,000-£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 and the reduced funds available from other grant giving charities in the region.

▪ Hardship Payments

The Trustees also administer a Hardship Fund. As well as using the Trust's own funds, the Hardship Fund applies 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 recognised welfare agency.

Our sincere 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

During 2007, the Trust continued to support and develop the charitable activities of volunteers from 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 volunteers who work in each of the operating divisions of Greggs plc and who make grants under the same guidelines as the Trustees in respect of the Major Grants. They usually make smaller, one-off, grants, typically in the region of £500 each, to projects which are based in their own area.

Each Committee is responsible for the funds allocated to them by the Trustees and is required to submit an annual return to the Trustees at the year end, which summarises the activities during the year and the funds left unallocated at the balance sheet date. The Trust Manager oversees the work of the activities of the Committees, on behalf of the Trustees, with support from the Greggs plc finance team.

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

ACHIEVEMENTS AND PERFORMANCE

Review of activities

▪ Major Grants

During 2007, donations totalling £467,414 (2006: £385,333) were made in the North East of England to benefit voluntary organisations. (See Appendix I for a list of major grants).

Trustees' Report *(continued)*

An example of one of the projects supported in 2007 was Pallion Action Group in Sunderland. The Trustees awarded a grant of £10,000 per year for three years to this charity, which was established in 1993. Local residents were concerned at the increase in crime, particularly among young people in their area, and opened a meeting place for residents, which also acts as a base from which to run activities. The grant was made towards the core costs of the group's work with young people who have been, or are, at risk of exclusion from school.

The Trustees continued to support the Local Action on Global Issues Fund, which is managed by the Community Foundation Serving Tyne & Wear and Northumberland. It aims to raise awareness of environmental issues and is supported by a number of other charitable trusts. A donation of £40,000 was made in 2007, with a further non-contractual donation due to be made in 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. During 2007, the Trustees and the Trust Manager have visited a number of previously funded projects, and were satisfied that they are making good progress towards the objectives outlined in their original applications.

▪ **Hardship Fund**

The following charitable trusts made donations totalling £58,000 (2006: £56,000) 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 £122,000 (2006: £125,000) towards the Fund (see note 18).

A total of 1,103 individuals and families received direct support from the Hardship Fund (2006: 1,149), and grants were made amounting to a total of £87,527 (2006: £97,291) with a further £91,000 (2006: 86,000) paid in block grants for distribution by welfare agencies.

▪ **Divisional Charity Committees**

The Divisional Charity Committees raised £72,635 (2006: £69,782) 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 £158,774 (2006: £131,949) was collected via the staff's own fundraising efforts. This includes a total of £80,840 (2006: £54,941) from Greggs Trust Collection Boxes installed in all of the Greggs and Bakers Oven shops throughout the UK.

The Divisional Charity Committees awarded a total of £387,519 (2006: £421,253) 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 £428,119 (2006: £498,994) as disclosed in note 15. These payments are second or third instalments of major grants approved in 2007 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 £1,013,145 (2006: £978,519). The main source of income continues to be corporate donations from Greggs plc and dividends from the Trust's shareholding in Greggs plc. In addition, there was a continuing significant contribution from individual donors and fundraising activities generated by the Divisional Charity Committees.

Total resources expended increased by 4% to £1,094,162 (2006: £1,048,248). This resulted in net outgoing resources of £ 81,017 (2005: £69,729). This is in line with the Trustees reserves policy, which has allowed a programme of increased grant expenditure.

Trustees' Report *(continued)*

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 grant making programme is conducted. At 31 December 2007, these reserves amounted to £835,042 (2006: £1,034,554), against an ideal reserve of £515,000. The Trustees intend 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.

In setting their investment policy, the Trustees consider the income requirements of the Trust and 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 (including income) of the fund exceeds inflation. The Trustees have the discretion to widen the investment portfolio, and have, therefore, invested in a designated charity investment fund (BlackRock Merrill Lynch Charishare Fund) and a unit-linked fund (M&G Charifund). These specialist tax exempt funds are believed to be appropriate investments that will achieve long-term growth. The performance of these funds did not match the FT All Share Index, including the annual yield, over the year ended 31 December 2007.

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.

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 and a reduction in funds available from other grant giving charities in the North East.

Trustees intend to continue to review their responsibilities, and to take part in any training where necessary.

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

27th June 2008

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 2007 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 2007 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*

27th June 2008

Statement of Financial Activities For the year ended 31st December 2007

		Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total 2007 £	Total 2006 £
<i>Note</i>					
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income	2	493,722	58,000	551,722	579,979
Activities for generating funds	3	158,774	-	158,774	131,949
Investment income	4	297,807	4,842	302,649	266,591
Total Incoming Resources		950,303	62,842	1,013,145	978,519
Resources Expended					
Cost of generating funds	5	4,254	-	4,254	8,028
Charitable activities	6,7	1,029,489	56,527	1,086,016	1,036,528
Governance costs	7	3,892	-	3,892	3,692
Total Resources Expended		1,037,635	56,527	1,094,162	1,048,248
Net (Outgoing)/Incoming before other recognised gains and losses		(87,332)	6,315	(81,017)	(69,729)
Unrealised gains on investment assets	10	873,339	-	873,339	90,500
Unrealised loss on investment assets	10	(30,695)	(8,946)	(39,641)	(860,000)
Net Movement in Funds	18	755,312	(2,631)	752,681	(839,229)
Fund balances brought forward at 1 st January 2007		10,279,554	98,455	10,378,009	11,217,238
Fund Balances Carried Forward at 31st December 2007	19	11,034,866	95,824	11,130,690	10,378,009

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 31st December 2007

	<i>Note</i>	2007 £	2006 £
Fixed Assets			
Investments	10	10,777,052	9,943,354
Tangible assets	11	-	-
		<u>10,777,052</u>	<u>9,943,354</u>
Current Assets			
Debtors	12	31,538	24,956
Cash at bank and in hand	13	365,342	415,041
		<u>396,880</u>	<u>439,997</u>
Liabilities: amounts falling due within one year	14	(43,242)	(5,342)
Net Current Assets		<u>353,638</u>	<u>434,655</u>
Net Assets	19	<u>11,130,690</u>	<u>10,378,009</u>
Funds			
Unrestricted funds	18	11,034,866	10,279,554
Restricted income funds	18	95,824	98,455
		<u>11,130,690</u>	<u>10,378,009</u>

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

Approved by the Trustees and signed on their behalf on 27th June 2008 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 UK accounting standards.

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:

Generated Income

Incoming resources from a range of fund raising activities carried out by the Divisional Charity Committees are accounted for when receivable.

Voluntary Income

Voluntary income which includes individual and company donations, Give AS You Earn and donations from other Trusts are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment Income

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

Expenditure

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

Cost of generating funds are those costs incurred in attracting voluntary income by the Divisional Charity Committee. 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. Support costs include central functions and have been allocated on a basis consistent with the use of resources.

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.

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).

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

Items with a value below £500 are not capitalised. 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 2007 £	Restricted Funds 2007 £	Total 2007 £	Total 2006 £
Greggs plc - company	280,000	-	280,000	313,710
Greggs plc - employees (Give As You Earn)	72,635	-	72,635	69,782
Individuals	129,487	-	129,487	129,487
Intangible income	11,600	-	11,600	11,000
Other Trusts	-	58,000	58,000	56,000
	<u>493,722</u>	<u>58,000</u>	<u>551,722</u>	<u>579,979</u>

Intangible income comprises free office space (£4,600) and management staff (£7,000) 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

	2007 £	2006 £
Divisional Charity Committees - fundraising	<u>158,774</u>	<u>131,949</u>

4 Investment income

	2007 £	2006 £
Interest receivable	9,052	9,745
Interest receivable – Hardship Fund	834	723
Greggs plc - Ordinary Shares	266,600	232,200
Merrill Lynch - Charishare Fund	8,459	7,971
M & G Investments - Charifund	13,696	12,352
M & G Investments – Charifund (Hardship Fund)	4,008	3,600
	<u>302,649</u>	<u>266,591</u>

5 Cost of Generating Funds

	2007 £	2006 £
Divisional Charity Committees' fundraising costs	<u>4,254</u>	<u>8,028</u>

6 Charitable activities

	2007 £	2006 £
Grant-making:		
Major Grants	467,414	385,333
Divisional Charity Committees' Grants	387,519	421,253
Hardship Payments	178,527	183,291
Support costs attributable to grant-making (Note 7)	52,556	46,651
	<u>1,086,016</u>	<u>1,036,528</u>

See Trustees' Report and appendices for further analysis of major and Divisional Charity Committee grants. Within the above, £56,527 of 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	2007 Governance costs	Total	2006 Total
	£	£	£	£
Staff Costs - wages and salaries	29,118	-	29,118	21,204
- salaries in-kind	4,400	2,600	7,000	6,600
- social security costs	2,758	-	2,758	1,669
- pension costs	1,267	-	1,267	-
Office Costs - other	2,365	-	2,365	4,056
Office Costs - in-kind rent and rates	4,600	-	4,600	4,400
Consultancy Fees	3,966	-	3,966	4,062
Audit Fees	-	1,292	1,292	1,292
Printing and Publications	4,082	-	4,082	7,060
	<u>52,556</u>	<u>3,892</u>	<u>56,448</u>	<u>50,343</u>

There are 1.4 full time equivalent employees (2006:1.4) employed by the Trust involved with the management and administration.

No employees had emoluments in excess of £60,000 during the year (2006: nil).

8 Trustees remuneration and expenses

During the year the Trustees did not receive any remuneration or reimbursed expenses from the Trust (2006: £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 2007	Change in market value	As at 31 December 2007
	£	£	£
Greggs plc - Ordinary Shares	9,245,000	860,000	10,105,000
Merrill Lynch - Charishare Fund	293,779	13,339	307,118
M & G Investments - Charifund	313,268	(30,695)	282,573
	<u>9,852,047</u>	<u>842,644</u>	<u>10,694,691</u>
M & G Investments - Charifund (For Hardship Fund)	91,307	(8,946)	82,361
	<u>9,943,354</u>	<u>833,698</u>	<u>10,777,052</u>

All investments are held in the UK.

Notes (continued)

11 Office equipment

	£
<i>Cost</i>	
At 1 January 2007	1,283
Additions	-
At 31 December 2007	<u>1,283</u>
<i>Depreciation</i>	
At 1 January 2007	1,283
Charged in period	-
At 31 December 2007	<u>1,283</u>
<i>Net Book Value</i>	
At 31 December 2007	<u><u>-</u></u>
At 31 December 2006	<u><u>-</u></u>

12 Debtors

	2007	2006
	£	£
Other debtors	<u>31,538</u>	<u>24,956</u>

13 Cash at Bank and in hand

	2007	2006
	£	£
Head Office	161,848	211,996
Divisional Charity Committees	189,615	195,580
Hardship Fund	13,774	7,380
Petty Cash	105	85
	<u>365,342</u>	<u>415,041</u>

14 Liabilities: amounts falling due within one year

	2007	2006
	£	£
Accruals	3,242	5,342
Grants payable	40,000	-
	<u>43,242</u>	<u>5,342</u>

Notes (continued)

15 Future Grant Making

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

	2007 £	2006 £
Grants due within one year	345,404	298,237
Grants due between two to five years	82,715	200,757
	428,119	498,994

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 31st December 2007.

17 Related party transactions

Greggs plc and some of the Trustees made unconditional monetary donations to the Trust during the year.

18 Movement in Funds

	Unrestricted Funds 2007 £	Restricted Income Funds 2007 £	Total 2007 £
Balance at 1 st January 2007	10,279,554	98,455	10,378,009
Incoming resources	950,303	62,842	1,013,145
Resources expended	(1,037,635)	(56,527)	(1,094,162)
Gains and losses	842,644	(8,946)	833,698
Balance at 31 st December 2007	11,034,866	95,824	11,130,690

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 £58,000 (2006: £56,000).

Total expenditure from the restricted income fund amounted to £56,527 (2006: £61,291). Expenditure relates to grant payments made to families and individuals experiencing hardship. Block grants were also made to approved welfare agencies who distribute funds on the Trust's behalf. In addition the Trustees designated £122,000 of unrestricted funds to hardship payments.

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

	Unrestricted Funds 2007 £	Restricted Income Funds 2007 £	Total 2007 £
Fixed asset	10,694,691	82,361	10,777,052
Current assets	383,106	13,774	396,880
Current liabilities	(43,010)	(232)	(43,242)
	<hr/>	<hr/>	<hr/>
Total	11,034,787	95,903	11,130,690
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Appendix I – Major Grants

	£
<p>Community Foundation, Local Action on Global Issues, Newcastle upon Tyne. Contribution to a grant making programme managed 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.</p>	40,000
<p>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. 2nd instalment of a 3 year grant.</p>	15,900
<p>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. 2nd instalment of a 2 year grant.</p>	15,248
<p>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. 3rd instalment of a 3 year grant towards the salary of the youth worker.</p>	15,000
<p>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. 2nd instalment of a 3 year grant.</p>	15,000
<p>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. 2nd instalment of a 3 year grant</p>	15,000
<p>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. 2nd instalment of a 3 year grants to help to pay for the post of Administration and Finance Officer.</p>	15,000
<p>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. 3rd instalment of a 3 year grant.</p>	15,000
<p>Pennywell Neighbourhood Project, Sunderland. A resident led community health and resource centre, providing activities aimed at families living on the Pennywell Estate in Sunderland. The project also organises a range of health living initiatives and child care. 1st instalment of a 3 year grant</p>	15,000
<p>Thornaby & District Credit Union, Teeside This charity provides local people with the opportunity to save at local outreach points and have access to low cost loans on deprived estates across Thornaby & Stockton. 1st instalment of a 3 year grant towards the salary of the Manager.</p>	15,000
<p>Delves Lane Community Association, Consett, Co Durham. This community centre provides the only meeting place in the village of Delves Lane, as well as a range of educational and social activities. 2nd instalment of a 3 year grant, as a contribution to the salary of a Centre Co-ordinator.</p>	15,000
<p>Headlight, Sunderland. A mental health charity which aims to offer help and advice to anyone living with mental ill health and their families. 3rd instalment of a 3 year grant towards the salaries of part-time support and admin workers.</p>	14,424

Appendix I – Major Grants (continued)

<p>New Directions, Stockton. This group offers a drop in service and counselling to people suffering from anxiety and mental health problems across the borough of Stockton. 1st instalment of a 2 year grant to fund the salary of a Crisis Worker.</p>	14,000
<p>The Willows Centre, Stockton on Tees, Teesside A community resource centre operating in a very deprived area. 1st instalment of a 2 year grant for the salary of the Centre Resource Worker to run activities for children.</p>	13,373
<p>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. 1st instalment of a 3 year grant.</p>	13,371
<p>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. 1st instalment of a 3 year grant.</p>	12,000
<p>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. 3rd instalment of a 3 year grant.</p>	12,000
<p>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. 2nd instalment of a 2 year grants to help the charity develop a group for women with learning disabilities.</p>	11,385
<p>Links, Hexham, Northumberland A supported housing advice and information project offering employment and training services. A grant towards core costs, 1st instalment of a 3 year grant.</p>	11,000
<p>Pelton Fell Community Group, Pelton, Co Durham. Pelton Fell Community Group provides a range of activities and classes in deprived ward, which is currently undergoing significant regeneration. 2nd instalment of a 2 year grant to cover salary costs of a part time Administrator.</p>	10,780
<p>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. 3rd instalment of a 3 year grant towards general running costs.</p>	10,000
<p>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. 2nd instalment of a 3 year grant for core costs.</p>	10,000
<p>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. 2nd instalment of a 3 year grant towards general running costs.</p>	10,000
<p>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. 2nd instalment of a 3 year grant.</p>	10,000
<p>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. 3rd instalment of a 3 year grant.</p>	10,000

Appendix I – Major Grants (continued)

Families in Care, Monkseaton.	10,000
A one year grant towards the running costs of the charity's mental health project for socially excluded birth parents and their children, who have often been adopted or are living in foster care.	
EVA Women's Aid, Redcar, Teesside	10,000
Eva Women's Aid gives support and advice to families who have experienced domestic violence. The grant is to support the Children's Outreach Project, helping children to overcome their fears and concerns. 1 st instalment of a 3 year grant	
Pallion Action Group, Sunderland	10,000
This group was started in 1993 to offer a meeting place and activities for residents who were concerned at the increase in crime and anti social behaviour in the area. 1 st instalment of a 3 year grant towards the Centre Manager's wage.	
St Simon's Community Project, South Shields, Tyne & Wear.	10,000
This community initiative was started by local residents in 1993, to offer IT courses, job search facilities and help with CV writing to local unemployed people. 2 nd instalment of a 3 year grant for core cost funding.	
Cowpen Quay Community Association, Blyth, Northumberland.	9,558
The Association runs a wide range of activities for people living in the Cowpen Quay and Croft wards of Blyth. They are ranked as the 76 th most deprived wards in country. 1 st instalment of a 2 year grant to employ Support Workers for twenty four hours each week to run activities.	
St John's Living Well, Stockton on Tees.	9,000
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. 2 nd instalment of a 2 year grant towards the funding of a Development Worker.	
Eastlea Community Centre, Seaham, Co Durham.	8,613
A charity established in 1971 to run activities for people of all ages on the Eastlea Estate in Seaham, which is among the top ten most deprived communities in England. 1 st instalment of a 2 year grant as a contribution towards the wages of a Development Worker.	
Consett Churches Detached Youth Project, Consett, Co. Durham.	7,500
The youth project provides youth workers and activities in an area where there are few other activities available for young people. 2yr instalment of a 3 year grant towards the salary of a part time Administrator/Multi-Media Officer.	
St Cuthberts Youth and Community Project, Middlesbrough	7,150
This project was established by local residents who were determined to provide some activities in an area where there were few facilities for children. The area is undergoing significant regeneration and redevelopment, and this one year grant will be used for running costs.	
Hartlepool Families First, Hartlepool.	7,000
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. 2 nd instalment of a 3 year grant towards core costs.	
Deaf Hill Ward Partnership, Trimdon Station, Co Durham.	6,000
This project was started in 2002 by local residents who were keen to improve the community spirit. They now provide youth groups, a mother and toddler group, and IT classes for over 400 people each week. This 1 year grant will help to pay the wages of the Caretaker/Centre Manager.	
Manor Residents Association, Hartlepool	5,000
Manor Residents Association is run by a group of local residents, to improve the quality of life for people living on the estate. 1 st instalment of a 2 year grant towards the costs of running a youth project for sixty disaffected youngsters who are at risk of exclusion.	
Beadnell Parish Council, Northumberland	5,000
A one year grant to support youth provision in an isolated rural community in Northumberland.	

Appendix I – Major Grants (continued)

Jubilee Fields Community Association, Shildon, Co Durham.	4,812
This community association provides a range of activities sessions for children and elderly people on an estate on the outskirts of Shildon. 1 st instalment of a 2 year grant to help pay the wages of a cook who makes healthy, low priced food for people attending the centre.	
Hands on Cookery Workshop, Co Durham.	3,800
Hands on Cookery runs workshops teaching basic cookery skills to people across the county. This grant was used to pay for ingredients, staff time and a classroom for thirty sessions, allowing vulnerable people to attend the courses without charge.	
Bedlington Junior FC, Bedlington	500
A one year grant towards the running costs of Bedlington Junior FC.	
Total	<u>467,414</u>

Appendix II – Divisional Charity Committees' Grants

£

Greggs North East (Newcastle upon Tyne)

Hope House	1,000
SORTED	1,000
South Tyneside Womens Aid	1,000
Sunderland Counselling Services	1,000
West End Vision	1,000
NSPCC	1,142
Dr Barnardos	1,292
Marie Curie Centre	1,324
Newcastle Women's Aid	1,490
St Oswald's Hospice	3,200
Grace House	7,042
	Grants Over £1,000
	20,490
	Grants Under £1,000
	62,983
	Total
	83,473

Greggs of the Midlands (Birmingham)

S.P.A.C.E.	1,000
Birmingham Focus on Blindness	1,714
	Grants Over £1,000
	2,714
	Grants Under £1,000
	7,899
	Total
	10,613

Greggs of Scotland (Glasgow/Edinburgh)

South East Childcare Forum	1,000
Edinburgh Young Carers Project	1,000
Fife Young Carers	1,000
Multi-Cultural Family Base	1,000
SAMH	1,000
SCOSS	1,000
St Mark's Nursery	1,000
St Martin's Nursery	1,000
The Rock Trust	1,000
Yorkhill Children's Foundation	1,118
Kirkton Community Support	1,500
Lynburn Primary Support Centre	1,500
Move On	1,500
St Andrew's Hospice	2,000
Young Enterprise Scotland	2,000
Cancer Research	2,106
Beulah Scotland	2,500
FARE	10,000
	Grants Over £1,000
	33,224
	Grants Under £1,000
	11,486
	Total
	44,710

Greggs Head Office (Newcastle upon Tyne)

Childrens Cancer Fund		1,000
Red Nose Day 2007		1,520
Trinity Church		1,920
The Peoples Kitchen		3,500
West Harton Churches		10,000
Gateway into the Community		10,000
Pendower Project		10,000
	Grants Over £1,000	37,940
	Grants Under £1,000	16,460
	Total	54,400

Greggs North West (Manchester)

		0
	Grants Over £1,000	0
	Grants Under £1,000	25,145
	Total	25,145

Greggs of Treforest (South Wales)

St Davids Foundation Hospice Care		1,000
Marie Curie cancer Care		2,858
Comic Relief		4,278
	Grants Over £1,000	8,136
	Grants Under £1,000	15,060
	Total	23,196

Bakers Oven South (London)

Maidstone Christian Care Centre		1,251
Hamper People		1,977
DWS Swimming Club		3,825
Wilton RDA		4,000
	Grants Over £1,000	11,053
	Grants Under £1,000	9,701
	Total	20,754

Greggs South East (West London)

Thames Hospice	1,000
The Hatch	1,000
Stoke Park Trust	1,300
The Mulberry Centre	1,500
The Scotson Technique	1,500
Childrens Trust - Tadworth	1,750
Hounslow Community Transport	1,800
Intergrated Neurological Services	2,000
Action for Kids	5,878
	Grants Over £1,000
	17,728
	Grants Under £1,000
	6,238
	Total
	23,966

Bakers Oven Midlands (Nottingham)

Beaumont House Newark	1,500
Breast Cancer Awareness	1,500
Cancer Research UK	1,500
East Anglia Air Ambulance	1,500
Helen House Hospice	1,500
Manorlands Hospice Keighley	1,500
Marie Curie Cancer Care	1,500
Nightingale House Hospice	1,500
Pinderfields Hospital - support scheme	1,500
Take a Break carers scheme Warwicks	1,500
	Grants Over £1,000
	15,000
	Grants Under £1,000
	6,903
	Total
	21,903

Greggs of Yorkshire (Leeds)

Candlelighters	1,000
Fair Field School	1,000
Weston Park Cancer Hospital	1,000
Yorkshire Cancer Centre	1,000
Hull flood appeal	1,351
South Yorkshire Community Foundation Flood Appeal	1,351
Amelie Stone	2,593
Fair Field School	4,000
Pcc of Christ Church HCCP	5,000
William Merit Centre	5,000
	Grants Over £1,000
	23,295
	Grants Under £1,000
	11,935
	Total
	35,230

Greggs South East (North London)

Dive Line Medical Ltd	1,000	
Ace Sports {Brimmsdown Rovers}	1,488	
MS Action	2,400	
Haven House	3,000	
Ace Sports {Enfield Rangers}	3,705	
	Grants Over £1,000	11,593
	Grants Under £1,000	2,670
	Total	14,263

Greggs of Cumbria (Penrith)

Maryport Parkinson's Disease Society	1,000	
The Edington Centre	1,000	
West Cumbria Hospice at Home	1,000	
Age Concern Eden	1,400	
Maryport Inshore Rescue	2,078	
Corney Place Medical Group	2,700	
	Grants Over £1,000	9,178
	Grants Under £1,000	6,220
	Total	15,398

Greggs Balliol Park (Newcastle upon Tyne)

Children In Need	1,000	
Percy Hedley Foundation	2,000	
Daisychain	2,400	
Cramlington Youth Project	4,000	
	Grants Over £1,000	9,400
	Grants Under £1,000	1,654
	Total	11,054

Greggs Distribution Service (Kettering, Northants)

County Hearing	1,100	
Maydya Trust	1,344	
	Grants Over £1,000	2,444
	Grants Under £1,000	970
	Total	3,414

	Total Grants Over £1,000	202,195
	Total Grants Under £1,000	185,324
	Grand Total	387,519