



(Formerly Greggs Trust)

Trustees' Report and Financial Statements

31 December 2008

Registered Charity Number 296590

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REFERENCE AND ADMINISTRATIVE INFORMATION

Charity number: 296590

Principal Office: Fernwood House
Clayton Road
Jesmond
Newcastle upon Tyne
NE2 1TL
Website: www.greggsfoundation.org.uk
Email: greggsfoundation@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
Melanie Nicholson – appointed 29th April 2009
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)

Report of the Trustees for the year ended 31st December 2008

The Trustees present their report along with the financial statements of the charity for the year ended 31st December 2008. 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 Foundation is an unincorporated Trust registered as a charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Ian Gregg (former chairman of Greggs plc) set up the Foundation 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 Foundation is governed by its Trust Deed dated 31 March 1987 as amended on 21 May 1997, 24 February 1998 and 29th April 2009. 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 are briefed 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.

Organisation

A voluntary Board of Trustees manages the Foundation. They meet four times a year and approve major grants four times per year. Authority to make small grants is delegated to the Foundation 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. Since the year end a new trustee Melanie Nicholson, has been appointed to the Board.

By agreement with Greggs plc, Elaine Nylander continued to provide assistance with the financial administration of the Foundation, including the preparation of the annual financial statements, and Jackie Crombie continued to provide management and support to the Foundation 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 Foundation's activities remain within these. The Foundation 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 and 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 take decisions in the best interests of the furtherance of the Foundation and its objectives.

Risk Management

The Trustees have sought to identify the major risks to which the Foundation 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. Following the re-organisation (see Plans for the Future), the Trustees will review and update the Risk Map during 2009.

Trustees' Report *(continued)*

Volunteers

Groups of volunteers in Greggs plc carry out much of the work of Greggs Foundation through Divisional Charity Committees. These Divisional Charity Committees are essential to the Foundation, 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 Foundation under these same guidelines. The Trustees are confident that through its grant making the Foundation is reaching its objectives of relieving poverty, social isolation and promoting positive living in communities where there are few activities available for residents.

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 actively encourage the involvement of 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 Foundation 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 Foundation'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 Willan 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 2008, the Foundation 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.

Trustees' Report *(continued)*

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 Foundation 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 Foundation's policy for grant distribution, including a list of exclusions, see the Foundation's website: www.greggsfoundation.org.uk

ACHIEVEMENTS AND PERFORMANCE

Review of activities

▪ Major Grants

During 2008, donations totalling £500,553 (2007: £467,414) 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 2008 was Owton Manor West Neighbourhood Watch & Residents Association (OMW) in Hartlepool. The Trustees awarded a grant of £15,000 per year for three years to this charity, which was established in 2002. OMW was established in order to combat the growing concerns of crime, disorder and anti-social behaviour on the Owton Manor West Estate. The grant was made towards the core costs of the group's work with all sectors of the local community on the Owton Manor West Estate. Through its work it has helped reduce crime and anti-social behaviour in the area and built a more cohesive community.

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 2008, and the Trust has pledged to make an annual grant of £50,000 for the next three years.

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.

▪ Hardship Fund

The following charitable trusts made donations totalling £45,000 (2007: £58,000) to the Hardship Fund during the year: The Brough Benevolent Association, The Hadrian Trust, The Joicey Trust, The Sir James Knott Trust and The Rothley Trust. In addition, Greggs Trust allocated £130,000 (2007: £122,000) towards the Fund (see note 18).

A total of 1,158 individuals and families received direct support from the Hardship Fund (2007: 1,103), and grants were made amounting to a total of £105,726 (2007: £87,527) with a further £86,000 (2007: 91,000) paid in block grants for distribution by welfare agencies.

▪ Divisional Charity Committees

The Divisional Charity Committees raised £65,420 (2007: £72,635) 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 £166,477 (2007: £158,774) was collected via the staff's own fundraising efforts. This includes a total of £100,864 (2007: £80,840) from Greggs Foundation Collection Boxes installed in all of the Greggs and Bakers Oven shops throughout the UK.

The Divisional Charity Committees awarded a total of £403,743 (2007: £387,519) in grants to local voluntary organisations (see Appendix II for a list of grants).

Trustees' Report *(continued)*

▪ Future Grant Making

At the end of the year, the future grant making programme for the next 3 years amounted to £506,614 (2007: £428,119) as disclosed in note 15. These payments are second or third instalments of major grants approved in 2008 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. In addition, the Foundation will have responsibility for the funding and administration of the Greggs Breakfast Club scheme (see Plans for the Future)

FINANCIAL REVIEW

The financial results for the year are summarised in the Statement of Financial Activities on page 9. Total incoming resources increased to £1,065,150 (2007: £1,013,145). The main source of income continues to be corporate donations from Greggs plc and dividends from the Foundation'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 6.5% to £1,165,817 (2007: £1,094,162). This resulted in net outgoing resources of £100,667 (2007: £81,017). 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 Foundation whilst this grant making programme is conducted. The ideal reserves is determined by the amount of forward commitments at the year end and the administrative costs required to maintain the Foundation for a period of approximately 18 months. At 31 December 2008, free reserves amounted to £645,216 (2007: £835,042), against an ideal reserve of £590,000.

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 from Brewin Dolphin Ltd.

In setting their investment policy, the Trustees consider the income requirements of the Foundation and risk profile. This strategy is set within an overall policy which states that the Foundation's accumulated funds, excluding the shareholding in Greggs 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 the Black Rock Fund did not match the FT All Share Index, including the annual yield, over the year ended 31 December 2008.

The M&G fund performed slightly better than the index, although both funds saw dramatic falls during a very difficult year for world stock markets. The investment adviser, Brewin Dolphin, has put forward a proposal for a review of the portfolio.

An investment sub-committee meets periodically to advise the Trustees on investment strategy. The Trustees are in the process of drafting a Statement of Investment Principles.

PLANS FOR THE FUTURE

Following an independent review of the Trust in 2008, the Trustees and senior management of Greggs plc have agreed to transfer all the charitable activities of Greggs plc into the Greggs Trust, and rename the Trust the Greggs Foundation. In 2009, the Greggs Foundation will incorporate the Greggs Breakfast Club scheme, providing a free, nutritious breakfast to over 6,000 children every day, in 124 primary schools in disadvantaged areas in the UK. Other community initiatives

Trustees' Report *(continued)*

including Fun Runs in aid of children's cancer research, will be co-ordinated by the Greggs Foundation staff. A business and communications plan for the Greggs Foundation will be produced in 2009. Trustees meetings will be held quarterly, and the structure and make up of the Trustees committee structure will be reviewed in 2009 to best reflect the additional responsibilities of the Foundation.

The Foundation 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 due to the current economic climate.

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 Foundation.

On behalf of the Trustees

Andrew Davison
Trustee – Chairman

Fernwood House
Clayton Road
Jesmond
Newcastle upon Tyne
NE2 1TL

25th June 2009

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 Foundation

We have audited the financial statements of Greggs Foundation for the year ended 31 December 2008 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 2008 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*

25th June 2009

Statement of Financial Activities
For the year ended 31st December 2008

		Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total 2008 £	Total 2007 £
	<i>Note</i>				
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income	2	506,507	45,000	551,507	551,722
Activities for generating funds	3	166,447	-	166,447	158,774
Investment income	4	342,227	4,969	347,196	302,649
Total Incoming Resources		<u>1,015,181</u>	<u>49,969</u>	<u>1,065,150</u>	<u>1,013,145</u>
Resources Expended					
Cost of generating funds	5	14,638	-	14,638	4,254
Charitable activities	6,7	1,082,500	61,726	1,144,226	1,086,016
Governance costs	7	6,953	-	6,953	3,892
Total Resources Expended		<u>1,104,091</u>	<u>61,726</u>	<u>1,165,817</u>	<u>1,094,162</u>
Net Outgoing before other recognised gains and losses		(88,910)	(11,757)	(100,667)	(81,017)
Unrealised gains on investment assets	10	-	-	-	873,339
Unrealised loss on investment assets	10	(3,078,690)	(26,558)	(3,105,248)	(39,641)
Net Movement in Funds	18	(3,167,600)	(38,315)	(3,205,915)	752,681
Fund balances brought forward at 1 st January 2008		11,034,866	95,824	11,130,690	10,378,009
Fund Balances Carried Forward at 31st December 2008	19	<u>7,867,216</u>	<u>57,509</u>	<u>7,924,775</u>	<u>11,130,690</u>

The Foundation 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 11 to 16 form part of these financial statements.

Balance Sheet
At 31st December 2008

	<i>Note</i>	2008 £	2007 £
Fixed Assets			
Investments	10	7,671,804	10,777,052
Tangible assets	11	-	-
		<u>7,671,804</u>	<u>10,777,052</u>
Current Assets			
Debtors	12	51,831	31,538
Cash at bank and in hand	13	269,454	365,342
		<u>321,285</u>	<u>396,880</u>
Liabilities: amounts falling due within one year	14	(68,314)	(43,242)
Net Current Assets		<u>252,971</u>	<u>353,638</u>
Net Assets	19	<u>7,924,775</u>	<u>11,130,690</u>
Funds			
Unrestricted funds	18	7,867,266	11,034,866
Restricted income funds	18	57,509	95,824
		<u>7,924,775</u>	<u>11,130,690</u>

The notes on pages 11 to 16 form part of these financial statements.

Approved by the Trustees and signed on their behalf on 25th June 2009 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 Foundation 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 Foundation 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 2008 £	Restricted Funds 2008 £	Total 2008 £	Total 2007 £
Company donations– Greggs plc	300,000	-	300,000	280,000
Give As You Earn – Greggs plc employees	65,420	-	65,420	72,635
Individuals	129,487	-	129,487	129,487
Intangible income	11,600	-	11,600	11,600
Other Trusts	-	45,000	45,000	58,000
	<u>506,507</u>	<u>45,000</u>	<u>551,507</u>	<u>551,722</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

	2008 £	2007 £
Divisional Charity Committees - fundraising	<u>166,447</u>	<u>158,774</u>

4 Investment income

	2008 £	2007 £
<u>Unrestricted Funds:</u>		
Greggs plc - Ordinary Shares	307,450	266,600
Interest receivable	11,678	9,052
M & G Investments - Charifund	14,514	13,696
Merrill Lynch - Charishare Fund	8,585	8,459
	<u>342,227</u>	<u>297,807</u>
<u>Restricted Funds:</u>		
M & G Investments – Charifund	4,230	4,008
Interest receivable	739	834
	<u>347,196</u>	<u>302,649</u>

5 Cost of Generating Funds

	2008 £	2007 £
Divisional Charity Committees' fundraising costs	<u>14,638</u>	<u>4,254</u>

6 Charitable activities

	2008 £	2007 £
Grant-making:		
Major Grants	500,553	467,414
Divisional Charity Committees' Grants	403,743	387,519
Hardship Payments	191,726	178,527
Support costs attributable to grant-making (Note 7)	48,204	52,556
	<u>1,144,226</u>	<u>1,086,016</u>

See Trustees' Report and appendices for further analysis of major and Divisional Charity Committee grants. Within the above, £61,676 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	2008 Governance costs	Total	2007 Total
	£	£	£	£
Staff Costs - wages and salaries	19,392	-	19,392	29,118
- salaries in-kind	4,400	2,600	7,000	7,000
- social security costs	1,614	-	1,614	2,758
- pension costs	677	-	677	1,267
Office Costs - other	2,087	-	2,087	2,365
Office Costs - in-kind rent and rates	4,600	-	4,600	4,600
Consultancy Fees	11,845	3,061	14,906	3,966
Audit Fees	-	1,292	1,292	1,292
Printing and Publications	3,589	-	3,589	4,082
	<u>48,204</u>	<u>6,953</u>	<u>55,157</u>	<u>56,448</u>

There are 1.4 full time equivalent employees (2007:1.4) employed by the Foundation involved with the management and administration.

No employees had emoluments in excess of £60,000 during the year (2007: nil).

8 Trustees remuneration and expenses

During the year the Trustees did not receive any remuneration or reimbursed expenses from the Foundation (2007: £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 2008	Change in market value	As at 31 December 2008
	£	£	£
Greggs plc - Ordinary Shares	10,105,000	(2,881,000)	7,224,000
Merrill Lynch - Charishare Fund	307,118	(106,572)	200,546
M & G Investments - Charifund	282,573	(91,118)	191,455
	<u>10,694,691</u>	<u>(3,078,690)</u>	<u>7,616,001</u>
M & G Investments - Charifund (Restricted Fund)	82,361	(26,558)	55,803
	<u>10,777,052</u>	<u>(3,105,248)</u>	<u>7,671,804</u>

All investments are held in the UK.

Notes (continued)

11 Office equipment

	£
<i>Cost</i>	
At 1 January 2008	1,283
Additions	-
At 31 December 2008	<u>1,283</u>
<i>Depreciation</i>	
At 1 January 2008	1,283
Charged in period	-
At 31 December 2008	<u>1,283</u>
<i>Net Book Value</i>	
At 31 December 2008	<u>-</u>
At 31 December 2007	<u>-</u>

12 Debtors

	2008 £	2007 £
Other debtors	<u>51,831</u>	<u>31,538</u>

13 Cash at Bank and in hand

	2008 £	2007 £
Head Office	69,828	161,848
Divisional Charity Committees	193,363	189,615
Hardship Fund	6,158	13,774
Petty Cash	105	105
	<u>269,454</u>	<u>365,342</u>

14 Liabilities: amounts falling due within one year

	2008 £	2007 £
Accruals	4,014	3,242
Grants payable	50,300	40,000
Other Creditors	14,000	-
	<u>68,314</u>	<u>43,242</u>

Notes (continued)

15 Future Grant Making

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

	2008 £	2007 £
Grants due within one year	278,684	345,404
Grants due between two to five years	227,930	82,715
	<u>506,614</u>	<u>428,119</u>

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 2008.

17 Related party transactions

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

18 Movement in Funds

	Unrestricted Funds 2008 £	Restricted Income Funds 2008 £	Total 2008 £
Balance at 1 st January 2008	11,034,866	95,824	11,130,690
Incoming resources	1,015,181	49,969	1,065,150
Resources expended	(1,104,091)	(61,726)	(1,165,817)
Unrealised loss on investments	(3,078,690)	(26,558)	(3,105,248)
Balance at 31 st December 2008	<u>7,867,266</u>	<u>57,509</u>	<u>7,924,775</u>

The restricted income fund relates to the Hardship Fund administered by Greggs Foundation 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 £45,000 (2007: £58,000).

Total expenditure from the restricted income fund amounted to £61,726 (2007: £56,527). 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 Foundation's behalf. In addition the Trustees designated £130,000 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 Foundation.

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 2008 £	Restricted Income Funds 2008 £	Total 2008 £
Fixed asset	7,616,001	55,803	7,671,804
Current assets	315,127	6,158	321,285
Current liabilities	(63,862)	(4,452)	(68,314)
Total	<u>7,867,266</u>	<u>57,509</u>	<u>7,924,775</u>

20 Post Balance Sheet Event

Since the year end the Trust has been renamed as the Greggs Foundation. Further details are given in the Trustees report under the 'Plans for the Future' section.

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. 3rd instalment of a 3 year grant.</p>	16,400
<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. 3rd 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. 3rd 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. 3rd instalment of a 3 year grants to help to pay for the post of Administration and Finance Officer.</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. 2nd instalment of a 3 year grant</p>	15,000
<p>Thornaby & District Credit Union, Teesside 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. 2nd 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. 3rd instalment of a 3 year grant, as a contribution to the salary of a Centre Co-ordinator.</p>	15,000
<p>North Sunderland and Seahouses Development Trust The charity aims to strengthen and regenerate the Seahouses area. The grant will allow the charity to pay staff salaries and volunteer expenses to continue the youth project. 1st instalment of a three year grant.</p>	15,000
<p>Owton Manor The project provides a range of activities including sports and family activities to prevent crime and anti-social behaviour on this deprived estate in Hartlepool. The first year grant will fund staff and volunteer training and overhead costs. 1st instalment of a 3 year grant.</p>	15,000
<p>SixtyEightyThirty The project provides practical and emotional support to women who have experienced domestic abuse. £15,000 in year one will fund the salary of a project worker to offer advice on a variety of issues such as finance and re-housing as well as how to deal with a violent or abusive partner. 1st instalment of a 3 year grant.</p>	15,000

£

Phoenix Detached Youth Project	15,000
This charity provides leisure opportunities for young people in one of the most deprived areas of the North-East. The project identifies the most disadvantaged young people in this area and works with them to develop meaningful leisure activities. The grant will fund core salaries to allow the continuation of this valuable service. 1 st instalment of a three year grant.	
Denton Young Peoples Project	15,000
Denton Young Peoples Project provides an outreach service to provide opportunities for young people in a socially deprived area of Newcastle. £15,000 per year will provide running costs to generate sustainability and growth. 1 st instalment of a 3 year grant.	
Moving On, Durham	15,000
Moving on provides advice and advocacy to homeless young people in the Durham area. The grant will provide £15,000 per year for three years towards the core costs of the Advice and Outreach Service. 1 st instalment of a 3 year grant.	
Headlight, Sunderland	14,857
A mental health charity which aims to offer help and advice to anyone living with mental ill health and their families. 3 rd instalment of a 3 year grant towards the salaries of part-time support and admin workers.	
New Directions, Stockton	14,500
This group offers a drop in service and counselling to people suffering from anxiety and mental health problems across the borough of Stockton. 2 nd instalment of a 2 year grant to fund the salary of a Crisis Worker.	
West View Advice & Resource Centre.	14,201
The project is based on a large council estate on the outskirts of Hartlepool. The centre provides advice on support on a range of issues, particularly debt and benefits advice. £14,201 will fund core costs towards the advice service in year one. 1 st instalment of a 3 year grant.	
The Willows Centre, Stockton on Tees, Teesside	13,373
A community resource centre operating in a very deprived area. 2 nd instalment of a 2 year grant for the salary of the Centre Resource Worker to run activities for children.	
Single Homeless Action Initiative SHAID	13,000
The project provides advice and advocacy to homeless people in the Derwentside area. £13,000 per annum will continue the employment of a young persons' advocacy worker to provide services for homeless young people. 1 st instalment of a 2 year grant.	
Escape Family Support, Blyth	12,000
The charity provides counselling, advice and advocacy to people that have been affected by drug and alcohol dependence. This grant will continue a previous project that provides support to people affected by alcohol dependency. A one year grant.	
West End Refugee Service, Newcastle upon Tyne	10,819
This project offers practical help, support and advice to refugees and asylum seekers. A grant towards Salary costs for a project worker. 2 nd instalment of a 4 year grant.	
Newcastle Advocacy Project, Newcastle upon Tyne	10,000
Salary costs for a project working with people with physical and learning disabilities and mental health problems. 2 nd instalment of a 3 year grant.	
Independent Advocacy North Tyneside.	10,000
Independent Advocacy North Tyneside provide advice and advocacy to empower vulnerable people in North Tyneside. £15,000 over two years will provide running costs to continue the support of two groups of adults with learning disabilities. 1 st instalment of a two year grant.	
HEBNAC, Hebburn, Tyne & Wear	10,000
This project gives debts, welfare rights and benefits advice to people living in the 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. 3 rd instalment of a 3 year grant towards general running costs.	

£

Caring Hands, Shieldfield, Newcastle upon Tyne.

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. 3rd 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. 3rd instalment of a 3 year grant towards general running costs.

10,000

St Simon's Community Project, South Shields, Tyne & Wear.

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. 3rd instalment of a 3 year grant for core funding.

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. 3rd instalment of a 3 year grant.

10,000

EVA Women's Aid, Redcar, Teesside

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. 2nd instalment of a 3 year grant

10,000

Pallion Action Group, Sunderland

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. 2nd instalment of a 3 year grant towards the Centre Manager's wage.

10,000

9,893

North Tyneside Disability Forum.

£9,893 will fund the salary and associated costs of a development worker for deaf and hearing impaired young people. The one year project will provide a social network for young deaf people and provide leisure opportunities.

Cowpen Quay Community Association, Blyth, Northumberland.

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 76th most deprived wards in country. 2nd instalment of a 2 year grant to employ Support Workers for twenty four hours each week to run activities.

9,845

Kid's Cafe.

Kid's café was established to help children and their families learn about healthy food. It serves one of the most deprived areas in Newcastle. The grant of £9,112 per annum will fund the salary of the project co-ordinator. 1st instalment of a three year grant.

9,112

Eastlea Community Centre, Seaham, Co Durham.

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. 2nd instalment of a 3 year grant as a contribution towards the wages of a Development Worker.

9,088

Consett Churches Detached Youth Project, Consett, Co. Durham.

The youth project provides youth workers and activities in an area where there are few other activities available for young people. 3rd instalment of a 3 year grant towards the salary of a part time Administrator/Multi-Media Officer.

7,500

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. 3rd instalment of a 3 year grant towards core costs.

7,000

£

Seaham Youth Centre

6,387

Seaham Youth Centre provides a range of opportunities for children and young people in a deprived area of Durham. The grant will allow the centre to deliver a Friday night youth club that will benefit up to fifty people aged 8 – 13. 1st instalment of a 3 year grant towards youth worker salaries.

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. 2nd instalment of a 2 year grant towards the costs of running a youth project for sixty disaffected youngsters who are at risk of exclusion.

Jubilee Fields Community Association, Shildon, Co Durham.

4,940

This community association provides a range of activities sessions for children and elderly people on an estate on the outskirts of Shildon. 1st 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.

Special needs grant

1,638

To purchase a computer for a child with disabilities.

Newcastle Womens Aid

1,000

A one off grant towards support costs for this charity that supports women that have been affected by domestic abuse.

Total

490,553

Appendix II – Divisional Charity Committees' Grants

	£
Greggs North East (Newcastle upon Tyne)	
Alexandra Street Homeless Family Centre	1,000
Army, Navy & Air Force ex-services help, support and advisory group	1,000
Fell Dyke Community School	1,000
Harbour – Hartlepool	1,000
Harbour – Peterlee	1,000
Henshaws North East	1,000
Maggies Cancer Care	1,000
Northumberland Federation of YMCA's	1,000
Relate	1,000
South Tyneside Womens Aid	1,000
Stoneham Welfare	1,000
Tom Carpenter Centre	1,000
Tommy Leech Fund	1,000
Whitburn Residents Association	1,000
Cancer Research	1,108
Marie Curie	1,174
Praxis Service	1,200
Newcastle Womens Aid	1,500
NECCR	2,032
St Oswalds	2,368
Teenage Cancer Trust	2,800
WCDS Breast Clinic	5,000
Grace House	6,150
Toma Fund	10,000
	Grants over £1,000 47,332
	Grants Under £1,000 60,044
	Total 107,376
Greggs of the Midlands (Birmingham)	
Home Start Winson Green	1,786
Weoley CASTLE Community – After School Club	2,000
	Grants over £1,000 3,786
	Grants Under £1,000 12,400
	Total 16,186

Greggs of Scotland (Glasgow/Edinburgh)

	£
Circle	1,000
Eric Liddle Centre	1,000
Govan High School Fund	1,000
Maryhill Mobile Creche	1,000
The Yard	1,000
Visibility	1,000
YWCA Lochend	1,000
Yorkhill Childrens Foundation	1,182
Special Needs Adventure Playground	1,300
Dumbarton District Women's Aid	1,500
Move On	1,500
Childrens 1st	1,568
Lothian Autistic Society	2,000
Waverley Care	2,000
St Andrews Hospice	2,061
Association of Wheelchair Children	2,300
Cancer research	2,368
HCPT Group 140	2,500
Scottish Association of Mental Health	2,500
Partners in Advocacy	3,000
Scottish Motor Neuron Disease	9,170
Family Action in Rogerfield and Easterhouse	10,000
	Grants over £1,000
	51,949
	Grants Under £1,000
	12,738
	Total
	64,687

Greggs Head Office (Newcastle upon Tyne)

The Rainbow Trust	1,530
The Peoples Kitchen	3,500
The Jesmond Trust	6,000
Gateway into the Community	10,000
Pendower Project	10,000
West Harton Action Stations	10,000
	Grants over £1,000
	41,030
	Grants Under £1,000
	9,140
	Total
	50,170

Greggs North West (Manchester)

Jacob Marsland Appeal	1,000
	Grants over £1,000
	1,000
	Grants Under £1,000
	13,662
	Total
	14,662

Greggs of Treforest (South Wales)

	£
7 Corners	1,000
Avon Riding Centre for the Disabled	1,000
Bobarth Children's Therapy Centre	1,000
Bristol & District Tranquilliser Project	1,000
Dry Brook Ducklings Play Group	1,000
Finlay's Fund	1,000
NCH Cymru Wales	1,000
New Pathways	1,000
Special Needs Activity Centre	1,000
Young and free	1,200
Furniture Recycling Project	1,250
The Research Institute for the Care of the Elderly	1,400
Kingswood Community Transport	1,900
Tenovus	2,740
	Grants over £1,000 17,490
	Grants Under £1,000 19,732
	Total 37,222

Bakers Oven South (London)

Helen & Douglas House	1,000
Burned Childrens Club	1,200
Cedar Hall School	1,290
ACE Centre	1,439
Adventure Playground	1,680
Chunc Wheelchairs	1,747
St Lukes Hospice	1,980
DWS Swimming	2,610
Great Ormond Street	2,870
First Steps	2,937
Royal National Lifeboat Institution	3,500
	Grants over £1,000 22,254
	Grants Under £1,000 2,827
	Total 25,081

Greggs South East (West London)

Mulberry Centre	1,000
Trinity House	1,000
Stoke Park Trust	1,300
Hillingdon Autistic Care and Support	1,308
Park Place Sports Club	1,500
React	1,780
Action for Kids	1,975
Thames Foundation	4,029
	5,800
	Grants over £1,000 19,692
	Grants Under £1,000 3,855
	Total 23,547

Bakers Oven Midlands (Nottingham)

£

Edward's Trust Hospice	1,000
Help the Aged	1,000
Newark Bereavement Charity	1,000
Northants Air Ambulance	1,000
Papworth Trust	1,000
Breast Cancer UK	1,120
McMillan Hospice	1,200
Cancer Research UK	1,290
Nottingham University Hospitals	1,600
Grants over £1,000	10,210
Grants Under £1,000	5,784
Total	15,994

Greggs of Yorkshire (Leeds)

CIS	1,000
Childrens Cancer Run	1,154
Yamsen	1,500
PCC of Christ Church HCCP A/C	5,000
Switches for Kids	5,000
Grants over £1,000	13,654
Grants Under £1,000	7,363
Total	21,017

Greggs South East (North London)

ACE Sports	2,322
Grants over £1,000	2,322
Grants Under £1,000	1,759
Total	4,081

Greggs of Cumbria (Penrith)

Graham Fulford Charitable Trust	2,000
Hospice at Home	10,000
Grants over £1,000	12,000
Grants Under £1,000	6,729
Total	18,729

Greggs Balliol Park (Newcastle upon Tyne)

Grants Under £1,000	2,976
Total	2,976

Greggs Distribution Service (Kettering, Northants)

Grants Under £1,000	2,015
Total	2,015

Grants over £1,000	242,719
Grants Under £1,000	161,024
Total	403,743
