

**THE PRET FOUNDATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**Charity registration numbers: 1050195 and**  
**SC050501**

**THE PRET FOUNDATION**  
**LEGAL AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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Trustees	C Schlee A Wareham P Christou V Cuminet D McDermott D Winterkorn
Chief Executive Officer	C Schlee
Principal Office	Pret A Manger 10 Bressenden Place London SW1E 5DH
Auditor	RSM UK Audit LLP Chartered Accountants Rivermead House 7 Lewis Court Grove Park Leicester Leicestershire LE19 1SD
Bankers	HSBC Bank plc 4 Robertson Street Hastings East Sussex TN34 1HW
Registered Charity Numbers	
England and Wales	1050195
Scotland (from 29 September 2020)	SC050501

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**THE PRET FOUNDATION**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Trustees present their report together with the audited financial statements for the year ended 31 December 2019.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**(a) Constitution**

The legal form of the Charity is that of a Trust. The Charity's governing document is a Trust Deed dated 19 July 1995.

**(b) Change of name**

On 11 June 2019 the Charity changed its name from Pret Foundation Trust to The Pret Foundation.

**(c) Selection and training of Trustees**

Due to the nature, origin and activities of the Foundation, Trustees are selected from the senior management of Pret A Manger (Europe) Limited.

Trustees who served during the year and up to the date of this report were as follows:

C Schlee  
A Wareham  
P Christou  
L Gutowski (resigned 25/2/2020)  
V Cuminet  
D McDermott (appointed 26/5/2020)  
D Winterkorn (appointed 26/5/2020)

Trustees are appointed in accordance with clause D of the Trust Deed. New Trustees are provided with copies of the Memo and Articles of Association, latest accounts, recent minutes and suitable Charity Commission guidance.

**(d) Principal risks**

The Trustees actively review the principal risks which the Foundation faces on a regular basis, in particular those relating to its operations and finances. They are satisfied that systems are in place to mitigate the Foundation's exposure to the principal risks. The Trustees' formal risk management strategy comprises: -

- an annual review of the risks which the Foundation may face;
- the adequacy of current systems and procedures to mitigate those risks identified in the strategy; and
- the implementation of procedures designed to minimise any potential risk on the Foundation should any of those risks materialise.

The strategy on risk is reviewed and discussed at meetings of the Trustees and details of key risks facing the Foundation and how they are managed and mitigated are detailed within the financial review.

Key controls used by the Foundation include:

- formal agendas for all Trustees' meetings;
- strategic planning, budgeting and management accounting;
- formal proposal processes;
- donations made after careful vetting of beneficiary charities;
- clear authority limits and annual review of charities; and
- annual review of main contractor.

**THE PRET FOUNDATION**  
**REPORT OF THE TRUSTEES (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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## **COVID**

The financial and operational impact of the pandemic has been significant, due to imposed trading restrictions on Pret a Manger (Europe) Limited shops, as this represents the Foundation's principal source of funding. The Foundation has available cash reserves and is committed to continuing to work toward its core objectives whilst complying with government guidelines and safeguarding the financial position of the Foundation.

## **PUBLIC BENEFIT**

The Trustees have paid due regard to Charity Commission guidance on public benefit in deciding what activities the Foundation should undertake. Through its activities of food distribution, employment programmes, and cash donations to grass root homeless charities The Pret Foundation helps to improve the welfare of the homeless.

The Pret Foundation aligns its objectives and activities to achieve this public benefit as detailed in the Objectives and Activities section.

## **OBJECTIVES AND ACTIVITIES**

The objective (or purpose) of the charity is the alleviation of poverty, in particular hunger and homelessness.

This is achieved by the following activities:

### **1) Food Distribution**

The Foundation arranges for unsold food to be collected at the end of each day from Pret A Manger shops either by a Pret A Manger food van dedicated to this activity or by the arranging of food collections by local charities. The food is then delivered to shelters for the hungry and homeless (shelters, hostels and outreach programmes) at no cost to the beneficiary.

### **2) The Rising Stars and Shooting Stars Employment Programme**

The Rising Stars Programme offers homeless people the opportunity of a 14-week work experience programme, with the aim of helping them build a new future. The programme offers 14-week paid placements within Pret A Manger, giving individuals from homeless backgrounds and/or with criminal records the same benefits as Pret A Manger employees, together with a mentor, career advice and a reference for future employers. It can lead to a permanent position within Pret or help to provide the confidence and experience to follow a career elsewhere.

The Shooting Stars Programme offers a cohort of 8 graduated Rising Stars the opportunity to participate in a 7-month career development programme. It consists of 5-day long learning modules culminating in a BTEC level 2 in Work Skills and the opportunity to take GCSE English and Maths. The Shooting Stars finish the programme with a clear Personal Development Plan (PDP) should they wish to remain in Pret or follow a career elsewhere.

### **3) Grants of Cash, Equipment and Food Donations**

The Foundation supports smaller, grass-root homeless charities where tangible results can be seen as a result of making cash donations, kitchen equipment donations and food donations. The Foundation continues to strengthen relationships with existing charities with repeat donations, while also establishing partnerships with new charities.

### **4) Shelter**

The Pret Foundation, in partnership with West London Mission, established "The Pret House at St. Luke's", a 13-bedroom annex in Kennington, London, providing shelter for current or graduated Rising and Shooting Stars who work in Pret shops nearby. Day-to-day operations are managed by West London Mission.

**THE PRET FOUNDATION**  
**REPORT OF THE TRUSTEES (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**ACHIEVEMENTS AND PERFORMANCE**

The Trustees deem the Foundation to have fulfilled its objectives for the year.

**1) Food Distribution**

In 2019 over 6 million main meal items were collected and distributed on behalf of charities (2018: 3.8m), with food from approximately 96% of Pret shops collected by or distributed to charities at the end of each business day (2018: 93%). Over 120 homeless charities and shelters in London benefitted from food donations in 2019 (2018: 100). Food distribution in London is via Pret's Charity Run with food being distributed 7 days a week, with 8 delivery routes (2018: 7 routes). The vans collect and distribute leftover food from the shops to homeless charities. Clean Society manages this operation on behalf of The Pret Foundation. Where the Foundation cannot collect unsold food from a shop, it arranges for a registered charity to do so, thus avoiding unnecessary waste going to landfill. In regional shops food distribution is serviced by volunteers from local charities co-ordinated by a member of The Pret Foundation team.

**2) The Rising Stars and Shooting Stars Programmes**

The Rising Stars programme was established in 2008. 50 Rising Stars joined the scheme in 2019 (2018: 50) and over 500 Rising Stars have now joined the programme over the last 11 years. Each Rising Star obtains a 14-week placement, with the goal being that this leads to a career either within Pret or in another organisation. Throughout the programme history graduation rates have been very high and this continued in 2019 with 79% of apprentices successfully graduating (2018: 79%).

The Shooting Stars programme was set up in 2015, 7 Shooting Stars were selected for the programme in 2019 with over 38 starting the programme over the last 4 years. Each Shooting Star attends numerous one day workshops attaining a BTEC Level 2 in work skills. The graduation rate in 2019 was 100% (2018: 86%). One Shooting Star has successfully graduated as a General Manager.

**3) Cash, Equipment and Food Donations**

The Foundation supports smaller, grass-root charities with donations: cash, equipment or food donations. In 2019, 211 donations were made (2018: 201). Donations cover various projects and pay for support workers, rent, course supplies, counselling, and drop-in centres. Total donations (including equipment and food) were £0.8m (2018: £0.7m).

Laura Gutowski, Sustainability & Strategy Director, headed up the Pret Foundation in 2019, managing the activities of the Foundation with a team of six full-time people as directed by the Trustees.

Funds for the Foundation came from three sources in 2019:

- ★ Product donations: £1.3m, of which, £821k was raised from the 10p donations on Soup sales alongside £523k generated from the Christmas Campaign (with 50p donated from 6 Christmas products sold). The campaign was prominent in every Pret shop window alongside strong in-shop and product packaging communications.
- ★ Customer Donations: £365k of in-shop donations from customers, via charity gift boxes in Pret shops. This number is steady despite the increase card usage (notably contactless) at Pret's tills.
- ★ Other Donations: £429k, comprised of donations from Pret employees through small-scale fundraising activities and CEO salary sacrifice.

**THE PRET FOUNDATION**  
**REPORT OF THE TRUSTEES (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**ACHIEVEMENTS AND PERFORMANCE** *(continued)*

**4) Shelter**

In 2018 the Pret Foundation identified a partner to work with for this activity stream, West London Mission, and a site to convert, St. Luke's. An agreement was signed in Q3 2018 and renovations began on "The Pret House at St. Luke's" in Q4 2018. In Q1 2019 the facility, containing 13 bedrooms, a communal kitchen, living and garden areas was ready for current or graduated Rising and Shooting Stars in need of accommodation in exchange for a subsidised rent. In 2019 15 Rising or Shooting Stars resided at the Pret House.

**FINANCIAL REVIEW**

**(a) General**

Gifts and donations paid have increased since the previous year. Last year £662,784 was paid and this year it was £730,166.

At 31 December 2019, the total funds held by the Foundation was £517,366 (2018: £491,691).

The Foundation has continued by good housekeeping and budgeting to maintain a healthy balance sheet.

The continuing use of budgets and regular financial information again proved an effective control; expenditure and staffing levels continue to be carefully monitored.

**(b) Principal funding sources**

The Foundation's principal source of funding is the receipt of contributions from Pret A Manger (Europe) Limited (and its customers), who established the Foundation over twenty years ago. Both organisations continue to operate closely together and senior management of Pret A Manager (Europe) Limited sits on the Board of Trustees and assists Pret A Manager (Europe) Limited in carrying out their continuing commitment toward The Foundation's objectives.

The Foundation acknowledges the importance of good practice in fund raising as being essential in maintaining public confidence in the charity and are committed to ensuring all our activities are compliant with legislative, regulatory and best practice standards. The Foundation does not use professional fundraisers.

**(c) Reserves policy**

Unrestricted funds are needed:

- a) to provide funds which can be designated to specific projects to enable these projects to be undertaken at short notice; and
- b) to cover administration, fundraising and support costs without which the Foundation could not function.

The Trustees consider it prudent that unrestricted reserves should be sufficient:

- c) to provide a pool equal to 10% of charitable expenditure from which funds can be designated to specific projects; and
- d) to cover one year's administration, fundraising and support costs.

As at 31 December 2019, unrestricted reserves not invested in functional fixed assets were £252k, £153k above the minimum level.

The level of reserves is monitored and reviewed by the Trustees at each Trustee meeting.

**THE PRET FOUNDATION**  
**REPORT OF THE TRUSTEES (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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## **PLANS FOR THE FUTURE**

The Trustees aim to continue to develop the four key activities.

### **1) *Food Distribution***

The Foundation will maintain distribution of unsold food from Pret A Manger shops to charities, who provide the food to the homeless via shelters, hostels and outreach programmes.

### **2) *The Rising Stars and Shooting Stars Programmes***

For the Rising Stars programme the aim in 2020 is consistent with the last few years with an objective of employing Rising Stars across the country, aiming for a 70% graduation success rate.

For the Shooting Stars Programme the objective is to select 7 Shooting Stars with a 100% graduation success rate.

### **3) *Cash, Equipment and Food Donations***

The Foundation will continue to work with existing beneficiaries, as well as identifying and supporting other small charities that have a direct impact on homelessness and poverty.

The Foundation aims to reflect the presence of Pret A Manger outside of London by ensuring a fair distribution of resources to charities based in the UK regions.

### **4) *Shelter***

Over the course of the year, the objectives are to continue to embed effective ways of working for the Pret House with partner West London Mission and to find the right tenants from within the Rising and Shooting Stars populations, and to evaluate the success of this activity.

## **New Initiatives**

In 2020 and continuing into 2021, the Foundation focused on weathering the COVID-19 storm and protecting its key objectives. As such, activities were reduced during the crisis to match a reduction in income during this period. The Foundation forecasts an increase in income and a return to its core activities in 2021.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for the period. In preparing these financial statements, the trustees are required to:

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

**THE PRET FOUNDATION**  
**REPORT OF THE TRUSTEES (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)**

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008; and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees, individually, are aware:

- There is no relevant audit information of which the Foundation's auditor is unaware; and
- The Trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITOR**

A resolution to reappoint RSM UK Audit LLP for the ensuring year will be proposed at the forthcoming Annual General Meeting.

**ACCOUNTS PREPARATION**

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Report by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

For and on behalf of the Trustees



A Wareham  
Trustee

Date: 12 July 2021

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PRET FOUNDATION

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## Opinion

We have audited the financial statements of The Pret Foundation (the 'Foundation') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 December 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

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

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

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Foundation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Matters on which we are required to report by exception

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PRET FOUNDATION (continued)

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### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 5 and 6, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

This report is made solely to the Foundation's Trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Foundation'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 Foundation and the Foundation's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
Rivermead House  
7 Lewis Court  
Grove Park  
Leicester  
Leicestershire  
LE19 1SD

Date: 20/07/2021

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**THE PRET FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Unrestricted funds	
		2019 £	2018 £
<b>Income from:</b>			
Donations	4 (a)	2,208,795	2,158,514
Investment income	4 (b)	703	199
		<hr/>	<hr/>
<b>Total</b>		2,209,498	2,158,713
		<hr/>	<hr/>
<b>Expenditure on:</b>			
Charitable activities	5 (a)	2,183,823	1,812,425
		<hr/>	<hr/>
<b>Total</b>		2,183,823	1,812,425
		<hr/>	<hr/>
<b>Net movement in funds</b>		25,675	346,288
<b>Reconciliation of funds:</b>			
Total funds brought forward		491,691	145,403
		<hr/>	<hr/>
<b>Total funds carried forward</b>		517,366	491,691
		<hr/>	<hr/>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing operations.

THE PRET FOUNDATION

BALANCE SHEET

AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets:</b>					
Tangible assets	9		252,557		187,853
<b>Current assets:</b>					
Debtors	10	120,180		585,171	
Cash at bank and in hand		269,798		18,382	
Total current assets		389,978		603,553	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	11	(125,169)		(299,715)	
Net current assets			264,809		303,838
<b>Total net assets</b>			517,366		491,691
<b>The funds of the charity:</b>					
Unrestricted funds			517,366		491,691

These financial statements on pages 9 to 20 were approved by the Trustees and authorised for issue on 12 July 2021 and signed on their behalf by:



C Schlee  
Trustee

**THE PRET FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	16	366,864	98,338
<b>Cash flows from investing activities:</b>			
Investment income		703	199
Purchase of tangible fixed assets		(116,151)	(187,853)
<b>Net cash used in investing activities</b>		(115,448)	(187,654)
Change in cash and cash equivalents in the reporting period		251,416	(89,316)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		18,382	107,698
<b>Cash and cash equivalents at the end of the reporting period</b>		269,798	18,382

**THE PRET FOUNDATION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Legal status of the Charitable Foundation**

The Pret Foundation is an unincorporated charitable Foundation registered as a Charity at the Charity Commission in England and Wales (Charity Commission number is 1050195) and from 29 September 2020 was also registered as a Charity with the Scottish Charity Regulator (Charity Commission number is SC050501). The principal place of business is Pret A Manger, 10 Bressenden Place, London, SW1E 5DH.

The remit of the Foundation is “the relief of poverty in particular homelessness in the UK”. Historically, this has been achieved through the distribution of unsold food at the end of each day from Pret A Manger shops, employment programmes offering work to homeless people and financial donations to grass root homeless partner charities.

**2 Accounting policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), including the adoption of the amendments issued in December 2017 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, including the adoption of the amendments issued in October 2019, rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Pret Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

**Going concern**

At the time of approving the financial statements, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. Following the uncertainty presented by COVID-19, a detailed review of the Foundation’s resources and challenges presented by the current economic climate has been undertaken. Based on the Foundation’s ability to flex and control its expenditure dependent on income levels and its strong cash reserves, trustees have concluded that the going concern basis remains appropriate and that the Foundation is able to meet its liabilities as they fall due. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Foundation has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust’s ability to continue as a going concern.

**THE PRET FOUNDATION**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2 Accounting policies (*continued*)**

**Income**

All income is recognised once the Foundation has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

- Income from donations, including gifts are recognised where there is entitlement, probability of receipt and the amount can be measured reliably.
- Investment income is recognised on a receivable basis.

**Funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the Foundation.

**Expenditure and irrecoverable VAT**

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

Expenditure is classified under charitable activity rather than the type of expense, in order to provide more useful information to users of the financial statements.

Charitable activity costs comprise both direct expenditure, including direct staff costs attributable to the activity, and support costs relating to these activities.

As The Pret Foundation is unable to reclaim any of the Value Added Tax (VAT) that it incurs, all expenditure in these financial statements in relation to its activities is shown inclusive of any VAT which cannot be recovered.

**Fixed assets**

Tangible fixed assets are initially recorded at cost and subsequently measured at cost, net of depreciation and any impairment losses. Tangible fixed assets with a cost price in excess £1,000 are capitalised and all other expenditure is charged to the statement of financial activities.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Fixtures and fittings	over 5 years
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Assets under construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to statement of financial activities.

**Impairment of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Trust estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in statement of financial activities.

**THE PRET FOUNDATION**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2 Accounting policies (continued)**

**Impairment of fixed assets (continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in statement of financial activities. On reversal of an impairment loss, the depreciation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

**Financial instruments**

The Foundation only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of financial nature. Such financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Debtors**

Other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Other debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and monies on short term deposits at the bank, other short-term liquid investments with original maturities of three months or less.

**Creditors**

Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

**Taxation**

The Foundation is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

**Pension**

For defined contribution schemes the amount charged to the Statement of Financial Activities is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**3 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and areas of judgement to note.

**THE PRET FOUNDATION**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**4 Analysis of income**

<b>(a) Donations</b>	<b>2019</b> £	<b>2018</b> £
Donations received	2,208,795	2,158,514
	<u>          </u>	<u>          </u>
<b>(b) Investment income</b>	<b>2019</b> £	<b>2018</b> £
Interest receivable	703	199
	<u>          </u>	<u>          </u>

**5 Analysis of expenditure incurred by The Pret Foundation**

The Trust fulfilled its charitable purposes by picking up unsold food from Pret A Manger shops throughout the UK and delivering it to other charities that assist with the relief of poverty. In other instances the Foundation made cash grants as the Trustees saw fit.

The accounts do not include the monetary value of the unsold food collected and distributed from the Pret A Manger shops as the Trustees believe that the food has no monetary value by virtue of it being unsold.

**(a) Charitable activities**

	<b>Food distributions</b> £	<b>The Rising Stars and Shooting Stars programmes</b> £	<b>Cash, equipment and food donations</b> £	<b>Shelter</b> £	<b>Total 2019</b> £	<b>Total 2018</b> £
Gifts and donations (See note 5(c))	-	-	730,166	-	730,166	662,784
Food delivery costs	690,202	-	-	-	690,202	516,678
Apprenticeship costs	-	161,628	-	-	161,628	222,830
Shelter costs	-	-	-	195,320	195,320	50,533
Food donations	-	-	39,254	-	39,254	29,444
Equipment donations	-	-	54,198	-	54,198	55,124
Support costs (See note 5(b))	74,591	130,644	92,785	15,035	313,055	275,032
	<u>764,793</u>	<u>292,272</u>	<u>916,403</u>	<u>210,355</u>	<u>2,183,823</u>	<u>1,812,425</u>

**(b) Support costs**

	<b>Food distributions</b> £	<b>The Rising Stars and Shooting Stars programmes</b> £	<b>Cash, equipment and food donations</b> £	<b>Shelter</b> £	<b>Total 2019</b> £	<b>Total 2018</b> £
Staff costs (See note 6)	59,555	107,198	59,555	11,911	238,219	232,738
Charity site visits	-	-	18,193	-	18,193	(813)
Green week	-	-	-	-	-	-
Team expenses	10,512	18,922	10,513	2,103	42,050	32,182
Bank charges	64	64	64	14	206	180
Audit and accounting fees	4,460	4,460	4,460	1,007	14,387	10,745
	<u>74,591</u>	<u>130,644</u>	<u>92,785</u>	<u>15,035</u>	<u>313,055</u>	<u>275,032</u>

Support costs are allocated on a basis consistent with the activities of the Trust.

**THE PRET FOUNDATION**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**5 Analysis of expenditure incurred by The Pret Foundation (continued)**

**(c) Gifts and donations**

	No of gifts	2019 £	No of gifts	2018 £
The Foundation has made the following gifts of £5,000 or more:				
The 999 Club	1	15,628	1	20,000
The Clock Tower Sanctuary	1	21,000	1	22,259
Emmanuel House Day Centre	1	17,500	-	-
Salford Loaves & Fishes	1	10,928	1	10,503
240 Project	1	22,500	1	15,000
Cardboard Citizens	1	16,500	1	20,000
Action Homeless Leicester	1	7,914	1	6,312
Glasgow City Mission	1	10,028	1	11,250
Notre Dame Refugee Centre	1	6,520	1	5,944
Shelter from the Storm	1	20,862	1	20,000
The Choir with No Name	1	7,300	1	6,380
Acting on Impulse	1	8,512	1	6,470
Create (Arts) Ltd	-	-	1	9,676
Genesis Trust	1	11,750	1	11,750
Hackney Doorways	1	18,352	1	12,626
AKT	1	17,396	1	15,000
Aspire Oxford Community Enterprise Ltd	1	12,370	1	10,012
London City Mission	1	9,360	1	13,100
Notre Dame de France Trust	1	7,500	1	7,500
Off the Fence Trust	1	24,785	1	19,597
Barnabas	1	12,645	1	9,464
Bridges Project	1	6,358	1	6,969
Crisis Centre Ministeries	1	10,000	1	7,000
Glass Door	1	17,160	1	15,586
Firm Foundation	1	5,360	-	-
Manchester City Mission	1	12,027	1	12,027
Bethany Christian Trust	1	8,225	1	10,000
Cornerstone Manchester	1	11,000	1	11,475
St James Piccadilly	-	-	1	7,833
Manna Islington	1	12,000	1	12,000
Olallo	1	40,000	1	15,056
Subtotal (continued on following page)	29	401,480	29	350,789

**THE PRET FOUNDATION**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**5 Analysis of expenditure incurred by The Pret Foundation (continued)**

**(c) Gifts and donations (continued)**

	<b>No of gifts</b>	<b>2019 £</b>	<b>No of gifts</b>	<b>2018 £</b>
The Foundation has made the following gifts of £5,000 or more (continued):				
Subtotal brought forward from prior page	29	401,480	29	350,789
Vineyard Community Centre	1	9,770	1	10,747
Hinde St Methodist Church	1	9,800	1	9,610
The Upper Room	1	17,394	1	20,553
Ace of Clubs	1	15,487	1	16,469
Deptford Reach	-	-	1	15,400
St Cuthbert's Centre	1	18,880	1	18,917
ASLAN	1	12,680	1	11,827
FCENS	1	16,500	1	16,554
The Margins Project	1	18,000	1	18,253
Fareshare	1	11,863	1	11,864
Nottingham Winter Shelter	-	-	1	17,500
The Suited and Booted Centre	1	7,500	1	5,000
Brixton Soup Kitchen	1	5,000	-	-
Caring in Bristol	1	15,000	1	7,000
Castlemilk Community Church	1	9,007	1	8,190
Cheltenham Open Door	1	6,200	1	5,500
Crawley House, Crawley	1	6,500	1	7,944
Hope Housing Training and Support Limited	1	8,000	1	5,218
Maggs Day Centre	1	7,800	1	7,800
Peterborough Soup Kitchen	1	8,000	1	5,173
The Friary	1	9,045	1	9,045
The People's Kitchen	1	5,500	1	5,000
The Vineyard Arches Trust	1	9,982	1	7,875
West London Mission	-	-	1	12,657
Breaking Barriers	1	8,752	1	7,500
C4WS	1	12,000	1	11,574
Street Connect	1	6,500	-	-
St Petrock's	1	6,000	-	-
Imagine If I Trust	1	5,000	-	-
Harrow Law Centre	1	14,800	-	-
The Food Chain	1	5,500	-	-
The Running Charity	1	5,460	-	-
Wycome Homeless Projects	1	5,000	-	-
Other amounts less than £5,000	77	31,766	147	38,825
<b>Total</b>	<b>136</b>	<b>730,166</b>	<b>201</b>	<b>662,784</b>

**THE PRET FOUNDATION**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**6 Analysis of staff costs and numbers**

Total staff emoluments for the year were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	209,282	212,663
Social security costs	24,039	20,075
Pension contributions	4,898	-
	<u>238,219</u>	<u>232,738</u>

These costs relate to the reimbursement of wages and salaries by the Foundation to Pret A Manger (Europe) Limited, for the time incurred by employees of Pret A Manger (Europe) Limited on the Foundation's activities.

The average number of employees whose wages were recharged to the Foundation during the year were 6 (2018: 6).

No employees are paid through the Foundation and no employees or Trustees were paid in excess of £60,000 in the year (2018: nil).

**7 Trustees' remuneration and expenses and costs of key management personnel**

None of the Trustees received any remuneration or payment for expenses during the year (2018: £Nil).

The Foundation considers that the only key management are the Trustees and Chief Executive Officer, and these personnel are not remunerated during this year or the prior year by the Foundation.

**8 Net income/(expenditure)**

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Audit remuneration	9,500	8,420
Other services:		
All other non-audit services	2,500	2,325
	<u>12,000</u>	<u>10,745</u>

**THE PRET FOUNDATION**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**9 Tangible fixed asset**

	Assets under construction £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2019	187,853	-	187,853
Additions	116,151	-	116,151
Transfer	(304,004)	304,004	-
	-----	-----	-----
At 31 December 2019	-	304,004	304,004
	-----	-----	-----
<b>Depreciation and impairment</b>			
At 1 January 2019	-	-	-
Charged in the year	-	51,447	51,447
	-----	-----	-----
At 31 December 2019	-	51,447	51,447
	-----	-----	-----
<b>Carrying amount</b>			
At 31 December 2019	-	252,557	252,557
	-----	-----	-----
At 31 December 2018	187,853	-	187,853
	-----	-----	-----

**10 Debtors**

	2019 £	2018 £
Other debtors (note 13)	-	368,671
Prepayments and accrued income	120,180	216,500
	-----	-----
	120,180	585,171
	-----	-----

**11 Creditors: amounts falling due within one year**

	2019 £	2018 £
Other creditors (note 13)	66,362	-
Accruals	58,807	299,715
	-----	-----
	125,169	299,715
	-----	-----

**12 Financial instruments**

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	120,000	581,171
	-----	-----
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	125,169	299,715
	-----	-----

**THE PRET FOUNDATION**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**13 Related party transactions**

The main related party to the Foundation is Pret A Manger (Europe) Limited, a company which operates a chain of food retail outlets across the United Kingdom. Donations during the year were from Pret A Manger (Europe) Limited and collecting boxes within the Pret A Manger shops. The value of donations received via Pret A Manger (Europe) Limited are £821,114 (2018: £1,474,725). The Trustees are selected from the senior management of Pret A Manger (Europe) Limited.

During the year, the Foundation was charged £238,219 (2018: £232,738) in salary costs, for time incurred by Pret A Manger (Europe) Limited employees on the Foundation's activities. During the year Pret A Manger (Europe) Limited also made payments on behalf of The Pret Foundation of costs which were then recharged to the Foundation of £1,017,928 (2018: £969,564) and at 31 December 2019 the Foundation owed Pret A Manger (Europe) Limited £66,362 (2018: £368,671 was owed to the Foundation).

Also, in the year, Pret A Manger (Europe) Limited committed to donating £120,000 which was included within accrued income at the year end.

**14 Post balance sheet events**

The COVID-19 outbreak that has occurred since the financial year end continues to have an impact on the financial position of the Foundation during 2020 and 2021. The trustees anticipated and have overseen a significant impact to their principal source of funding from Pret A Manger (Europe) Limited and its customers due to the trading restrictions imposed on its shops. Notwithstanding these uncertainties, the Foundation's available cash reserves and its ability to exercise control over expenditure has satisfied the trustees that it has adequate reserves and mitigation strategies to deal with the impact of the outbreak.

**15 Ultimate controlling party**

The trustees do not consider that there is any one controlling party.

**16 Reconciliation of net income to net cashflow from operating activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period</b>	25,675	346,288
<b>Adjustments for:</b>		
Depreciation	51,447	-
Investment income	(703)	(199)
Decrease/(increase) in debtors	464,991	(488,923)
(Decrease)/increase in creditors	(174,546)	241,172
<b>Net cash provided by operating activities</b>	<u>366,864</u>	<u>98,338</u>