

THE PRET FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
Charity registration numbers: 1050195 and
SC050501

THE PRET FOUNDATION
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	C Schlee (Chair) P Christou V Cuminet D McDermott D Winterkorn C Clough
Global Head	N Allard
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	SC050501

THE PRET FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report together with the audited financial statements for the year ended 31 December 2021.

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 together with Deed of Amendment dated 11 June 2019 and Deed of Amendment dated 17 September 2020. A new Trust Deed dated October 2021 was approved, which replaced the previous Trust Deed.

(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

Trustees represent both senior management of Pret A Manger (Europe) Limited and independent individuals with relevant skills and experience. Trustees who served during the year and up to the date of this report were as follows:

C Schlee (Chair)
A Wareham (resigned 29 March 2023)
P Christou
V Cuminet
D McDermott
D Winterkorn
C Clough (appointed 29 March 2023)

Trustees are appointed in accordance with clause 9 of the Trust Deed. New Trustees are provided with a copy of the Trust Deed, 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 2021

COVID

The financial and operational impact of the pandemic continued to be felt certainly in the early part of 2021, due to imposed trading restrictions on Pret A Manger (Europe) Limited shops, which 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 and safeguard the financial position of the Foundation as government restrictions were eased.

PUBLIC BENEFIT

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 grassroot homeless charities, The Pret Foundation helps to improve the welfare of people experiencing, or at risk of, homelessness.

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 charities, 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 people experiencing homelessness, or at risk, the opportunity of a 12-week work experience programme, with the aim of helping them build a new future. The programme offers 12-week paid placements within Pret A Manger, giving individuals the same benefits as Pret A Manger employees, together with support with travel costs and weekly counselling. It can lead to a permanent position within Pret A Manger or help to provide the confidence and experience to follow a career elsewhere.

The Shooting Stars Programme offers a cohort of approximately 8 graduated Rising Stars the opportunity to participate in a 6-month career development programme each year. It consists of learning modules over a period of 5 days, culminating in a National Apprenticeship - 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 A Manger or follow a career elsewhere. The programme also supports individuals to believe in their potential to reach new heights, taking them on a trip to the Chair of Trustees home in Austria to climb one of the country's highest mountains.

3) Financial Support

The Foundation supports smaller, grassroot homeless charities where tangible results can be seen as a result of making grants. 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 26 room shelter in Kennington, London of which The Pret Foundation consistently has access to 6-bedrooms, or more if required. The Pret House provides shelter for current or graduated Rising and Shooting Stars who work in Pret A Manger 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 2021

ACHIEVEMENTS AND PERFORMANCE

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

1) Food Distribution

In 2021 over 5 million main meal items were collected and distributed on behalf of charities in the UK, and over 6 million worldwide, with food from approximately 93% of Pret A Manger shops collected by or distributed to charities at the end of each business day in the UK (2020: 96%), and 89% globally.

Over 150 homeless charities and shelters in London benefitted from food donations in 2021 (2020: 120). Food distribution in London is via Pret's Charity Run with food being distributed 7 days a week, with 8 delivery routes. The vans collect and distribute leftover food from the shops to charities and shelters. 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. Surplus ingredients not required by shops are also donated in bulk and delivered from the supplier warehouses direct to The Felix Project, a charity fighting hunger and food waste across London.

In regional shops food distribution is serviced by volunteers from local charities co-ordinated by a member of The Pret Foundation team. Across the regions, we also work with the food sharing app, OLIO who have food waste heroes that can collect surplus food each day and donate to the local community – many on the poverty line. Through our partnership with OLIO we donated the equivalent of 1 million meals' worth of food items to local communities in 2021. In addition, at the end of 2021 we partnered with Too Good To Go to sell and reduce hot food waste in shops which cannot be donated. Whilst this is not directly supporting the welfare of people experiencing homelessness, it will become one of our enablers - raising funds for The Pret Foundation to continue delivering its core activities.

During the autumn of 2021 we were impacted by the introduction of Natasha's law and introduction of full ingredient labelling. This has meant most fresh produce now has same day use-by dates, and this has restricted our ability to donate as much food as we would like due to a smaller window of opportunity.

2) The Rising Stars and Shooting Stars Programmes

The Rising Stars programme was established in 2008 and over 635 Rising Stars have been placed on to the programme, 470 of which have graduated. Each Rising Star obtains a 12-week placement, with the goal being that this leads to a career either within Pret A Manger or in another organisation.

In 2021 we were pleased to see a return to some form of normality and were able to recruit 53 Rising Stars on to the programme with 80% completing the 12 weeks training and 65% remaining with Pret A Manger for 6 months or more.

The Shooting Stars programme was set up in 2015 and to date 53 people have been recruited on to the programme. Shooting Stars attend numerous one day workshops attaining a National Apprenticeship - Level 2 in work skills. During 2021, 8 new Shooting Stars were recruited. Of this cohort, one has since returned to university, and another has secured a role at Head Office in the Digital Product team.

3) Financial Support

The Foundation supports smaller, grassroot charities with support in the form of grants. In 2021, 21 donations were made (2020, 25). Donations cover various projects and pay for support workers, rent, course supplies, counselling, and drop-in centres. Total donations in 2021 were £0.2m (2020, £0.2m).

Funds for The Pret Foundation increased in the 2021 after the team introduced some new fundraising initiatives. and Funds predominantly came from three sources:

- **Product donations from Pret A Manger:** £430k, of which, £152k was raised from the 10p donations on Soup sales alongside £278k generated from the Christmas Campaign.

THE PRET FOUNDATION
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

ACHIEVEMENTS AND PERFORMANCE *(continued)*

3) Financial Support *(continued)*

- **Customer Donations:** £193k from customer donations, consisting of £63k from coin boxes in shops which have slowly declined, £47k from new contactless donation terminals installed in some shops and £83k from customer purchasing hot food surplus via Too Good To Go. Both the latter are new initiatives introduced in 2021.
- **Other Donations:** £180k from employee fundraising and sponsorship with Deliveroo, to brand two of the charity run vans in London.

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. The facility was opened in Q1 2019, containing 26 bedrooms, a communal kitchen, living and garden areas, ready for current or graduated Rising and Shooting Stars in need of accommodation in exchange for a subsidised rent. This partnership ended on 1 February 2022, and The Pret Foundation will explore other appropriate opportunities in the future.

Other notable updates

In Spring 2021 Sarah Hogben joined the team to lead on Marketing and Communications for The Pret Foundation, with a view to share more about the charitable work both with Pret employees and customers.

FINANCIAL REVIEW

(a) General

Gifts and donations paid have decreased slightly since the previous year, from £190,717 last year to £189,935 this year.

On 31 December 2021, the total funds held by the Foundation was £1,370,648 (2020: £2,016,120).

The Foundation has continued by good housekeeping and budgeting to maintain a healthy balance sheet. Expenditure was cut significantly in the year to match the much-reduced donation income.

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 ongoing 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 Manger (Europe) Limited sits on the Board of Trustees and assists Pret A Manger (Europe) Limited in carrying out their continuing commitment toward The Foundation's objectives. The Foundation has taken steps to diversify its income streams over the period, namely introducing contactless donation terminals in shops and working with Too Good To Go.

The Foundation acknowledges the importance of good practice in fundraising 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 PRET FOUNDATION
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL REVIEW *(continued)*

(c) Reserves policy *(continued)*

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

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

As at 31 December 2021, unrestricted reserves not invested in functional fixed assets were £1,324k.

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

PLANS FOR THE FUTURE

The Trustees aim to continue to develop three 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 people experiencing homelessness or at risk via charities, shelters, hostels and outreach programmes. The Foundation will review the current processes in place to ensure as much food is being donated as possible whilst making the best use of resources available. We will continue to talk to retailers and other groups such as WRAP to navigate the introduction of Natasha's Law and its unintended consequences.

2) The Rising Stars and Shooting Stars Programmes

For the Rising Stars programme, the aim in 2022 is to recruit 75 Rising Stars with an 80% graduation rate and achieve a 60% retention rate at 6 months plus. The Programme will also expand outside of London and into regions across the UK where there are hubs of Pret A Manger shops.

For the Shooting Stars Programme the objective is to select 8 Shooting Stars to complete the programme.

3) Financial Support

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.

New Initiatives

In 2020 and continuing into 2021, The Foundation focused on weathering the COVID-19 storm and protecting its key objectives. In 2021, The Foundation continued to focus on new fundraising activities and in making efficiencies to ensure a sustainable future. This included but was not limited to the introduction of working with Too Good To Go and installation of contactless donation terminals. A full governance audit was also carried out.

The Foundation has to date been inwardly focussed so in 2021 a key objective was to educate and inform employees and the general public about its work. An internal fundraising initiative, Walkathon, engaged Pret A Manger employees globally to take part in this well-being campaign hosted by a supplier to Pret A Manger, Equal Experts.

A campaign around World Homeless Day on 10th October was another opportunity for the Foundation to shine a light on the issue of homelessness with communications across our social, digital and internal channels as well as in shops.

THE PRET FOUNDATION
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 DECEMBER 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 financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The law applicable to charities 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 UK Accounting Standards have been followed, subject to any material 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 Trustees are responsible for keeping adequate 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 Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) 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.

This report was approved on behalf of the Board of the Trustees on 29th March 2023 and signed on their behalf.



C Schlee
Trustee

Date: 29th March 2023

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

Opinion

We have audited the financial statements of The Pret Foundation (the 'charity') for the year ended 31 December 2021 which comprise Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 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 and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 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 charity'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 charity 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charity operates in and how the charity are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, charity's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Natasha's law. We performed audit procedures to inquire of management and those charged with governance whether the charity is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. 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.

RSM UK Audit LLP

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

Date: 30 March 2023

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 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from:			
Donations	4(a)	802,997	2,801,935
Investment income	4(b)	33	599
Total		803,030	2,802,534
Expenditure on:			
Charitable activities	5(a)	1,448,502	1,303,780
Total		1,448,502	1,303,780
Net movement in funds		(645,472)	1,498,754
Reconciliation of funds:			
Total funds brought forward		2,016,120	517,366
Total funds carried forward		1,370,648	2,016,120

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 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets:					
Tangible assets	9		47,029		191,756
Current assets:					
Debtors	10	312,192		186,076	
Cash at bank and in hand		1,162,692		1,818,964	
Total current assets		1,474,884		2,005,040	
Liabilities:					
Creditors: amounts falling due within one year	11	(151,265)		(180,676)	
Net current assets			1,323,619		1,824,364
Total net assets			1,370,648		2,016,120
The funds of the charity:					
Unrestricted funds			1,370,648		2,016,120

These financial statements on pages 10 to 21 were approved by the Trustees and authorised for issue on 29th March 2023 and signed on their behalf by:



C Schlee
Trustee

THE PRET FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	14	(656,305)	1,548,567
Cash flows from investing activities:			
Investment income		33	599
Net cash provided by investing activities		33	599
Change in cash and cash equivalents in the reporting period		(656,272)	1,549,166
Cash and cash equivalents at the beginning of the reporting period		1,818,964	269,798
Cash and cash equivalents at the end of the reporting period		1,162,692	1,818,964
Analysis of cash and cash equivalents			
Cash at bank		1,162,692	1,818,964

THE PRET FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 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) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

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. A detailed review of the Foundation’s resources, operations and challenges presented by the current economic climate has been undertaken and 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 with regard to the Foundation’s ability to continue as a going concern.

THE PRET FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes.

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 attributable to the activity, and support costs relating to these activities.

Governance costs include the costs attributable to the Foundations compliance with constitutional and statutory requirements, including audit and legal expenditure.

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 35 months (until 31 October 2021: 5 years)
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The Trustees have reviewed the useful economic life of the fixtures and fittings held by the Foundation and have amended the depreciation rate as stated above following the decision to end the contract with West London Mission, which is further explained in note 15. The impact of the change in the depreciation rate used by the Foundation has been recognised in the year, within the depreciation charge of £144,727 (see note 9) and which has increased this year's charge by £83,926.

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.

THE PRET FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies (continued)

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.

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 recharge of 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 areas of judgement to note.

THE PRET FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Critical accounting estimates and areas of judgement (continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation

The assessment of the useful economic lives and the method of depreciating tangible fixed assets requires some estimation. Depreciation is charged to the Statement of Financial Activities based on the useful economic life selected, which requires an estimation of the period and profile over which the Foundation expects to consume the future economic benefits embodied in the assets. At 31 December 2021 the carrying value of tangible assets was £47,029 (2020: £191,756) and depreciation of £144,727 (2020: £60,801). See the accounting policy for further details on the impact of a change to this estimation during the year.

4 Analysis of income

(a) Donations	2021 £	2020 £
Donations received	802,997	2,801,935
	<u> </u>	<u> </u>
(b) Investment income	2021 £	2020 £
Interest receivable	33	599
	<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

	Food distributions £	The Rising Stars and Shooting Stars programmes £	Cash, equipment and food donations £	Shelter £	Total 2021 £	Total 2020 £
Gifts and donations (See note 5(c))	-	-	189,935	-	189,935	190,717
Food delivery costs	641,983	-	-	-	641,983	706,578
Apprenticeship costs	-	136,823	-	-	136,823	54,236
Shelter costs	-	-	-	204,671	204,671	121,141
Food donations	-	-	-	-	-	3,762
Equipment donations	-	-	-	-	-	10,715
Support costs (See note 5(b))	74,711	109,934	74,711	15,734	275,090	216,631
	<u>716,694</u>	<u>246,757</u>	<u>264,646</u>	<u>220,405</u>	<u>1,448,502</u>	<u>1,303,780</u>

THE PRET FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

(b) Support costs

	Food distributions £	The Rising Stars and Shooting Stars programmes £	Cash, equipment and food donations £	Shelter £	Total 2021 £	Total 2020 £
Staff costs (See note 6)	43,049	77,488	43,049	8,610	172,196	150,496
Team expenses	981	1,765	981	196	3,923	10,119
Bank charges	361	361	361	83	1,166	22
Audit and accounting fees	12,276	12,276	12,276	2,772	39,600	47,289
Consultancy costs	1,989	1,989	1,989	449	6,416	5,060
Marketing costs and donations platform	14,294	14,294	14,294	3,228	46,110	-
Other costs	1,761	1,761	1,761	396	5,679	3,645
	<u>74,711</u>	<u>109,934</u>	<u>74,711</u>	<u>15,734</u>	<u>275,090</u>	<u>216,631</u>

Support costs are allocated on a basis consistent with the activities of the Trust. Governance costs amounting to £44,444 (2020: £47,289) for legal, audit and accounting fees are included in above.

THE PRET FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

(c) Gifts and donations

	No of gifts	2021 £	No of gifts	2020 £
The Foundation has made the following gifts of £5,000 or more:				
The 999 Club	1	10,000	1	10,000
Salford Loaves & Fishes	1	9,400	1	7,700
240 Project	1	10,000	1	10,000
Cardboard Citizens	-	-	1	5,000
Shelter from the Storm	1	10,000	1	10,000
Albert Kennedy Trust	-	-	1	10,000
Genesis Trust	1	10,000	1	10,000
AKT	1	10,000	-	-
Off the Fence Trust	1	10,000	1	10,000
Barnabas	1	10,000	1	10,000
Bridges Project	1	4,980	-	-
Bethany Christian Trust	1	9,850	1	7,000
Accueil Ozanam Madeleine	-	-	1	8,117
Manna Islington	-	-	1	10,000
Olallo	-	-	1	10,000
InHope	1	10,000	1	10,000
St John of God Hospitaller Services	1	10,000	-	-
St Stephens The Manna	1	10,000	-	-
The Upper Room	1	10,000	1	10,000
Vineyard Community Centre	-	-	1	6,860
St Cuthbert's Centre	1	8,500	1	8,500
The Margins Project	1	10,000	1	10,000
Brixton Soup Kitchen	1	7,000	1	5,000
The Vineyard Arches Trust	1	9,410	-	-
C4WS	1	10,000	1	10,000
Street Connect	1	7,000	1	5,000
Other amounts less than £5,000	1	3,795	4	7,540
	<hr/>	<hr/>	<hr/>	<hr/>
Total	21	189,935	25	190,717
	<hr/>	<hr/>	<hr/>	<hr/>

THE PRET FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

6 Analysis of staff costs and numbers

Total staff emoluments for the year were as follows:

	2021 £	2020 £
Wages and salaries	145,781	126,985
Social security costs	18,034	19,732
Pension contributions	8,381	3,779
	<u>172,196</u>	<u>150,496</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 wages and salaries of £145,781 (2020: £126,985) is net of CJRS grants received of £20,515 (2020: £17,143) by Pret A Manger (Europe) Limited for the employees that incurred time on the Foundation's activities.

The average number of employees whose wages were recharged to the Foundation during the year were 5 (2020: 5).

No employees are paid through the Foundation and no employees or Trustees were paid in excess of £60,000 in the year (2020: £nil).

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

No Trustee received any remuneration or payment for expenses during the year (2020: £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 Auditors remuneration

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

	2021 £	2020 £
Audit remuneration – 2021 audit	27,000	-
Audit remuneration – 2020 audit	7,200	23,400
Audit remuneration – 2019 audit	-	8,400
Other services:		
All other non-audit services	5,400	4,200
All other non-audit services – 2019	-	2,400
	<u>39,600</u>	<u>38,400</u>

THE PRET FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

9 Tangible fixed assets

	Fixtures and fittings £	Total £
Cost		
At 1 January 2021 and at 31 December 2021	304,004	304,004
Depreciation and impairment		
At 1 January 2021	112,248	112,248
Charged in the year	144,727	144,727
At 31 December 2021	256,975	256,975
Carrying amount		
At 31 December 2021	47,029	47,029
At 31 December 2020	191,756	191,756

Depreciation charge includes the impact of the revision of the expected useful life estimate of the fixed asset. This is detailed in the accounting policy on page 14.

10 Debtors

	2021 £	2020 £
Other debtors	312,192	186,076
	312,192	186,076

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	107,729	153,076
Accruals	41,036	27,600
Deferred income	2,500	-
	151,265	180,676

The deferred income of £2,500 (2020: £nil) relates to sponsorship income.

THE PRET FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 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. The value of donations received via Pret A Manger (Europe) Limited are £429,771 (2020: £431,467). The Trustees are selected from the majority of senior management of Pret A Manger (Europe) Limited.

During the year, the Foundation was charged £172,196 (2020: £150,496) in salary costs, for time incurred by Pret A Manger (Europe) Limited employees on the Foundation's activities, which was net of £20,515 (2020: £17,143) of CJRS grants received by Pret A Manger (Europe) Limited for those employees. 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 £178,648 (2020: £503,302) and at 31 December 2021 the Foundation was owed by Pret A Manager (Europe) Limited £310,443 (2020: £186,076).

In the prior year, the Foundation received a donation from JAB Holding Company Limited of £1,877,237, who are the owners of Pret A Manger (Europe) Limited.

During the year, the Foundation received donations amounting to £nil (2021: £350,000) from two founders of Pret.

At 31 December 2021, £nil (2020: £5,060) was owed by the Foundation to The S&R Coaching Consultancy Ltd, an entity owned by one of the Foundation's Trustees, D. McDermott.

13 Ultimate controlling party

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

14 Reconciliation of net income to net cashflow from operating activities

	2021	2020
	£	£
Net income for the reporting period	(645,472)	1,498,754
Adjustments for:		
Depreciation	144,727	60,801
Investment income	(33)	(599)
Increase in debtors	(126,116)	(65,896)
(Decrease)/increase in creditors	(29,411)	55,507
Net cash (used in)/provided by operating activities	<u>(656,305)</u>	<u>1,548,567</u>

15 Post balance sheet event

During the year, the Foundation and West London Mission agreed to terminate their agreement with respect to Pret House on 1 February 2022.