



Annual Report and Accounts

Year ended 31 March 2015

The Nationwide Foundation's Trustees' report for the year ending 31 March 2015

Established in 1997, the Nationwide Foundation is a registered charity supported by the Nationwide Building Society. The objects for which the Nationwide Foundation was established are:

“To promote such purposes being exclusively charitable according to the law of England and Wales as the trustees shall from time to time determine. In carrying out the objects the Foundation may make and receive donations.”

Grant-making policy

The trustees of the Foundation are committed to:

- ensuring that the Foundation's funds are deployed for maximum benefit and;
- developing its funding programmes, following detailed strategic reviews and incorporating research and learning.

The Nationwide Foundation:

- Seeks to fund work that addresses the root cause of social issues.
- Identifies specific funding criteria to make best use of the funds available; this criterion is based on research, evaluations of previous work and thorough stakeholder engagement.
- Awards funding to organisations based in and delivering work in the UK.

The Foundation's values underpin the grant-making policy:

Open:

Operate with openness, transparency and honesty. This includes:

- Having helpful relationships with grantees which enables them to feel comfortable about approaching the Foundation when things do not go as planned, or when extra support is needed.
- Conducting robust evaluations of its work and also the work that it funds, often engaging independent consultants. Publically sharing the findings, both the good and the lessons learned, so others may benefit.

Supportive:

Be considerate, understanding and flexible. This includes:

- Work closely with grantees to provide them with any additional support which they need during the course of the funding; for example, training, mentors, help with business planning and end of grant consultancy.

Progressive:

Constantly seek to improve. This includes:

- Regularly review work, reflecting on changes in society and lessons learned from grant-making to date. Engage independent researchers to help do this. The Decent Affordable Homes strategy applies a theory of change approach which will give the Foundation a better understanding of the difference made with its funding.
- Responding to change and to opportunities arising during the strategies; for example, in relation to evolving government policies, grantees' organisational situations, and alterations needed to projects funded.

Committed:

Dedicated to:

- Improving the lives of people in need through the causes supported, not only through the provision of funding but also by actively trying to influence change.
- Helping grantees to support people in need as best as they can.
- Learning how to improve what the Foundation does; sharing lessons and successes.

Objectives

In 2013, the Nationwide Foundation launched its current funding strategy which continues to be the focus of its work:

The Decent Affordable Homes funding strategy

Vision	Everyone in the UK has access to a decent home that they can afford		
Aim	To create decent, affordable housing for people in need		
Objectives	To create conditions which increase the number of decent, affordable homes and to break down the barriers to the creation of those conditions		
Outcomes	Empty properties are brought into use as homes for people in need	The living conditions of vulnerable private tenants in the private rented sector (PRS) improves	Alternative, scalable housing models provide more affordable homes and their value is recognised by other funders, lenders of government
Outputs (activities)	<p>Make grants and programme related (social) investments to organisations bringing empty properties into use for people in need.</p> <p>Initial target to bring 30 homes into use from empty properties by 2016.</p> <p>Raise awareness among policy makers & funders on the benefits of bringing empty homes into use for people in need.</p>	<p>Make grants to causes which raise awareness of the need to improve the living conditions of vulnerable tenants in the PRS.</p> <p>Make grants to causes which help vulnerable tenants in PRS homes to improve their living conditions on a national scale.</p> <p>Make grants and programme related investments to causes which increase the number of decent PRS homes & which provide more favourable living conditions to vulnerable tenants.</p>	<p>Make grants and programme related (social) investments towards new affordable housing models which are evaluated and the benefits evidenced.</p> <p>Raise awareness among funders, lenders and government on the benefits of new housing models.</p>
Added Value	To bring its values to life, the Nationwide Foundation seeks to provide the organisations that it funds with more than just funding. It works closely with grant recipients to identify ways in which it can provide support to help build the resilience of the organisations and to deliver greater social outcomes. Where appropriate, small grants are awarded to help achieve this.		

Activities and achievements

During 2014/15 the Nationwide Foundation carried out the following activities to achieve its strategic outcomes:


Activities	Achievements
Outcome - Bring empty properties into use as homes for people in need	
<p>Each of the seven organisations already in receipt of a grant were supported and monitored through visits and regular communications:</p> <ul style="list-style-type: none"> · Canopy Housing, Leeds; · Changing Lives, Gateshead; · Freebridge Community Housing, King's Lynn; · GIPSIL, Leeds; · Granby 4 Streets CLT Ltd, Liverpool; · Highlands Small Community Housing Trust, Inverness; · LATCH, Leeds. <p>Changing Lives was awarded an additional grant of £40,000 to bring four more properties into use.</p> <p>Added value support was provided to raise awareness of the benefits of bringing empty properties into use as homes for people in need.</p>	<p>During the year funding contributed to the creation of 36 homes from empty properties, providing 45 adults and 45 children with decent and affordable homes.</p> <p>135 people received training, work experience or qualifications to improve their employability; some of those people became tenants in the properties which they worked on.</p> <p>The work of the three funded organisations in Leeds was highlighted in an animated film, raising awareness of their achievements to encourage more support. https://vimeo.com/119497211</p> <p>Awareness was raised about the benefits of bringing empty properties into use at two events aimed at housing experts, funders, providers of loan finance and policymakers. The focus was on the contribution that community-led organisations achieve for individuals and communities when bringing empty properties into use as homes.</p>
Outcome - The living conditions of vulnerable tenants in private rented sectors homes improves	
<p>Funding of £233,515 was provided for the second year of a multi-year grant to Generation Rent (previously National Private Tenants' Association). Generation Rent is the UK's only national organisation dedicated to working to improve conditions and raise standards in the private rented sector for vulnerable tenants.</p> <p>Funding was continued for the Personal Finance and Research Centre (PFRC) and Sliced Bread to follow up their research into the extent of financial exclusion amongst private rented tenants. This led to the development of a framework for actions for local practitioners which identified ways to address financial exclusion amongst private tenants.</p>	<p>During the year Generation Rent has:</p> <ul style="list-style-type: none"> • Led and supported activity to introduce local authority licensing schemes as an effective mechanism for raising standards in the private rented sector. • Supported private tenants to take action locally. Generation Rent groups have been set up in Brighton and Hastings; Liverpool; The Wirral; and Manchester. • Supported existing local private tenants groups. • Successfully campaigned to allow councils to keep fines under the letting agent redress scheme, making it more likely that local authorities will use the powers available to them. • Raised political and public awareness of the issues affecting private tenants to help create the conditions for change. <p>A framework for local action was launched by PFRC and Sliced Bread in December 2014. It provided details of five priorities for local action and guidance to develop policies, practices and partnerships to increase financial inclusion.</p>
Outcome: Alternative, scalable housing models provide more affordable homes and their value is recognised by other funders, lenders or government	
<p>Grants totalling £550,598 were awarded to six projects developing alternative, scalable models that will create affordable homes.</p> <ul style="list-style-type: none"> · The Wales Co-operative Centre - £40,000 · National Custom and Self Build Association - £183,950 · Empty Homes Agency - £79,950 · Building and Social Housing Foundation - £155,150* · Demos - £41,548* · The Smith Institute - £50,000* <p>The five organisations in receipt of existing grants were monitored and supported: New Economics Foundation; Big Issue Invest; National CLT Network; Resolution Foundation; CAF Venturesome (CLT Funds 1 and 2)</p>	<ul style="list-style-type: none"> • NaCSBA has collected practical lessons about how certain European countries deliver high numbers of affordable self-build homes: this will be used to inform policy and practice in the UK. • 19 emerging community land trusts were supported with grants for feasibility days and technical assistance from the National CLT Network's Start-Up Fund. The grants will help groups develop affordable homes in their communities. The Nationwide Foundation sits on the panel responsible for awarding grants. • The Empty Homes Agency has begun research to inform the development of a model to create affordable homes from empty spaces above shops and other unused commercial space. <p>* These grants were approved in March 2015 and work will commence in 2015-16.</p>

Activities and achievements

Examples of work funded during 2014/15:

Canopy

Housing Project



Canopy Housing received a grant of £56,200 towards the refurbishment of 10 empty properties in Leeds, many of which had been empty for years. These houses have been transformed into decent, affordable homes for families that were inadequately housed or homeless.

CASE STUDY: Sally had a very difficult childhood which led to mental health issues, post-traumatic stress, substance misuse and homelessness. She took the opportunity to volunteer with Canopy to gain skills and help to renovate a home for herself. Here is how she describes her experience:

'The best thing is to volunteer. You enjoy doing it, socialise, meet new people and with Canopy you get more satisfaction because you know whose house you're doing. You know that person really needs that house.... It does your mental health the world of good and stops you isolating yourself. It shows that you can still do stuff after [drugs]. You can still change your life. [Volunteering] has made me want to work and feel that now I am able to work. I am applying for an apprenticeship to be a gas engineer.'



Latch (Leeds Action to Create Homes) has completed the refurbishment of 11 long-term empty homes. The properties are refurbished to a high standard and include energy efficient measures to help tenants avoid fuel poverty.

The newly refurbished homes provide supported housing for people who are homeless or in housing need. Tenant of the new homes unanimously report that they feel more secure and their home is in a better condition than their previous home.

"Never have I had a kitchen and bathroom that works let alone being so modern! I'm very proud of my new family home and it inspires me."


Latch tenant

The project has also supported 43 volunteers to gain skills, training and qualifications. This has led to employment, apprenticeships or education opportunities for many of the volunteers.

The National Community Land Trust Network is a charity that supports community land trusts (CLT) in England and Wales. A CLT is a local organisation which develops and manages homes (and other assets) important to its community. CLTs make sure that the homes it develops are genuinely affordable based on what people actually earn in their area, not just for now but for all future occupiers.

The Nationwide Foundation is a joint funder of the CLT Start-Up Fund which offers financial assistance to groups in the early stages of setting-up a CLT.

In 2014/15 the Start-Up Fund awarded 23 grants to support fledgling CLTs to start their journeys towards creating decent, affordable homes.



Award winning

During the year the Nationwide Foundation won two awards:

These accolades both commend the Nationwide Foundation as an outstanding charitable funder, which not only makes a difference to the lives of the beneficiaries it helps, but also supports its funded charities to enhance their impact. For both awards, the Nationwide Foundation won by demonstrating the difference it had made in its previous grant-making strategy, *Money Matters*, *Homes Matter* and *Families Matter* (2009-2013).

Winner in the Grant-making and Funding category Charity Awards 2014



Best Corporate Foundation Winner Business Charity Awards 2014



Public benefit

The trustees confirm that they referred to the guidance contained within the Charity Commission’s general guidance on public benefit when reviewing the Foundation’s aims and objectives and in planning future activities and setting grant making policy.

The UK is experiencing a housing crisis: home-ownership is less affordable than ever; there is a severe shortage of social housing; and options in the private rented sector are often unaffordable and poor quality. The Nationwide Foundation’s trustees understand that the conditions, stability and cost of housing have far-reaching impacts on the quality of people’s lives. Poor housing can exacerbate the impact of poverty¹ and research has shown that housing factors can affect a range of negative outcomes on health, wellbeing, employability and other adverse life outcomes².

In the current environment, people who are vulnerable are most deeply affected by the impacts of poor housing and are often least able to improve their situations. The Nationwide Foundation’s Decent Affordable Homes strategy aims to tackle the root cause of those negative impacts, by creating the conditions for more good quality, stable and affordable housing.

Future plans

- The Decent Affordable Homes strategy was launched in 2013. Work to deliver the strategy is ongoing. The Foundation’s focus will continue to be on delivering the strategic outcomes to create more homes for people in need.

In particular the following activities will be carried out:

Outcome: Bring empty properties into use as homes for people in need	Outcome: The living conditions of vulnerable tenants in private rented sectors homes improves	Outcome: Alternative, scalable housing models provide more affordable homes and their value is recognised by other funders, lenders or government
<ul style="list-style-type: none"> • Launch a new funding programme to bring empty properties into use to create 40 homes for people in need (by 2018). Award new grants or programme related investments with a total value of up to £1m. • Support and monitor existing grant recipients. 	<ul style="list-style-type: none"> • Award new grants or programme related investments (up to a total value of £200,000), to organisations addressing the living conditions of vulnerable tenants in the private rented sector. • Support and monitor existing grant recipients. 	<ul style="list-style-type: none"> • Award new grants or programme related investments (up to a total value of £250,000), to organisations developing alternative models of affordable housing for people in need. • Support and monitor existing grant recipients.

- To achieve maximum social impact, the trustees wish to identify other ways that the Nationwide Foundation can support the achievement of the strategic outcomes. During 2015/16 a clear plan will be developed for how the Nationwide Foundation can:
 - Support work that effectively influences change;
 - Convene and connect people and organisations that would not usually come together;
 - Champion key messages to contribute to the debates on how to deliver more decent, affordable homes for people in need.
- The Nationwide Foundation carries out a strategic review every three years and during 2015/16 a full review of the Decent Affordable Homes strategy will take place to inform future direction.

¹ The Links Between Housing and Poverty, Rebecca Tunstall et al, Joseph Rowntree Foundation, 2013

² The Social Impact of Housing Providers, Daniel Fujiwara, HACT, 2013

Structure, Governance & Management

Governance

The Nationwide Foundation:

- Is a company limited by guarantee (no. 3451979) and a registered charity (no. 1065552).
- Operates in accordance with Articles of Association and Revised Memorandum, adopted on 6 November 1997 and amended on 7 December 2010.
- Is governed by a board of ten trustees which sets the policies and strategy of the Foundation and approves large grants.
- Has three trustees who are appointed by the Nationwide Building Society and seven who are appointed by the board, following open advertisement and interview.
- Appoints trustees for a three-year term with re-appointment for a second three-year term considered by the board. The chair of the board may serve a third three-year term following consideration of the board. All trustees undergo an in-depth induction and are offered training as well as opportunities to attend charity meetings with Foundation staff. The board typically meets four times a year, plus an annual strategic away day.
- Has two trustee advisory committees and groups, to which it delegates various aspects of the Foundation's work, with oversight and ratification of their decisions provided from the board:
 1. Finance & risk committee (comprised of four trustees, the chief executive and accountant): in 2014/15 this committee advised on the audit, risk oversight, budget and investments.
 2. Nominations & remunerations committee (comprised of five trustees including the chair, vice-chair and at least one Society appointed trustee who was included in the quorum): in 2014/15 this committee advised on the appointment of trustees, extending the term of the chair and the appointment and remuneration of the chief executive.
- Undertook an external review of board effectiveness in 2014-15. This is next due to take place in 2015/16.
- Complies with the Good Governance Code for the Voluntary Sector. The finance and risk committee reviews the Foundation's compliance every two years. This is next due to take place in 2015.
- Has identified the major risks to which the Foundation is exposed. The board has reviewed and established procedures to manage those risks.
- Undertook an independent audit of its internal controls in 2014/15. This is next due to take place in 2016/17.
- Has a conflicts of interest policy for both trustees and staff and a register of declarations that is maintained. Trustees declare any conflicts of interest at the start of each meeting and withdraw from decisions where there is a conflict. A code of conduct also exists for the trustees.

Staff

- The Nationwide Foundation has a chief executive who is supported by a manager and a grants officer. During the year Leigh Pearce held the role of interim chief executive to cover the maternity leave of the chief executive, Lisa Suchet.
- In March 2015 Leigh Pearce was appointed to the chief executive role on a permanent basis following Lisa Suchet's resignation.
- The staff implement the policies and strategies set by the board and the board has delegated authority to the chief executive to approve grants of up to £10,000 in line with the approved funding strategy.

Key Relationships

- Nationwide Building Society is the Foundation's main benefactor and supplier of in-kind support including offices.
- The Foundation is a member of the following networking and support organisations: Association of Charitable Foundations (ACF), Association of Chief Executives of Voluntary Organisations (ACEVO), National Council of Voluntary Organisations (NCVO).
- The Gallery Partnership supplied and maintained the Foundation's grants database during the year.

Statement of Trustees' Responsibilities

The trustees (who are also directors of the Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that 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 judgments 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Review

Income

Income for 2014/15 totalled £990,753 (2013-14: £726,567). The Foundation's income is almost entirely derived from an annual donation from the Nationwide Building Society. This forms part of a rolling three-year funding agreement (2014/15 represented the final year of this agreement). In 2014/15 the donation from Nationwide Building Society totalled £873,333 (2013/14: £608,333). In addition, the Society donated services to the Nationwide Foundation totalling £92,064 (2013/14: £83,059). This represents provision of office space, technology, legal and accountancy support.

Expenditure

Expenditure for 2014/15 totalled £1,167,650 (2013/14: £1,269,352). The Foundation's expenditure was used to fund charitable causes and support the running of the Nationwide Foundation, the activities of which are entirely charitable and accord with its objectives. Expenditure related primarily to the delivery of the Decent Affordable Homes strategy and staff costs. Grants awarded during the year are usually payable in instalments over a one to four year period. Each grant is subject to monitoring to ensure satisfactory progress and some larger grants require board approval to release the future years' instalments.

Investment Policy

The investment policy permits trustees to manage their own investments. The use of an investment manager is reviewed annually. All funds are held in either fixed-term or instant access cash accounts. Funds may only be held with banks or financial institutions which have their head offices located in the UK and which are regulated and authorised in the UK by the Financial Conduct Authority. Not more than £1m may be deposited per institution. The trustees review on an annual basis the institutions with which funds are deposited, considering both ethical and financial issues. The funds are held in cash deposits on which interest is earned. Interest earned in 2014/15 totalled £23,332 (2013/14: £34,318).

Programme Related Investment Policy

The policy on social investments adheres to the following guidance from the Charity Commission:

"Programme related investments (also known as social investments) are made directly in pursuit of the organisation's charitable purposes. Although they can generate some financial return (funding may or may not be provided on commercial terms), the primary motivation for making them is not financial but to further the objects of the funding charity."

During the year no new programme related investments were made. Repayments were received from two existing social investments. Interest earned during the year totalled £2,000 (2013/14: £833) and no losses were incurred.

Reserves Policy

The trustees review the reserves policy annually and monitor the level of reserves throughout the year. Unrestricted funds are designated for the purpose of ensuring the Nationwide Foundation can fulfil its funding commitments under the current funding strategy. In addition the trustees have decided that it is prudent to hold a contingency budget that would allow the Nationwide Foundation to be able to manage all current funding commitments should unexpected events occur, such as the withdrawal of support from its benefactor. Any surplus funds are held in a Future Grant Making Fund.

The reserves at 31 March 2015 totalled £1,469,344 (2013/14: £1,646,241). The trustees have agreed to designate the Nationwide Foundation's unrestricted reserves as follows:

- £678,107 to support the current Decent Affordable Homes funding strategy.
- £281,237 representing the programme related investments made in support of the Decent Affordable Homes strategy.
- £510,000 set aside for contingency purposes.

Guarantees

The members of the charity, who are also the trustees, guarantee an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2015 was 10 (2013-14: 10). The members are only entitled to voting rights and do not have a beneficial interest in the charity.

Auditors

The auditors, Crowe Clark Whitehill LLP were re-appointed during the year and have expressed their interest to continue in office.

Approval

The trustees have agreed these financial statements which have taken advantage of the small companies exemptions provided by section 415a of the Companies Act 2006.

Approved by the board of trustees on 10 September 2015 and signed on behalf of the board of trustees by the chair and another trustee:

Chair
Benedict Stimson

Trustee.....
Fiona Ellis

Trustees / Directors

Antonia Bance (appointed 16 September 2014)

Martin Coppack † ∞

Juliet Cockram †

Fiona Ellis (Vice-chair) † ∞

Bryce Glover † †

Graeme Hughes † ∞

Karen McArthur (retired 15 September 2014) ∞

Michael McCarthy (retired 11 September 2014) ∞

Sarah Mitchell †

Chris Rhodes † ∞

Benedict Stimson (Chair) ∞

John Taylor (appointed 11 September 2014)

† Appointed by the Society

† Member of the Finance and Risk Committee

∞ Member of the Nominations and Remunerations Committee

Chief Executive: Leigh Pearce (interim position until 11 March 2015: appointed permanently as of 12 March 2015)

Company Secretary: Jason Lindsey

Accountant: Matthew Farmer

Auditors: Crowe Clark Whitehill LLP, Aquis House, 49-51 Blagrove Street, Reading, Berkshire, RG1 1PL

Bankers: CAF Bank, 25 Kings Hill, West Malling, Kent, ME19 4JQ

Solicitors: Bates Wells Braithwaite, 10 Queen Street Place, London, EC4R 1BE

Registered charity no. 1065552. Registered company no. 3451979

Registered office address: Nationwide House, Pipers Way, Swindon, SN38 1NW

Independent Auditor's Report to the Members of Nationwide Foundation

We have audited the financial statements of Nationwide Foundation for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees annual report.

Alastair Lyon

Senior Statutory Auditor

For and on behalf of Crowe Clark Whitehill LLP, Statutory Auditor, Aquis House, 49-51 Blagrove Street, Reading, Berkshire, RG1 1PL

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

**THE NATIONWIDE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2015
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	Notes	2015 £	2014 £
INCOMING RESOURCES			
Voluntary income - donations	2	873,357	608,357
Investment and other income	3	25,332	35,151
Donated services	4	92,064	83,059
Total incoming resources		990,753	726,567
EXPENDITURE			
Charitable activities by objective:			
Strategic review / 'Decent Affordable Homes' grant making strategy (2013-16)		1,116,197	1,214,835
Governance costs	5	51,453	54,267
'Money Matters, Homes Matter, Families Matter' grant making strategy (2009-13)		-	250
Total resources expended	5	1,167,650	1,269,352
Net (outgoing)/incoming resources for the year	8	(176,897)	(542,785)
Reconciliation of funds			
Fund balances brought forward		1,646,241	2,189,026
Fund balances carried forward	15	1,469,344	1,646,241

The notes on pages 12 to 18 form part of these accounts.

All income is unrestricted. All amounts relate to continuing operations.

There were no recognised gains or losses other than the net incoming resources for the year in the Statement of Financial Activities (2014: £nil).

THE NATIONWIDE FOUNDATION
BALANCE SHEET
AS AT 31 MARCH 2015
COMPANY REGISTERED NUMBER: 3451979

	Notes	2015 £	2014 £
NON CURRENT ASSETS			
Programme related investments	11	232,500	295,320
CURRENT ASSETS			
Programme related investments	11	48,737	96,353
Debtors	12	14,239	13,142
Cash at bank and short term deposits		1,839,426	2,004,403
		1,902,402	2,113,898
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	13	(593,479)	(762,977)
NET CURRENT ASSETS		1,308,923	1,350,921
TOTAL ASSETS LESS CURRENT LIABILITIES		1,541,423	1,646,241
NON CURRENT LIABILITIES			
Creditors: amounts falling due after one year	13	(72,079)	-
NET ASSETS		1,469,344	1,646,241
FUNDS			
Designated funds	15	1,469,344	1,646,241
TOTAL CHARITY FUNDS		1,469,344	1,646,241

The notes on pages 12 to 18 form part of these accounts.

The financial statements were approved by the board of trustees on 10 September 2015 and signed on behalf of the board of trustees by the chairman and another trustee

} Chair - Benedict Stimson
}

} Trustee - Fiona Ellis
}

THE NATIONWIDE FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

1. Accounting policies

(i) **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. In preparing the financial statements the charity complies with the requirements of the Statement of Recommended Practice (“SORP”) 2005 - ‘Accounting and Reporting by Charities’ and the Companies Act 2006’.

(ii) **Income receivable**

Both donation income and interest income are credited to the Statement of Financial Activities on an accruals basis.

(iii) **Grants**

Grants are charged to the Statement of Financial Activities when an unconditional commitment has been made to provide the donation.

(iv) **Programme related investments**

Programme related investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity and similar programme related investments are held at cost, less any provision for diminution in value, as the Foundation is unable to obtain a reliable estimate of fair value

(v) **Going concern**

The charity has cash resources and has no requirement for external funding. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

(vi) **Donated goods and services**

Donated goods and services represent Nationwide Building Society specialist staff services and accommodation costs which have not been directly charged to the Foundation.

(vii) **Allocation of expenditure**

Staff costs have been apportioned on the basis of the approximate time allocated by the chief executive and other officers between the Foundation’s charitable objectives and governance. Where possible, other costs are allocated on an individual basis to the relevant objective or to governance costs. If costs are not directly attributable to particular objective(s) or to governance they are apportioned using the same basis as the staff costs. The allocation methodology is reviewed annually to ensure that it is still applicable.

(viii) **Designated funds**

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of such designated funds is set out in the notes to the financial statements.

(ix) **Irrecoverable VAT**

Irrecoverable VAT is charged to the Statement of Financial Activities.

(x) **Cash flow statement**

The Nationwide Foundation qualifies as a small company and as such is exempt from the requirement to prepare a cash flow statement under FRS1 (revised) Cash Flow Statements.

(xi) **Pension costs**

The officers of the Foundation are part of the Nationwide Group pension arrangements. The only pension costs to the Foundation are the employers’ pension scheme contributions which are re-charged to the Foundation. Pension scheme liabilities are borne by the Society.

2. Voluntary income - donations

	2015 £	2014 £
Nationwide Building Society	873,333	608,333
Other donations	24	24
	873,357	608,357

3. Investment and other income

	2015 £	2014 £
Bank interest receivable	23,332	34,318
Interest from programme related investments	2,000	833
	25,332	35,151

4. Incoming resources from charitable activities

	2015 £	2014 £
Donated services from Nationwide Building Society	92,064	83,059
	92,064	83,059

Donated services are analysed in note 5(c).

5. Analysis of total resources expended

	Staff costs £	Support costs £	Grants £	Donated services £	Total 2015 £	Total 2014 £
(a) Charitable activities by objective						
‘Money Matters, Homes Matter, Families Matter’ grant making strategy (2009-13):	-	-	-	-	-	290,385
‘Decent Affordable Homes’ grant making strategy	156,338	50,469	836,849	72,541	1,116,197	1,214,835
Governance costs	19,605	12,325	-	19,523	51,453	54,267
	175,943	62,794	836,849	92,064	1,167,650	1,269,352

For further analysis of support costs see note 6. For further analysis of staff costs see note 7.

	2015 £	2014 £
(b) Analysis of Governance costs		
Staff costs	19,605	28,314
Trustees’ expenses	2,077	2,336
Audit costs (inclusive of irrecoverable VAT)	9,838	9,455
Other administration costs	410	3,881
Donated services	19,523	10,281
	51,453	54,267

5. Analysis of total resources expended (continued)

	2015 £	2014 £
(c) Donated services		
Specialist staff services	48,064	39,059
Accommodation costs	44,000	44,000
	92,064	83,059

Donated services represent the cost of specialist staff services and accommodation which have not been directly charged to the Foundation by Nationwide Building Society. In addition, Nationwide Building Society provides the Foundation with other services such as IT support which cannot be readily quantified. IT costs for the maintenance of the Foundation's grants administration system are paid by the Foundation and are included in support costs.

6. Support costs

	Administration & IT £	Total 2015 £	Total 2014 £
'Money Matters, Homes Matter, Families Matter' grant making strategy (2009-13):	-	-	15,172
'Decent Affordable Homes' grant making strategy	50,469	50,469	35,887
Governance costs	12,325	12,325	15,672
	62,794	62,794	66,731

7. Staff costs

The officers of the Foundation are employed by Nationwide Building Society but assigned to the Foundation for the duration of their employment under the terms of the Framework Agreement between the Society and the Foundation.

The amounts charged as direct staff costs comprised:-

	2015 £	2014 £
Salaries	128,656	121,296
Social security	14,635	11,627
Pensions contribution	32,652	29,840
Total staff costs recharge	175,943	162,763

The average number of persons employed by the Society who acted as officers of the Foundation was 4 (2014: 3). The number of employees of the Society who acted as an officer of the Foundation receiving emoluments of over £60,000 was nil (2014: nil). All staff receive emoluments, including benefits in kind, in accordance with Nationwide Building Society employment policies. For details of pensions costs see note 1(xi).

7. Staff costs (continued)

The average number of employees during the year was made up as follows:-

	2015	2014
Strategic review / 'Decent Affordable Homes' grant making strategy (2013-16)	3	2
Governance	1	1
	4	3

During the year, the Foundation's employees have worked together on all of the Foundation's charitable objectives.

8. Net (outgoing)/incoming resources for the year

Net (outgoing)/incoming resources for the year are stated after charging:

	2015	2014
	£	£
Trustees' expenses	2,077	2,552
Auditors' remuneration:		
Audit services - current year	7,950	7,725

None of the trustees / directors received any emoluments in respect of services to the Foundation (2014: nil).

Trustees' expenses

Trustees' expenses include amounts reimbursed to trustees for out of pocket expenses and amounts paid for by the charity to third parties for costs such as travel, accommodation, subsistence and training. Trustees are reimbursed for travel expenses when claimed. During the year, 11 trustees (2014: 7) received reimbursements of personal travel and subsistence expenditure amounting to £2,077 (2014: £2,552).

9. Grants payable

The Nationwide Foundation paid the following grants during the year in relation to its Decent Affordable Homes strategy.

All grants are made to institutions.

	2015	2014
	£	£
'DECENT AFFORDABLE HOMES' GRANT MAKING STRATEGY		
Big Issue Invest	-	39,000
Building & Social Housing Foundation	155,150	-
Canopy Housing	-	56,200
Changing Lives (previously known as Newcastle Cyrenians)	40,000	127,600
DAH Added Value	20,336	1,259
Demos	41,548	-
Empty Homes Agency	79,950	-
Freebridge Community Housing	-	96,000
Generation Rent (previously known as National Private Tenants Organisation)	233,515	197,682
GIPSIL	-	140,000
Granby 4 Street CLT	-	125,000
LATCH	-	56,200
National CLT Network	-	27,500
New Economics Foundation	-	53,975
Sliced Bread	(7,600)	6,861
The Highlands Small Communities Housing Trust	-	50,000
The National Custom & Self Build Association	183,950	-
The Smith Institute	50,000	-
Wales Cooperative Centre	40,000	-
Total Decent Affordable Homes Grants (2013-2016)	836,849	977,277
'MONEY MATTERS, HOMES MATTER, FAMILIES MATTER' GRANT MAKING STRATEGY (2009-13); INVESTOR PROGRAMME:		
Return of MHF grant	-	(20,478)
Total Investor Programme (2009-2013)	-	(20,478)
TOTAL GRANTS:	836,849	956,799

10. Taxation

Corporation tax payable for the year ended 31 March 2015 was £nil (2014: £nil).

11. Programme related investments

	2015 £	2014 £
Non Current Assets		
Community Land Trust Fund I	-	62,820
Community Land Trust Fund II	112,500	112,500
Golden Lane Housing	50,000	50,000
Highlands Small Communities Housing Trust	70,000	70,000
	232,500	295,320
Current Assets		
Community Land Trust Fund	48,737	96,353
	281,237	391,673

The Foundation has four ongoing programme related investments:

- £48,737 in support of the Community Land Trust Fund I. These funds are due to be returned during 2013-16.
- £50,000 in support of Golden Lane Housing. These funds are due to be returned during 2018.
- £70,000 in support of Highlands Small Communities Housing Trust. These funds are due to be repaid over the next 21 years.
- £112,500 in support of the Community Land Trust Fund II. These funds are due to be returned during 2020-21.

12. Debtors

	2015 £	2014 £
Accrued interest	5,841	4,638
Prepayments	8,398	8,504
	14,239	13,142

13. Creditors: amounts falling due within one year

	2015 £	2014 £
Grants payable	454,420	566,470
Programme related investment commitments	126,250	182,500
Accruals	12,809	13,031
Amount owed to Nationwide Building Society	-	976
	593,479	762,977

Creditors: amounts falling due after one year

Grants payable	72,079	-
	72,079	

14. Analysis of net assets between funds

	Designated Fund	
	2015	2014
	£	£
Non current assets	232,500	295,320
Current assets	1,902,402	2,113,898
Current liabilities	(593,479)	(762,977)
Non current liabilities	(72,079)	-
	1,469,344	1,646,241

15. Designated funds

The designated funds, represented below, are allocated as per the reserves policy described in the Directors Report and as per note 1(viii).

	"Decent Affordable Homes" strategy			Other Designated Funds	Total
	Grants and PRI	Running costs	Added Value	Contingency Fund	
	£	£	£	£	£
Brought Forward	1,022,500	-	68,741	555,000	1,646,241
Incoming Resources	898,689	92,064	-	-	990,753
Resources Expended	(816,514)	(330,800)	(20,336)	-	(1,167,650)
Transferred	(198,736)	238,736	5,000	(45,000)	-
Carried Forward	905,939	-	53,405	510,000	1,469,344

Donated services from the Nationwide Building Society are not included in the designated fund.

- Unused funds from 14/15 running costs were transferred to the funds designated to for the Decent Affordable Homes Grants.
- Incoming resources to Running Costs represents donated services from Nationwide Building Society.

16. Related parties

The Foundation is an independent charity, set up and funded by the Nationwide Building Society. A legal contract called the Framework Agreement sets out the working relationship between the Society and the Foundation and encompasses the provision of funds and donated services including office space, technology and other support. All financial donations and donated services are disclosed in the financial statements. The Society can appoint three of ten trustees. In the opinion of the board, there is no ultimate controlling party of the Foundation.

All staff and trustees are asked annually to record any conflicts of loyalty or interest and to declare them at the start of each board and committee meeting. During the year no party transactions were registered.

17. Post balance sheet events

In June 2015 a donation of £1,574,167 was received from the Nationwide Building Society in respect of funding for the year 2015-16. These funds were designated the Decent Affordable Homes strategy as per the reserves policy in the Annual Report.