



Annual Report and Accounts

Year ended 31 March 2014

Registered Company: 3451979
Registered Charity: 1065552

Who we are and what we do

The Nationwide Foundation is a registered charity supported by Nationwide Building Society.

“The objectives 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.”

The trustees set the funding strategy through which we award funding to charitable causes in the UK. In 2013/14 funding was awarded through the “Decent Affordable Homes” strategy.

The “Decent Affordable Homes” strategy

The UK has a shortage of housing. Home ownership is less affordable than ever. There is a severe lack of social housing and options in the private rented sector are often unaffordable and poor quality. The consequence of this is that more households are living in sub-standard homes or becoming homeless.

To address this fundamental need trustees set out our funding strategy:

- Our vision** Everyone in the UK has access to a decent home that they can afford
- Our aim** To create decent, affordable housing for people in need
- Our objectives** To create conditions which increase the number of decent, affordable homes and to break down barriers the creation of those conditions

We identified three strategic outcomes to achieve our objectives, aim and vision:



Empty properties are brought into use as homes for people in need

The living conditions of vulnerable tenants in the private rented sector improves

Alternative, scalable housing models provide more affordable homes and their value is recognised by other funders, lenders or government

Public benefit

Increasing the supply of and access to truly affordable and decent homes will primarily lead to the relief of financial hardship. Other benefits include better health conditions with improved living standards, community regeneration and engagement, stability and security.

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.

Our values and approach

Our values and approach underpin all aspects of our work to deliver the funding strategy.

Our values

- Open:** We operate with openness, transparency and honesty. This includes:
- Having helpful relationships with our grantees enabling them to feel comfortable about approaching us when things do not go as planned, or when extra support is needed.
 - Conducting robust evaluations of our work and that which we fund, often engaging independent consultants. We publically share the findings, both the good and the lessons learned, so others may benefit.
- Supportive:** We are considerate, understanding and flexible. We work closely with grantees to provide them with any additional support which they need during the course of our funding; for example, training, mentors, help with business planning and end of grant consultancy.
- Progressive:** We constantly seek to improve what we do. This includes:
- Regularly reviewing our work, reflecting on changes in society and lessons learned from our grant making to date. We often engage independent researchers to help us do this. Our “Decent Affordable Homes” strategy applies a theory of change approach which will enable us to know better the difference we are making with our funding.
 - Responding to change and to opportunities arising during our strategies; for example, in relation to evolving government policies, grantees’ organisational situations, and alterations needed to projects funded.
- Committed:** We are dedicated to:
- Improving the lives of people in need through the causes we support, not only through the giving of funding but also through actively trying to influence change.
 - Helping our grantees, as best as we can, to support people in need, as best as they can.
 - Learning how to improve what we do; sharing our lessons and successes.

Our approach

- Champion:** As an independent charity with a household name, we are well positioned to champion the causes we support. This includes working with grantees and key players to raise awareness of issues faced by people in need in order to influence change.
- Innovate:** In a climate where resources are tighter than they have been in many decades, it is important that we and our grantees think more creatively about what can be done to improve the lives of people in need. We are willing to fund the development of new ideas and approaches that have little or no track record but have the potential to deliver great results in the future.
- Collaborate:** We recognise the benefits of working collaboratively to achieve greater impacts. This includes:
- Bringing together grantees with common purposes so they may share learning, reduce duplication of effort and identify joint working opportunities.
 - Working with grantees, charities, funders and other key players that share our aims, in order to influence positive social change.
- Facilitate:** In order to help influence change, we act as a broker between grantees and policy makers, for example, hosting parliamentary briefings enabling grantees to communicate their messages to government and other policy makers.

Our activities and achievements

During 2013/14 we carried out the following activities to achieve our strategic outcomes:

What we planned to do	What we did	What we achieved
Outcome 1: Bringing empty properties into use as homes for people in need		
<p>Invite applications for funding and award £725,000 in grants and social investments to create up to 30 affordable homes from empty properties;</p> <p>Raise awareness amongst other funders and government.</p>	<p>During May and June 2013 we received 104 applications for projects around the UK working to bring empty properties into use as homes. Following a rigorous assessment process we awarded £721,000 to seven organisations.</p> <p>Together they will create around 60 homes from long term empty properties over the next two years.</p>	<p>During the year our funding contributed to the creation of 8 homes from empty properties, providing 12 adults and 11 children somewhere decent and affordable to live.</p> <p>Gained support for developing ways to turn unused shops, and spaces above shops, into affordable homes at a parliamentary briefing.</p>
Outcome 2: The living conditions of vulnerable tenants in private rented sectors homes improve		
<p>Fund work to improve the living conditions of private rented tenants and continue to support research into the needs of vulnerable private tenants.</p>	<p>We funded Generation Rent (previously the National Private Tenants Association) with a multi-year grant of £725,000 to achieve its vision of professionally-managed, secure, decent and affordable privately rented homes.</p> <p>Continued providing support to Sliced Bread to research the extent of financial exclusion amongst private rented tenants and how to address this.</p>	<p>We supported the set-up of Generation Rent by providing funding for business plan development and Board and staff recruitment. In March 2013 the results of research showing the nature and extent of challenges faced by private tenants was launched.</p> <p>Sliced Bread released their research showing that 1 in 10 private tenants are financially excluded, and continued to work to develop an action plan for how to tackle this.</p>
Outcome 3: Alternative, scalable housing models provide more affordable homes and their value is recognised by other funders, lenders or government		
<p>Make grants and social investments towards new housing models, and raise awareness amongst other funders, lenders and government of the benefits of such models to attract more support for those models.</p>	<p>We awarded grants totalling £120,475 and a social investment of £112,500 to four projects developing alternative, scalable models that will create affordable homes.</p> <p>Continued to support Golden Lane Housing and the Resolution Foundation.</p>	<p>Our funding contributed to the creation of 240 affordable houses during the year that now provide a home to an estimated 600 people.</p> <p>By investing early in the Golden Lane Housing Charity Bond our commitment helped them to leverage additional financial support to create homes for people with a learning disability.</p>

Our activities and achievements

Work funded during 2013/14 included:



Golden Lane Housing provides specialist housing for people with a learning disability. The Nationwide Foundation provided a £50k programme related investment to help purchase and adapt the much needed properties. In 2013/14 Golden Lane created homes for 99 people who now live independently with support in high quality housing in the community.



Sarah, James, Claire and Elizabeth moved into their new home in 2013



During 2013 research funded by the Nationwide Foundation was launched. The research found that:

- one in ten private tenants are without a bank account.
- financially excluded private tenants are more likely to live in very poor quality housing.
- financially excluded tenants experience a number of adverse impacts.

Changing Lives, a charitable organisation based in Gateshead, renovated seven empty properties, providing homes for 19 people. The properties provided safe, decent and affordable homes for people that were homeless, living in overcrowded conditions and fleeing abuse.

“...I’m really grateful for having had the chance to move in here. I’m blessed to be given a chance to build a home for my children and a new life for myself. Changing Lives believed in me and gave me a second chance. I’m very happy.” - Changing Lives beneficiary

CHANGING LIVES

What next?

- We will continue to support funded organisations to create decent, affordable homes for people in housing need by:
 - Creating homes from empty properties
 - Improving decency standards in the private rented sector
 - Supporting the development of alternative, scalable housing models
- We will use evidence from funded projects and work with key stakeholders to influence change that will lead to the creation of more affordable homes
- We will identify new opportunities that will achieve the intended strategic outcomes.

Structure, Governance & Management

Our 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. 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 and during 2013-14, the board held a strategy review session which was independently facilitated.
- Had two trustee advisory committees and groups, to which it delegated various aspects of the Foundation's work, with oversight and ratification of their decisions provided from the board:
 1. Finance & risk committee (comprised four trustees, the chief executive and accountant). - Advised on the audit, risk oversight, budget and investments.
 2. Nominations & remunerations committee (comprised five trustees including the chair and at least one Society appointed trustee who was included in the quorum). Advised on the appointment of trustees, and the appointment and remuneration of the chief executive.
- Reviews its board effectiveness every two years. Next due to take place in 2014.
- Complies with the Good Governance Code for the Voluntary Sector.
- Has identified the major risks to which the Foundation is exposed. The board has reviewed and established procedures to manage those risks.
- Has an independent audit of its internal controls takes place every two years (next due in 2014-15).
- Has a conflicts of interest policy for both trustees and staff and a register of declarations 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.

Our Staff

- The Nationwide Foundation has a Chief Executive who is supported by a manager and a grants officer. The chief executive took maternity leave in March 2013. After an external recruitment process, the Foundation Manager was appointed as Interim Chief Executive for the period of the maternity cover and a new Foundation Manager was recruited. The staff implement the policies and strategies set by the board and the chief executive approved small grants.

Our 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 our 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

Our Income

Income for 2013-14 totalled £726,567 (2012-13: £852,138). Our income is almost entirely derived from an annual donation from the Nationwide Building Society. This forms part of a rolling three year funding agreement. In 2013-14 the donation from the Society totalled £608,333 (2012-13: £717,500). In addition, the Society donated services to the Foundation totalling £83,059 (2012-13: £76,516). This represents provision of office space, technology, legal and accountancy support.

Our Expenditure

Expenditure for 2013-14 totalled £1,269,352 (2012-13: £483,118). Our expenditure was used to fund charitable causes and support the running of the 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 larger grants require board approval to release the next years' instalment.

Our Investment Policy

Our investment policy permits trustees to manage their own investments. This is deemed appropriate due to our low level of reserves; the use of an Investment Manager is reviewed annually. In line with our policy, investments may only be made with a bank or financial institution which has its head office located in the UK and which is regulated and authorised in the UK by the Financial Conduct Authority. Not more than £1m may be invested per institution. The trustees review on an annual basis the institutions with which funds are deposited, considering both ethical and financial issues. Our funds are held in cash deposits on which we earn interest. Interest earned in 2013-14 totalled £35,151 (2012-13: £57,947).

Our Programme Related Investment Policy

Our 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 we made two new Programme Related Investments to the Community Land Trust Fund II and the Highlands Small Community Housing Trust. Repayments were received from two existing social investments. Interest earned during 2013-14 totalled £833 (2012-13: nil) and no losses were incurred.

Our Reserves Policy

As part of our financial management and planning 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 we can fulfil our 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 us to be financially sustainable in the event of unexpected events such as the withdrawal of support from our benefactor. Any surplus funds are held in a Future Grant Making Fund.

Our reserves for 2013-14 totalled £1,646,241 (2012-13: £2,189,026). The trustees have agreed to designate the Foundation's unrestricted reserves as follows:

- £699,568 to support the current "Decent Affordable Homes" funding strategy from 2013-16.
- £391,673 representing the programme related investments made in support of the "Decent Affordable Homes strategy".
- £555,000 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 2014 was 10 (2012-13: 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 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 11 September 2014 and signed on behalf of the board of trustees by the chair and another trustee:

Chair
Benedict Stimson

Trustee.....
Fiona Ellis

Trustees / Directors

Martin Coppack; FRC

Juliet Cockram; FRC

Richard Davies (Retired 4 December 2013); FRC

Fiona Ellis; FRC

Bryce Glover († Appointed 29 January 2014)

Graeme Hughes (†); NRC

Simon Law († Retired 4 December 2013); FRC

Karen McArthur; NRC

Michael McCarthy; NRC

Sarah Mitchell (Appointed 4 December 2013); FRC

Chris Rhodes († Reappointed 21 June 2013); NRC

Benedict Stimson (Final term extended by one year to 2015); NRC

† Appointed by the Society

FRC Member of the Finance and Risk Committee

NRC Member of the Nominations and Remunerations Committee

Chief Executive: Lisa Suchet (maternity leave from 7 March 2014);
Leigh Pearce (interim appointment from 10 March 2014)

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

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 2014 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 2014 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.

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
11th September 2014

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 2014
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	Notes	2014 £	2013 £
INCOMING RESOURCES			
Voluntary income - donations	2	608,357	717,675
Investment and other income	3	35,151	57,947
Donated services	4	83,059	76,516
Total incoming resources		726,567	852,138
EXPENDITURE			
Charitable activities by objective:			
Strategic review / 'Decent Affordable Homes' grant making strategy (2013-16)		1,214,835	144,769
Governance costs		54,267	47,964
'Money Matters, Homes Matter, Families Matter' grant making strategy (2009-13)	5	250	290,385
Total resources expended	5	1,269,352	483,118
Net (outgoing)/incoming resources for the year	8	(542,785)	369,020
Reconciliation of funds			
Fund balances brought forward		2,189,026	1,820,006
Fund balances carried forward	15	1,646,241	2,189,026

The notes on pages 11 to 17 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 (2013: £nil).

THE NATIONWIDE FOUNDATION
BALANCE SHEET
AS AT 31 MARCH 2014
COMPANY REGISTERED NUMBER: 3451979

	Notes	2014 £	2013 £
NON CURRENT ASSETS			
Programme related investments	11	295,320	281,250
CURRENT ASSETS			
Programme related investments	11	96,353	31,250
Debtors	12	13,142	35,368
Cash at bank and short term deposits		2,004,403	1,969,390
		2,113,898	2,036,008
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	13	(762,977)	(128,232)
NET CURRENT ASSETS		1,350,921	1,907,776
NET ASSETS		1,646,241	2,189,026
FUNDS			
Designated fund	15	1,646,241	2,189,026
TOTAL CHARITY FUNDS		1,646,241	2,189,026

The notes on pages 11 to 17 form part of these accounts.

The financial statements were approved by the board of trustees on 11 September 2014 and signed on behalf of the board of trustees by the chairman and another trustee

} Chair - Ben Stimson
}

} Trustee - Fiona Ellis
}

THE NATIONWIDE FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

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 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

	2014 £	2013 £
Nationwide Building Society	608,333	717,500
Other donations	24	175
	608,357	717,675

3. Investment and other income

	2014 £	2013 £
Bank interest receivable	35,318	57,947
Interest from programme related investments	833	-
	35,151	57,947

4. Incoming resources from charitable activities

	2014 £	2013 £
Donated services from Nationwide Building Society	83,059	76,516
	83,059	76,516

Donated services are analysed in note 5(c).

5. Analysis of total resources expended

	Staff costs £	Support costs £	Grants £	Donated services £	Total 2014 £	Total 2013 £
(a) Charitable activities by objective						
‘Money Matters, Homes Matter, Families Matter’ grant making strategy (2009-13):	3,605	15,172	(20,478)	1,951	250	290,385
‘Decent Affordable Homes’ grant making strategy	130,844	35,887	977,277	70,827	1,214,835	144,769
Governance costs	28,314	15,672	-	10,281	54,267	47,964
	162,763	66,731	956,799	83,059	1,269,352	483,118

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

	2014 £	2013 £
(b) Analysis of Governance costs		
Staff costs	28,314	23,758
Trustees’ expenses	2,336	3,644
Audit costs	9,455	10,195
Other administration costs	3,881	2,892
Donated services	10,281	7,475

5. Analysis of total resources expended (continued)

	2014	2013
	£	£
(c) Donated services		
Specialist staff services	39,059	32,516
Accommodation costs	44,000	44,000
	83,059	76,516

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 £	Evaluation £	Total 2014 £	Total 2013 £
'Money Matters, Homes Matter, Families Matter' grant making strategy (2009-13):	989	14,183	15,172	65,178
'Decent Affordable Homes' grant making strategy	35,887	-	35,887	37,369
Governance costs	15,672	-	15,672	16,731
	52,548	14,183	66,731	119,278

These represent costs incurred in supporting charitable activities. No new funding was awarded under the 'Money Matter, Homes Matter, Families Matter' during the year; costs were incurred to manage end of grant reporting and evaluation of the closing strategy.

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:-

	2014	2013
	£	£
Salaries	121,296	125,289
Social security	11,627	12,169
Pensions contribution	29,840	29,797
Total staff costs recharge	162,763	167,255

The average number of persons employed by the Society who acted as officers of the Foundation was 3 (2013: 3). The number of employees of the Society who acted as an officer of the Foundation receiving emoluments of over £60,000 was nil (2013: 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:-

	2014	2013
Strategic review / 'Decent Affordable Homes' grant making strategy (2013-16)	2	1
'Money Matters, Homes Matter, Families Matter' grant making strategy (2009-13): Investor Programme	-	1
Governance	1	1
	3	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:

	2014	2013
	£	£
Trustees' expenses	2,552	3,644
Auditors' remuneration:		
Audit services - current year	9,455	8,600
Other services - current year	-	1,595

None of the trustees / directors received any emoluments in respect of services to the Foundation (2013: 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 7 trustees (2013: 8) received reimbursements of personal travel and subsistence expenditure amounting to £2,552 (2013: £3,644).

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.

	2014 £	2013 £
‘DECENT AFFORDABLE HOMES’ GRANT MAKING STRATEGY		
Big Issue Invest	39,000	-
Canopy Housing	56,200	-
Changing Lives (previously known as Newcastle Cyrenians)	127,600	-
DAH Added Value	1,259	-
Freebridge Community Housing	96,000	-
Generation Rent (previously known as National Private Tenants)	197,682	20,000
Organisation GIPSIL	140,000	-
Granby 4 Street CLT	125,000	-
LATCH	56,200	-
National CLT Network	27,500	-
New Economics Foundation	53,975	-
Resolution Foundation	-	15,000
Sliced Bread	6,861	-
The Highlands Small Communities Housing Trust	50,000	-
Total Decent Affordable Homes Grants (2013-2016)	977,277	35,000
‘MONEY MATTERS, HOMES MATTER, FAMILIES MATTER’ GRANT MAKING STRATEGY (2009-13); INVESTOR PROGRAMME:		
Building Resilience	-	(1,915)
Partnership	-	32,172
End of programme event	(20,478)	2,979
Total Investor Programme (2009-2013)	(20,478)	33,236
‘MONEY MATTERS, HOMES MATTER, FAMILIES MATTER’ GRANT MAKING STRATEGY (2009-13): SMALL GRANTS PROGRAMME:		
Small Grants Programme - comprising of 12 grants (2012: 52 grants)	-	51,833
TOTAL GRANTS:	956,799	120,069

10. Taxation

Corporation tax payable for the year ended 31 March 2014 was £nil (2013: £nil).

11. Programme related investments

	2014	2013
	£	£
Non Current Assets		
Community Land Trust Fund I	62,820	231,250
Community Land Trust Fund II	112,500	-
Golden Lane Housing	50,000	50,000
Highlands Small Communities Housing Trust	70,000	-
	295,320	281,250
Current Assets		
Community Land Trust Fund	96,353	31,250
	391,673	312,500

The Foundation has made two programme related investments:

- £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.

The Foundation has two ongoing programme related investments:

- £ 159,173 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.

12. Debtors

	2014	2013
	£	£
Accrued interest	4,638	23,989
Prepayments	8,504	9,690
Amount due from Nationwide Building Society	-	1,406
Other debtors	-	283
	13,142	35,368

13. Creditors: amounts falling due within one year

	2014	2013
	£	£
Grants payable	566,470	62,800
Programme related investment commitments	182,500	50,000
Accruals	13,031	15,149
Other creditors	-	283
Amount owed to Nationwide Building Society	976	-
	762,977	128,232

14. Analysis of net assets between funds

	Designated Fund	
	2014 £	2013 £
Non current assets	295,320	281,250
Current assets	2,113,898	2,036,008
Current liabilities	(762,977)	(128,232)
	1,646,241	2,189,026

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	MHF grant making strategy	
	£	£	£	£	£	
Brought Forward	1,385,225	223,824	20,000	535,000	24,977	2,189,026
Incoming Resources	593,508		50,000	-	-	643,508
Resources Expended	(976,018)	(215,310)	(1,259)	-	6,294	(1,186,293)
Transferred	19,785	(8,514)	-	20,000	(31,271)	-
Carried Forward	1,022,500	-	68,741	555,000	-	1,646,241

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

- Unused funds from the "Money Matters, Homes Matter, Families Matter" strategy which ran from 2009 to 2013, were moved to the new "Decent Affordable Homes" strategy and to the increased contingency fund.
- Unused funds from 13/14 running costs were moved to the Decent Affordable Homes Grants and PRI fund.

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 2014 a £873,333 donation was received from the Nationwide Building Society in respect of funding for the year 2014-15. These funds were designated the Decent Affordable Homes strategy as per the reserves policy in the Annual Report.