



Annual Report and
Financial Statements

Year ended 31 March 2018

The Nationwide Foundation's trustees' report for the year ending 31 March 2018

About the Nationwide Foundation

The Nationwide Foundation is a charity that improves the lives of people in need by funding charitable causes and influencing change. At the heart of what it does is a commitment to tackling the root causes of social problems that lead to disadvantage, poverty and inequality. Key to the Nationwide Foundation's approach is creating a legacy, so that fewer people experience negative social outcomes as a result of intervention now.

Social and political change is often slow, and the Nationwide Foundation is a small charity, however its ambitions are huge and it is not daunted by challenge. It has a team of staff and trustees who are all committed and passionate about delivering social change. The Nationwide Foundation engages carefully with the right experts, academics, policymakers and frontline staff to ensure it has the knowledge and expertise to make a real difference.

The Nationwide Foundation was established by Nationwide in 1997 as a fully independent corporate foundation.

Strategy overview

The Nationwide Foundation's vision is for everyone to have a decent home that they can afford and its aim is to increase the availability of decent affordable homes for people in need. The failure of the UK's housing system and the chronic lack of decent, affordable housing is one of the most pressing social problems facing the UK today. Poor quality and unaffordable housing causes devastating harm to individuals, families and communities.

As a charity that creates positive and lasting changes to improve the lives of disadvantaged people in the UK, the Nationwide Foundation's ambition is to transform the housing system so that it delivers decent and affordable homes for everyone. It will do this by using its knowledge, leverage and funding of others to influence changes to the housing system and achieve the aim.

The Nationwide Foundation is committed to its Decent Affordable Homes strategy until at least 2026, in recognition of the severity of the housing crisis and the significant work that needs to be done to solve it.

Summary of the year

2017/18 was a year of significant progress as the Nationwide Foundation embedded Decent Affordable Homes Phase Two, which began the previous year. Phase Two activities included awarding more funding, implementing a strategic learning and evaluation plan the Nationwide Foundation carried out more of its own influencing work to make change happen. Work also continued with the legacy, multi-year projects from Phase One.

Grant-making

The Nationwide Foundation has three programmes under Decent Affordable Homes Phase Two. New funding was awarded under all three programmes this year, as well as the continuation of multi-year grants from previous years awarded under Phase One and Phase Two. 2017/18 saw:

- 17 new projects awarded funding
- 5 funded projects completed their work
- 23 existing projects (awarded pre- 2017/18) continued to deliver work

Influencing change

Poor quality and unaffordable housing is recognised to be a significant problem in the UK. Many of the reasons for this are rooted in the way in which the housing system works. The Nationwide Foundation believes that changes are needed across the housing system before effective and long-lasting improvements will happen. To do this, the Nationwide Foundation puts influencing change in the housing system front of mind. This is achieved directly by the work that is funded or by utilising the evidence and learning that comes from that work. It is done most successfully in partnership and in collaboration with others. During the year, there has been a significant increase in the engagement that the team, most especially the chief executive, has with external stakeholders, including MPs, sector experts and policymakers, all with the intention of championing solutions to change the housing system.

Organisational structure

During the year the Nationwide Foundation appointed a permanent head of programmes and two new programme managers, which means that every programme now has a dedicated expert, led by the head of programmes. Taking on new staff has increased the capacity of the Nationwide Foundation and this, in turn, has allowed the team to make advancements in the work it carries out.

The look and feel of the Nationwide Foundation

This year saw changes to the Nationwide Foundation's branding. This included the development of a new logo, branding guidelines and new website. This was done in consultation with key stakeholders including staff, trustees, fundees, associates and Nationwide Building Society (which owns the Foundation's logo). Market research was carried out to understand how the connection with Nationwide was perceived, and this was used to ensure the identity of the Foundation was clear and separate to that of Nationwide, whilst appropriately reflecting the relationship between the two organisations.

Charitable objects

Established in 1997, the Nationwide Foundation is a registered charity supported by, but independent of, Nationwide Building Society. The Nationwide Foundation was established with the objects:

"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."

Public benefit

Having somewhere safe and secure to live is a basic human right, yet the lack of decent, affordable housing is one of the most pressing social problems facing the UK today, causing harm, not only to individuals and families, but also to communities and society.

The UK is facing a long-term housing crisis: home-ownership is increasingly unaffordable; there is a severe shortage of social housing; and options in the private rented sector are often unaffordable, insecure and poor quality. The high cost of housing in many areas is a direct cause of poverty, with poor housing exacerbating the impact of poverty¹. 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, and that people who are vulnerable are most deeply affected by the damaging impacts of poor housing, while at the same time, are often the people 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 good quality, stable and affordable housing that is available to those in need.

The Nationwide Foundation's trustees refer to the Charity Commission's guidance on public benefit when reviewing the Nationwide Foundation's aims and objectives, in planning future activities, setting grant-making policy and making funding decisions.

Grant-making policy

The Nationwide Foundation's trustees and staff are committed to robust, transparent governance and are passionate about living the values. These underpin the Nationwide Foundation's grant-making policy, summarised below.

The trustees of the Nationwide Foundation are committed to:

- ensuring that the Nationwide Foundation's funds are deployed for maximum benefit
- developing its funding programmes by incorporating research and learning

The Nationwide Foundation:

- seeks to fund work that addresses the root causes of social issues
- identifies specific funding criteria to make best use of the funds available: this is based on research, evaluations of previous work and stakeholder engagement
- awards funding to organisations based in and delivering work in the UK

The Nationwide Foundation is a Living Wage Friendly Funder and is committed to ensuring that fair wages are paid, as an obvious and simple way of tackling poverty and disadvantage.

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

Phase One (2013-16)

Activities and Achievements

During 2017/18 the Nationwide Foundation continued to carry out activities to achieve the outcomes of Decent Affordable Homes Phase One. This phase of the strategy ended in 2016, so no new funding was awarded, however some multi-year funded work was on-going.

<p>Outcome: Long-term empty properties are brought into use as homes for people in need</p>
<p>Nine projects were still active in 2017/18, with two – Giroscope in Hull and Granby 4 Streets Community Land Trust Ltd in Liverpool – reaching completion. During the year, the nine projects collectively:</p> <ul style="list-style-type: none"> • Completed the renovation of 23 homes from empty properties • Provided decent, affordable homes for 48 people in need • Provided training, work experience or qualifications to more than 100 people <p>Since 2013, the Nationwide Foundation’s empty properties funding has contributed to a total of 103 homes providing housing for people who were at risk of homelessness or were living in poor quality housing. Those helped have included young care-leavers, people escaping domestic abuse and people living in overcrowded or unsafe homes.</p>
<p>Outcome: The living conditions of vulnerable tenants in private rented sector homes improves</p>
<p>The grant to Age UK London was the only project that was active in 2017/18 and during the year it completed.</p> <div style="display: flex; align-items: flex-start;">  <p>In October 2017, it launched a research report, Living in Fear: Experiences of Older Private-Renters in London, revealing that being an older renter can have an especially large impact upon the wellbeing of tenants – particularly in terms of health and social care. Age UK London also produced two guides providing advice on the issue: one aimed at older renters and the other for people caring for an older tenant.</p> </div> <p>The programme was successful in raising awareness of the issues facing older private tenants with the Greater London Authority and this has become a greater priority for the authority in the last year.</p>
<p>Outcome: Alternative housing models with the potential to scale, provide more affordable homes and their value is recognised by other funders, lenders or government</p>
<p>Ten projects were still active in 2017/18, including.</p> <p>Locality’s funded work continued in 2017/18. Locality used the funding to support 21 communities across England since 2013 by helping newly formed and established community-led housing organisations to progress plans to build new affordable homes or refurbish existing buildings to create affordable housing.</p> <p>Community First Yorkshire’s (formerly known as Rural Action Yorkshire) funded work completed in 2017/18. The project assessed the appetite of rural communities to lead the delivery of affordable housing. Five pilot communities worked on bringing community-led housing to fruition in North Yorkshire and East Riding. The project also created resources that were disseminated to other local authorities across England with the intention of supporting more communities to take forward community-led housing projects.</p> <p>Golden Lane Housing received a programme-related investment of £50,000 for its £2m charity bond in 2003. Golden Lane Housing works in partnership with Mencap, and together with Triodos Bank, they developed a bond which enabled them to purchase 25 properties that were then specially adapted to provide homes for 99 people with learning disabilities. The bond gave investors a 4% annual return in interest and the capital was repaid to the Nationwide Foundation in full during the year 2017/18. Golden Lane has gone on to raise a further £21m using this model.</p>

Phase Two (2016 onwards)

Decent Affordable Homes Phase Two's programmes all awarded funding to organisations that would help the Nationwide Foundation achieve its aim of increasing decent affordable homes for people in need. A summary of Decent Affordable Homes Phase Two is shown below:

Decent Affordable Homes Phase Two	
Our vision is	for everyone in the UK to have access to a decent affordable home that they can afford
Our aim is	to increase the availability of decent, affordable homes for people in housing need
Our charitable focus is	on solutions that reach people who are, or are at risk of being, in need
Our commitment is	long term (10 years)
Our strategic approach is	to influence changes to the housing system by supporting, testing and evidencing solutions for increasing the availability of decent, affordable homes for people in housing need
To do this we will	<p>use all of our resources to</p> <ul style="list-style-type: none"> • support new ideas for solutions • support practical experience to learn what works on the ground • connect those with knowledge to those with power to make change happen at scale • collaborate and engage with others

Our programmes are	Nurturing Ideas to Change the Housing System	Backing Community-Led Housing	Transforming the Private Rented Sector
The change we want to see (our outcomes)	Ideas for protecting and creating decent, affordable homes flourish and result in changes that lead to an increased number of homes for people in need	Community-led housing delivers an increased number of homes for people in need	The private rented sector provides homes for people in need, which are more affordable, secure, accessible and better quality
To make the changes we want to see happen, our funding focusses on	<p>Generating more ideas on how to protect and increase the supply of decent affordable homes</p> <p>Having an improved understanding of which ideas have the potential to create change</p> <p>Changing policy and practice to support the implementation of ideas</p>	<p>Ensuring there is better access to information, support, advice and technical expertise that is needed to progress a scheme</p> <p>Increasing the availability of suitable and affordable finance at every stage</p> <p>Increasing access to land and properties currently not used as homes</p>	<p>Ensuring there is more robust evidence of the solutions to address the issues of cost, quality, security and access in the private rented sector is available and used to inform policy and practice</p> <p>Making sure tenants have a stronger voice in the debates on the private rented sector and housing</p>

Activities and Achievements

Nurturing Ideas to Change the Housing System

Funding was awarded to seven organisations under this programme during 2017/18:

Town and Country Planning Association (TCPA) received funding for 18 months to build on the finding from a previously funded project that found that councils can and want to do much more to tackle the crisis in affordable housing in their areas. Funding will be used to enhance the skills and boost the capacity within councils to empower local authorities to make the most of their planning powers to deliver higher numbers of affordable homes. TCPA will evaluate cases where councils are delivering higher levels of affordable housing and this knowledge will be used to influence best practice by developing guidance and training for local authorities in England.

Joseph Rowntree Foundation (JRF) and the Nationwide Foundation jointly commissioned Sheffield Hallam University to carry out research into the current and future role of social lettings agencies in helping to improve the experiences of people in need in the private rented sector. The research will lead to recommendations for how social lettings agencies can support the delivery of decent housing.

Shekinah Mission received funding to undertake a feasibility study into the potential for a Housing First model to be used in Torbay to address housing need. The evidence from the study will be used to inform the local authority about whether Housing First would work in the area and if it would, how it could be implemented. This study will be used to influence the local authorities' decisions about future housing provision.

Knowle West Media Centre was awarded funding for the We Can Make project in Bristol. The project, developed in direct response to an idea from the community, is exploring an innovative way to use micro-sites in Knowle West, a low-density housing estate in south Bristol, to create affordable homes. There are over 2,000 potential micro-sites (in large back gardens or between buildings) where one or two-bedroom homes could be constructed and We Can Make estimates that homes could be created on 10-15% of those sites. The project is embedded in the community and the new decent, affordable homes will be owned and managed by the community to ensure the local housing need is being addressed. Funding is being used to develop the model, which, if successful, has the potential to be replicated across the UK.

New Economics Foundation (Nef) received funding to further develop the Flexi-Rent model (funded under Decent Affordable Homes Phase One) which proposes to change the way housing associations and local authorities agree how many social homes are built on a site. Using the additional funding, Nef is evaluating the advantages and drawbacks of implementing the model in the current affordable rent housing market.

West Kensington and Gibbs Green Community Homes (WKGGCH) received funding to support an existing grant, for documentary filming of its community and campaigning activity, as it tries to gain community ownership for two housing estates. The film will be used to support its campaign and to add weight to paving the way for council estate communities across England and Wales to take charge of their neighbourhoods, using the right-to-transfer power. This would lead to both the preservation and creation of affordable homes.

As well as the new funding, some existing projects reached completion:

The Smith Institute evaluated the rapid development of local housing companies and examined their role and achievements. The Smith Institute's report was launched October 2017. The Smith Institute received additional funding in 2017/18 to host four seminars to share information on how councils build affordable homes. The seminars were attended by councillors, local government officers, representatives from community groups, housing associations and other housing professionals. Each event generated discussion around local housing companies delivering affordable housing either directly or through a cross-subsidy model. The report has been used to inform wider discussions about the use of local housing companies.

Town and Country Planning Association's report, How Can Councils Secure the Delivery of More Affordable Homes? New Models, Partnerships and Innovations, was launched in November 2017 to encourage and support local authorities to adopt new models to tackle the crisis in housing affordability across England. Town and Country Planning Association also launched a complementary guide for local authorities. The report had been downloaded 1,400 times since its launch. The work has helped to gather information about the real-life experiences of people facing housing need in different regions. Some councils are now adopting innovative methods that were recommended in the report, such as retrofitting empty homes and supporting community-led housing.

Backing Community-Led Housing

Funding was awarded to eight organisations under this programme during 2017/18.

The Nationwide Foundation launched an open grants programme in 2017 to develop and strengthen the infrastructure needed to provide information, support, advice and technical expertise to the community-led housing sector so it can deliver more decent, affordable homes. Six organisations were awarded grants to provide support and advice to community-led housing groups, which can then more easily deliver decent, affordable homes for communities.

- **National Community Land Trust Network**
- **Action with Communities in Rural England**
- **Dumfries and Galloway Small Communities Housing Trust**
- **Highlands Small Communities Housing Trust**
- **East Midlands Community Led Housing** (formerly known as Lincolnshire Community Land Trust CIC),
- **Wessex Community Assets** (received a grant and programme related investment)

The Nationwide Foundation will be using learning from the funded work to build knowledge about what works well and which methods of supporting the community-led housing sector should be expanded. This will be done by carrying out actions research on the difference approaches being used to identify the most effective models of support.

Other funding under this programme in 2017/18 was awarded to:

Housing Associations' Charitable Trust to create a technical toolkit of materials bringing together all the specialist documentation required to develop a community-led housing scheme into one place. The toolkit provides local authorities and housing associations in England and Wales the technical information and guidance they need to promote, support and deliver community-led housing schemes so that more community-led housing is developed.

Porchlight for a feasibility study into the conversion of an empty property at the back of a retail space.

In addition to the new funding awarded, two existing grants were ongoing.

New Economics Foundation (Nef) continued to look into how to increase availability of and access to public land for the development of affordable housing. A website was launched, highlighting where public land is available, to help community-led groups identify potential sites in their area which they may not have otherwise known about. This initiative helps to make a more even playing field for smaller community groups to be able to complete for land and put it to better public use.

The **National Custom and Self Build Association** continued to develop its expert taskforce to create the conditions for, and enable the growth of, affordable self and custom-build housing schemes. The taskforce will directly support up to 80 organisations as they deliver significantly more affordable self-build and community-led homes across the UK. This taskforce will comprise of independent experts to provide bespoke advice to councils, community organisations and housing providers.

Transforming the Private Rented Sector

Two projects were awarded grants in 2017/18:

The **Transforming the Private Rented Sector in Greater Manchester** project is a collaborative programme of work that is finding system-wide solutions to improve renting for vulnerable tenants. The Nationwide Foundation pledged funding of £1m over three years to bring together a wide range of stakeholders, amplify tenants' voices and influence changes in policy and practice. In 2017/18 funding was awarded to Shelter Manchester to host a project manager. The remaining funds will be awarded between 2018 and 2020.

Camden Federation of Private Tenants received a grant for one year for the Renters' Rights London project, with the purpose of ensuring that tenants become more engaged in the political processes that are in place locally and have access to local support.

In addition to these two newly funded projects, work continued on the two pieces of work being carried out by the **Centre for Housing Policy at the University of York**: a review of the current state of the private rented sector in England and also separate research to assess the extent that the private rented sector meets the housing needs of vulnerable tenants. In 2017/18, desk research, interviews and stakeholder engagement took place to capture the data and knowledge that will form the basis of the pieces of work. The purpose of this work is to enable service providers and policymakers to make effective and informed decisions about ways to deliver decent, affordable housing in the private rented sector, based on comprehensive and up-to-date information about the private rented sector.

In recognition of its unique position as an independent charity seeking to make systemic change, the Nationwide Foundation was invited to join the Private Rented Sector Partnership Board, which is a cross-sector partnership set up by Nationwide Building Society. The partners are Nationwide, the Nationwide Foundation, Shelter, Arla, Residential Landlords' Association and Countrywide. The board aims to find areas of consensus (amongst those who often do not agree) to develop policy positions and recommendations.

Measuring Success, Learning and Evaluation

The Nationwide Foundation is committed to continuous learning. It wants to chart its progress and to use learning to successfully achieve its strategic outcomes. The Nationwide Foundation recognises that much of what it funds is emergent and innovative. Therefore, the Nationwide Foundation and the organisations it is funding need to learn and adapt their work in real time to provide the best opportunity to achieve the outcomes they aim to achieve. This means that there is flexibility on the part of funded organisations to adapt plans as they learn what is working well and what is not. The Nationwide Foundation wants to learn alongside the organisations it funds, providing the opportunity to reflect on the process and make changes, where necessary.

Outcomes-monitoring frameworks

In July 2017, the Nationwide Foundation appointed NCVO Charities Evaluation Service (CES) to work with it to create an outcomes-monitoring framework. This identifies:

1. How progress happens towards the bigger and longer-term outcomes
2. What the Nationwide Foundation should measure
3. How to measure the progress

During this work, the Nationwide Foundation identified the need to ensure that the framework is at the heart of its approach to identifying, monitoring, evaluating and reporting on the impact of its funding. To achieve this, in December 2017, the board appointed CES to provide support up to June 2020.

Learning and evaluation

In addition to this work by CES, in March 2018 the Nationwide Foundation appointed the Centre for Regional Economic and Social Research at Sheffield Hallam University to carry out an ongoing learning and evaluation of Decent Affordable Homes Phase Two and its three funding programmes until June 2020. This will assess the Nationwide Foundation's effectiveness in delivering its interim and programme outcomes, the effectiveness of the Nationwide Foundation's approach as a funder and its wider impact.

Future plans

Governance

The Nationwide Foundation will appoint a new chair and two new trustees in 2018/19. Recruitment will look to fill any skills gaps and ensure that the right people can be found to complement the knowledge of existing trustees. Following a skills assessment of the board, the Nationwide Foundation sought people with expertise in grant-making, monitoring and evaluation, housing or influencing social change to join the board. The Nationwide Foundation was also keen to increase diversity among its board members.

Programme support

All grantees from Decent Affordable Home Phase Two will be working with a learning partner to help them put in place robust theories of change for their projects. The learning partners - part of the support that the Nationwide Foundation is utilising from CES - will also be helping all the grantees to effectively monitor their progress, and gather evidence of the change and impact they are making.

Continuous learning

As a result of the learning and evaluation from Centre for Regional Economic and Social Research at Sheffield Hallam University, the Nationwide Foundation expects that some aspects of the programmes may be adapted.

Grant-making activities

In the coming year (2018/19), the Nationwide Foundation plans to award funding of £2.5 million to new projects that will advance its aim of increasing the availability of decent, affordable homes for people in housing need. As part of this, the Nationwide Foundation will look at gaps in the geographical spread of its funded work around the UK and a new grant-funding programme will be launched with the aim of amplifying the voices of private tenants so that they are more prominent in the debates on and decisions made about private renting.

To ensure the continued success of Nurturing Ideas to Change the Housing System, the Nationwide Foundation will carry on building its networks and considering how to attract organisations with the best ideas to apply for funding.

The Nationwide Foundation will also be looking at how it can make more connections between the programmes it funds.

Influencing

The Nationwide Foundation intends to continue to increase its presence within the affordable housing sector, which made significant steps forward in 2017/18. Using the knowledge gained from funded projects, the Nationwide Foundation will champion key messages and activities, in collaboration with other stakeholders, to inform policy and practice so that more decent, affordable homes are made available to those in need.

Structure, Governance & Management

Governance

The Nationwide Foundation:

- Is a company limited by guarantee (no. 3451979) and a registered charity (no. 1065552) which operates in accordance with its Articles of Association and Revised Memorandum.
- Is governed by a board of 10 trustees which sets the policies and strategy of the Foundation and approves large grants.
- Has three trustees who are appointed by 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 following the consideration of 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 meetings with funded organisations alongside 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 and risk committee (comprising of five trustees, the chief executive and accountant): in 2017/18 this committee advised on the audit, risk oversight, budget and investments.
 2. Nominations and remunerations committee (comprising of five trustees including the chair, vice-chair and at least one Society appointed trustee who was included in the quorum): in 2017/18 this committee focussed on succession plans for the chair and two trustees who were due to step down in 2018/19.
- Undertakes an annual skills audit of the board. In 2017/18 the audit was used to appraise the skills of the board and agree actions for strengthening those skills, including via the recruitment of new trustees.
- Reviews its application of the Charity Governance Code every two years. A review of the new Governance Code was completed in 2017. The Foundation fully applied 67 out of the 73 recommended practices and actions were agreed for how the Foundation will apply the six not fully applied.
- Maintains a risk register to identify the major risks to which the Foundation is exposed. During the year, the board reviewed the register and established procedures to manage the major risks. As a small team, the principal risk was the loss of staff because of the significant operational impact that would have on the capacity to deliver priorities. This was mitigated during the year by the appointment of new staff to increase capacity.
- Undertakes an independent audit of its internal controls every two years. This took place in 2017 and concluded that controls were appropriate.
- Has a conflicts of interest policy for both trustees and staff and maintains a register of declarations. Trustees declare 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 trustees.

Staff

- During the year two new programme managers were appointed adding to the existing team. This meant that each programme for the Decent Affordable Homes strategy had a dedicated manager, overseen by a head of programmes.
- The staff implement the policies and strategies set by the board. During the year, the board increased the delegated authority that the chief executive holds to approve grants in line with the approved funding strategy, from £50,000 to £75,000. This was done following a review of the increase from £10,000 to £50,000 in the previous year to allow the Foundation to continue to be more responsive to applications for funding.
- All staff are employed by the Nationwide Building Society and receive remuneration in accordance with their employment contract with the Society. The Foundation's Nominations and Remunerations Committee sets the chief executive's salary within the parameters of Nationwide Building Society's salary bands.

Key relationships

- Nationwide Building Society is the Foundation's main benefactor and supplier of in-kind support including offices. In 2017/18 Nationwide provided one-off in-kind support for the development of the Foundation's new website and the recruitment costs for the new chair and trustees.
- 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) and National Council of Voluntary Organisations (NCVO).
- The Gallery Partnership supplied and maintained the Foundation's grants database during the year.

In December 2017 a decision was taken to transfer the Foundation's database provider to Salesforce. Implementation of this began in February 2018.

Fundraising activity

The Nationwide Foundation had no fundraising activities requiring disclosure under S162A of the Charities Act 2011. Almost all the Nationwide Foundation's income comes from an annual donation from Nationwide Building Society and a funding agreement is in place which sets out the basis for the donation.

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 2017/18 totalled £3,011,119 (2016/17: £2,641,746). The Foundation's income is almost entirely derived from an annual donation from the Nationwide Building Society. The donation is based on a three-year evergreen funding agreement between the Foundation and Nationwide. In 2017/18 this donation totalled £2,814,167 (2016/17: £2,500,000). Nationwide made an additional donation to the Foundation in the year of £40,000 for the cost of recruitment services for the chair and two trustees. In addition to the annual donation, in 2017/18, the Society donated services to the Nationwide Foundation totalling £107,453 (2016/17: £68,803). This represents provision of office space, technology, legal and accountancy support and one-off support to redevelop the Foundation's website. The value of the donated services increased in 2017/18 because of an increase in accommodation costs (due to an increase in the number of staff at the Foundation) and website development costs.

Expenditure

Expenditure for 2017/18 totalled £1,640,277 (2016/17: £1,145,224). The Foundation's expenditure was used to fund charitable causes and support the running of the Nationwide Foundation. Grants awarded during the year are usually payable in instalments. Grants are often awarded over multi-year periods. Each grant is subject to monitoring to ensure satisfactory progress and some larger grants require board approval to release the future years' instalments.

Reserves policy

The trustees review the reserves policy annually and monitor the level of reserves throughout the year. All the Nationwide Foundation's reserves are unrestricted and trustees set out how and why the funds should be designated as set out below:

Purpose for designation of funds	Amount designated at 31 March 2018	Explanatory notes
A contingency fund that would allow the Nationwide Foundation to be able to manage all current funding commitments and allow the trustees time to consider what action should be taken should unexpected events occur, such as the withdrawal of support from its sole benefactor.	£550,000	The trustees annually review the level of contingency funds required. This is made up of a prudent estimation of the running costs required for the Foundation to continue functioning for up to three-years after the withdrawal of funding.
To ensure the Nationwide Foundation can fulfil its funding commitments under the current funding strategy.	£1,988,804	These funds represent the total amount that has been pledged to fund multi-year grants. The funds will be recognised as expenditure in future years subject to the completion of a requirement attached to the grant, such as an annual report.
For the cost of monitoring and evaluation of Decent Affordable Homes Phase Two	£306,281	The Foundation is committed to evaluation its own practices and the work it funds to understand its impact and to aid learning both internally and externally. Funds are set aside to cover the cost of robust evaluation and continuous learning activity.
For the funding of future work under the Decent Affordable Homes strategy	£1,085,310	These funds represent the amount that the board has committed to Decent Affordable Homes Phase Two, but have not yet been awarded. The strategy is being delivered over 10 years and funds have been spread across multiple years to manage the distribution and management of grant funding. This amount is expected to be committed to new grants in full during 2018/19.
For funds that have been awarded as programme related investments.	£212,471	For a full breakdown see note 10 to the financial statements.

Investment policy

The investment policy permits trustees to manage the Foundation’s investments up to an agreed amount. The use of an investment manager is reviewed annually. All funds are held in either fixed-term or instant access cash accounts on which interest is earned. Interest earned in 2017/18 totalled £49,499 (2016/17: £43,629). 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. No more than £2m may be deposited per institution with the exception of Nationwide Building Society, where no more than £2.25m may be deposited to allow for the fluctuating levels of liquid funds required to make grant payments throughout the year.

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, one new programme related investments was made to Wessex Community Assets (£20,000). Repayments were received from three existing social investments (Community Land Trust Fund I (£13,750), Golden Lane Housing (£50,000) and Highlands Small Communities Housing Trust (2,244)) and interest earned during the year totalled £5,304 (2015/16: £3,400).

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 2018 was 10 (2016/17: 10). The members are only entitled to voting rights and do not have a beneficial interest in the charity.

Auditors

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K LLP. Crowe U.K LLP has indicated its willingness to be reappointed as statutory auditor.

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 06 September 2018 and signed on behalf of the board of trustees by the chair and another trustee:

Chair

Benedict Stimson

Trustee.....

Clara Govier

Trustees / Directors

Saphié Ashtiany (chair-elect) (appointed 12 July 2018)

Antonia Bance

Sara Bennison † ∞ (appointed 27 July 2017)

Juliet Cockram ◇

Martin Coppack ∞

Bryce Glover † ◇ (retired 27 July 2017)

Clara Govier ◇

Graeme Hughes † ∞ (retired 08 February 2018)

Sarah Mitchell (vice-chair) ◇ ∞

Tony Prestedge †

Benedict Stimson (chair) ∞

John Taylor ◇

Ian Williams † ◇ (appointed 09 February 2018)

- † Appointed by Nationwide Building Society
- ◇ Member of the Finance and Risk Committee
- ∞ Member of the Nominations and Remunerations Committee

Chief Executive: Leigh Pearce

Company Secretary: Alistair Peel (retired 14 March 2018)
Maria Willis (appointed 14 March 2018)

Accountant: Kayleigh Keville

Auditors: Crowe U.K 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 The Nationwide Foundation

Opinion

We have audited the financial statements of The Nationwide Foundation for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2018 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 Companies Act 2006.

Basis for opinion

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of

company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- 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' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Alastair Lyon
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Reading

THE NATIONWIDE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Notes	2018 £	2017 £
INCOMING AND ENDOWMENTS FROM:			
Donations and legacies	2	2,854,167	2,529,314
Investments	3	49,499	43,629
Other	4	107,453	68,803
Total income and endowments		3,011,119	2,641,746
EXPENDITURE ON:			
Charitable activities	5	1,640,277	1,145,224
Total expenditure		1,640,277	1,145,224
Net Income and net movement in funds		1,370,842	1,496,522
Fund balances brought forward		2,772,024	1,275,502
Fund balances carried forward	15	4,142,866	2,772,024

The notes on pages 21 to 28 form part of these financial statements.

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

There were no recognised gains or losses other than the net income for the year in the Statement of Financial Activities (2017: £nil).

THE NATIONWIDE FOUNDATION
BALANCE SHEET
AS AT 31 MARCH 2018
COMPANY REGISTERED NUMBER: 3451979

	Notes	2018 £	2017 £
FIXED ASSETS			
Programme related investments	10	199,156	231,400
CURRENT ASSETS			
Programme related investments	10	13,315	27,065
Debtors	11	42,795	36,804
Short term deposits		4,000,000	2,854,223
Cash at bank		932,528	961,230
TOTAL CURRENT ASSETS		4,988,638	3,879,322
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	12	(1,007,428)	(1,217,537)
NET CURRENT ASSETS		3,981,210	2,661,785
TOTAL ASSETS LESS CURRENT LIABILITIES		4,180,366	2,893,185
NON-CURRENT LIABILITIES			
Creditors: amounts falling due after one year	12	(37,500)	(121,161)
NET ASSETS	13	4,142,866	2,772,024
UNRESTRICTED FUNDS OF THE CHARITY			
Designated funds	15	4,142,866	2,772,024
TOTAL FUNDS		4,142,866	2,772,024

The notes on pages 21 to 28 form part of these financial statements.

The financial statements were approved by the board of Trustees on 06 September 2018 and signed on behalf of the board of trustees by the chair and another trustee

} Chair - Benedict Stimson
}

} Trustee - Clara Govier
}

**THE NATIONWIDE FOUNDATION
CASH FLOW STATEMENT
AS AT 31 MARCH 2018**

	2018 £	2017 £
Cash flows from operating activities		
Net movement of funds per Statement of financial activities	1,370,842	1,496,522
Adjustments for:		
Interest from investments	(49,499)	(43,629)
Increase in debtors	(5,991)	(13,155)
Decrease in creditors	(293,770)	(260,728)
Net cash inflow from operating activities	1,021,582	1,179,010
Cash flows from investing activities		
Interest from investments	49,499	43,629
Receipts from programme related investments	45,994	1,100
Net cash inflow from investing activities	95,493	44,729
Increase in cash and cash equivalents in the year	1,117,075	1,223,739
Cash and cash equivalents at the beginning of the year	3,815,453	2,591,714
Total cash and cash equivalents at the end of the year	4,932,528	3,815,453
Cash and Cash equivalents		
Short term deposits	4,000,000	2,854,223
Cash at bank	932,528	961,230
TOTAL	4,932,528	3,815,453

**THE NATIONWIDE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies

Charity information

The Charity is a company limited by guarantee (registered number 3451979), which is incorporated in the UK. The address of the registered office is Nationwide House, Pipers Way, Swindon, SN38 1NW.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2016), applicable UK accounting standards including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

The Nationwide Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

The charity has cash resources and has no requirement for external funding. The Trustees 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.

Significant judgements and estimates

The management consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

The following accounting policies have been applied consistently in the preparation of the financial statements.

- (i) **Income**
Both donation income and interest income are credited to the Statement of Financial Activities when a receipt is probable, there is evidence of entitlement and can be measured reliably.
- (ii) **Grants**
Grants are charged to the Statement of Financial Activities when an unconditional commitment has been made to provide the grant. Grant commitments made with conditions are pledged and provided for in the designated fund.
- (iii) **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. Programme related investments are held at cost as the Foundation is unable to obtain a reliable estimate of fair value.
- (iv) **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.
- (v) **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 appropriate.

1. Accounting policies (continued)

(vi) 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.

(vii) Irrecoverable VAT

Irrecoverable VAT is charged to the Statement of Financial Activities.

(viii) Cash flow statement

A cash flow statement has been prepared under FRS 102. Cash and cash equivalents represent cash in hand and notice deposits of less than 30 days.

(ix) 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.

(x) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(xi) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(xii) Financial Instruments

The charity holds only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 14 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to debtor balances excluding prepayments and cash and cash equivalents, and financial liabilities referring to all creditor balances excluding deferred income.

2. Donations and legacies

	2018 £	2017 £
Nationwide Building Society	2,854,167	2,500,000
Other donations	-	29,314
Total	2,854,167	2,529,314

3. Income from investments

	2018 £	2017 £
Bank interest receivable	44,195	40,229
Interest from programme related investments	5,304	3,400
Total	49,499	43,629

4. Other incoming resources

	2018 £	2017 £
Donated services from Nationwide Building Society	107,453	68,803
Total	107,453	68,803

Donated services are analysed in note 5(b).

5. Analysis of total expenditure

	Staff costs £	Support costs £	Grants £	Donated services £	Total 2018 £	Total 2017 £
Charitable activities by objective						
Decent Affordable Homes funding strategy	304,598	61,629	1,099,890	98,422	1,564,539	1,103,066
Governance costs	22,620	44,087	-	9,031	75,738	42,158
Total	327,218	105,716	1,099,890	107,453	1,640,277	1,145,224

For further analysis of staff costs see note 6.

	2018 £	2017 £
(a) Analysis of support costs		
Administration and IT	85,027	49,027
Learning and Evaluation	20,689	-
Total	105,716	49,027

	2018 £	2017 £
(b) Donated services		
Specialist staff services	41,453	24,803
Facility costs	66,000	44,000
Total	107,453	68,803

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.

5. Analysis of total expenditure (continued)

	2018	2017
	£	£
(c) Analysis of governance costs		
Staff costs	22,620	22,085
Board recruitment	27,845	-
Trustees' expenses	1,123	1,821
Audit costs (inclusive of irrecoverable VAT)	11,430	10,255
Other audit services	2,923	-
Other administration costs	766	1,487
Donated services	9,031	6,510
Total	75,738	42,158

6. Staff costs

The officers of the Foundation are employed by Nationwide Building Society but seconded 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:

	2018	2017
	£	£
Salaries	242,855	182,256
Social security	26,490	18,958
Pensions contribution	57,873	45,017
Total staff costs recharge	327,218	246,231

The average number of persons employed by the Society who acted as officers of the Foundation was 7 (2017: 5). The number of employees of the Society who acted as an officer of the Foundation receiving emoluments of over £60,000 was 1 (2017: 1). All staff receive emoluments, including benefits in kind, in accordance with Nationwide Building Society employment policies. For details of pensions costs see note 1(ix).

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

	2018	2017
Decent Affordable Homes funding strategy	6	4
Governance	1	1
Total	7	5

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

7. Net income resources for the year

Net income for the year is stated after charging:

	2018	2017
	£	£
Trustees' expenses	1,123	1,821
Auditors' remuneration:		
Audit services - current year	8,690	8,435
Other services	3,000	-

None of the trustees / directors received any emoluments in respect of services to the Foundation (2017: 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, 5 trustees (2017: 7) received reimbursements of personal travel and subsistence expenditure amounting to £1,123 (2017: £1,821).

8. Grants payable

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

All grants are made to institutions.

	2018	2017
	£	£
DECENT AFFORDABLE HOMES FUNDING STRATEGY		
ACRE	78,750	-
Camden Federation of Private Tenants	46,000	-
DAH Added Value	34,733	4,423
Dumfries and Galloway Small Communities Housing Trust	23,702	-
East Midlands CLH (EMCLH)	76,000	-
Housing Associations' Charitable Trust (HACT)	92,761	-
Highlands Small Communities Housing Trust (HSCHT)	80,000	-
Joseph Rowntree Foundation (JRF)	40,000	-
National CLT Network (NCLTN)	133,248	-
New Economics Foundation	7,297	83,590
Porchlight	2,494	-
Shekinah	29,700	-
Shelter Manchester	91,752	-
The National Custom and Self Build Association	125,261	109,783
The Smith Institute	13,225	40,100
Town & Country Planning Association	94,540	84,990
University of York	-	201,971
Wales Cooperative Centre	-	130,000
We can make	58,840	-
Wessex Community Assets Ltd	39,000	-
West Kensington Gibbs Green Community Homes	32,587	42,790
Young Foundation	-	83,516
TOTAL GRANTS	1,099,890	781,163

9. Taxation

Corporation tax payable for the year ended 31 March 2018 was £nil (2017: £nil).

10. Programme related investments

	2018 £	2017 £
Non-current assets		
Community Land Trust Fund II	112,500	112,500
Golden Lane Housing	-	50,000
Highlands Small Communities Housing Trust	66,656	68,900
Wessex Community Assets	20,000	-
	199,156	231,400
Current assets		
Community Land Trust Fund I	13,315	27,065
Total programme related investments at 31 March	212,471	258,465

The Foundation has four ongoing programme related investments:

- £13,315 in support of the Community Land Trust Fund I. These funds are due to be returned during 2018/19.
- £66,656 in support of Highlands Small Communities Housing Trust. These funds are due to be repaid over 21 years from drawdown of the funds in 2014 and 2016.
- 20,000 in support of Wessex Community Assets. These funds are due to be returned over the four years following receipt.
- 112,500 in support of the Community Land Trust Fund II. These funds are due to be returned during 2020-21.

11. Debtors

	2018 £	2017 £
Accrued interest	31,021	25,523
Prepayments	11,774	11,281
Total	42,795	36,804

12. Creditors: amounts falling due within one year

	2018 £	2017 £
Grants payable	881,245	1,128,128
Programme related investment commitments	76,250	56,250
Other creditors	7,335	19,892
Accruals	42,598	13,267
Total	1,007,428	1,217,537

Creditors: amounts falling due after one year

Grants payable	37,500	121,161
Total	37,500	121,161

13. Analysis of net assets between funds

	Designated Fund	
	2018	2017
	£	£
Fixed assets	199,156	231,400
Current assets	4,988,638	3,879,322
Current liabilities	(1,007,428)	(1,217,537)
Non-current liabilities	(37,500)	(121,161)
Total	4,142,866	2,772,024

14. Financial instruments

	2018	2017
	£	£
Financial assets measured at amortised cost	4,963,549	3,840,976
Financial liabilities measured at amortised cost	1,044,928	1,338,698

Financial assets measured at amortised cost comprise all cash and cash equivalents and debtor balances excluding prepayments.

Financial liabilities measured at amortised cost comprise all creditor balances excluding deferred income.

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(vi).

	Decent Affordable Homes funding strategy					Other Designated Funds	Total
	Uncommitted	Pledged	PRI	Learning & Evaluation	Running costs	Contingency Fund	
	£	£	£	£	£	£	£
Brought Forward	1,503,707	459,852	258,465	-	-	550,000	2,772,024
Incoming Resources	2,903,666	-	-	-	-	-	2,903,666
Resources Expended	(1,099,890)	-	-	(20,689)	(412,245)	-	(1,532,824)
Transferred	(2,222,173)	1,528,952	(45,994)	326,970	412,245	-	-
Carried Forward	1,085,310	1,988,804	212,471	306,281	-	550,000	4,142,866

Donated services from the Nationwide Building Society are not included in the designated 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 related party transactions were registered.

Total aggregate compensation paid to key management personnel (the Chief Executive) amounts to £90,282 (2017: £84,060).

17. Post balance sheet events

In June 2018, a donation of £2,758,333 was received from the Nationwide Building Society. These funds were designated for the Decent Affordable Homes Strategy as per the reserves policy in the Annual Report.