



Annual Report and
Financial Statements

Year ended 31 March 2019

The Nationwide Foundation's trustees' report for the year ending 31 March 2019

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 its heart, 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 over the long term, because of intervention now.

The Nationwide Foundation's ambition is to contribute to meaningful, long-term social change. This takes time and the Foundation uses a theory of change to guide its work. It has a team of staff and trustees who are all committed to and passionate about delivering systemic change and are undaunted by the task. 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 charitable foundation.

Strategy overview

The failure of the housing system, characterised by the desperate lack of decent, affordable homes, is one of the most pressing social problems facing the UK today. Poor quality, 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 vision is for everyone to have a decent home that they can afford. The Nationwide Foundation uses its knowledge, leverage and funding of others to influence changes to the housing system and achieve its aim of increasing the availability of decent affordable homes for people in need.

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

In 2018/19 the Nationwide Foundation's Decent Affordable Homes Phase Two was fully underway and entered its third year. Attention moved to ensuring that opportunities were not being missed and that learning was being gathered and acted upon. Phase Two activities included awarding further funding; developing theory of change models – both for the strategy and the three programmes; implementing the monitoring frameworks; and carrying out effective and targeted influencing work to make change happen. Work also continued with the legacy, multi-year projects from Phase One.

Grant-making

2018/19 saw 13 new projects awarded funding and 20 existing projects continue to deliver work. The Nationwide Foundation has three programmes under Decent Affordable Homes Phase Two and all awarded new funding this year. Multi-year grants awarded in previous years (from both Phase One and Phase Two) also continued.

Influencing change

The Nationwide Foundation believes that changes are needed across the housing system before effective and long-lasting improvements will happen to reduce the harm that poor quality and unaffordable housing causes and perpetuates. The Nationwide Foundation influences for positive change by funding the right charitable causes and then working with the funded organisations to disseminate the evidence and learning that comes from their work. The Nationwide Foundation also uses the collective knowledge from funded work to raise awareness of the need to tackle issues and deliver solutions. The Nationwide Foundation's unique position as a long-term funder in the housing sector means that its own voice can be used to great effect to persuade key change-makers.

Since the beginning of the Decent Affordable Homes Phase Two strategy, the Nationwide Foundation has been developing and expanding its influencing activities to bring about changes to the housing system. It has increased its presence and credibility, as well as its understanding of which approaches are most effective. During the year, the Nationwide Foundation has been undertaking a programme of targeted engagement with external

stakeholders, including MPs, sector experts and policymakers, all with the intention of championing and advocating for solutions to change the housing system and to raise important policy issues up the agenda.

Towards the end of 2018/19, the Nationwide Foundation agreed that it was the right time to adjust its approach and prioritise specific issues that it considers will lead to an increase in decent affordable homes through systemic change. This approach will mean that the Nationwide Foundation's influencing work can:

- o Be more efficient, targeted and focussed
- o Strengthen its voice on key issues
- o Be clearer in its policy messaging
- o Make more impact
- o Gain greater traction with key stakeholders relevant to its priorities
- o Be better able to seek and form strategic collaboration with other sector players.

A decision to champion for the extension of the Community Housing Fund, which will enable more community-led organisations to access finance and consequently deliver more homes, has already been agreed as one of these priorities. More are expected to be agreed in 2019/20.

Governance

During the year the Nationwide Foundation was delighted to welcome a new chair, Saphié Ashtiany, to its board of trustees. Saphié took over the role from Ben Stimson, who completed his final term as a Nationwide Foundation trustee. Ben was on the board of the Nationwide Foundation for 10 years, holding the role of chair since 2012.

As well as a new chair, the Nationwide Foundation appointed two new trustees, Terrie Alafat and Judith McNeill.

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 the limited 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 poverty and limiting or even blocking the pathways people have to improve their health, employment, education and family life.

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 causes 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.

Decent Affordable Homes Phase Two

A summary of Decent Affordable Homes Phase Two, which began in 2016, 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

Grant-making activities

In the 2018/19, the Nationwide Foundation awarded funding of £1.9 million to new projects that advance its aim of increasing the availability of decent, affordable homes for people in housing need.

Nurturing Ideas to Change the Housing System

Activities

Significant attention was dedicated to crafting the theory of change for this programme so that there was greater clarity about the type of work the programme will fund. Following this, revised criteria was published, and the Nationwide Foundation used its networks to find the right grantees. This led to new funding being awarded to the organisations listed below under this programme during 2018/19.

- **Cambridge Centre for Housing and Planning Research** - to understand the risks and benefits of co-living housing models for older people.
- **Housing Justice** - to explore how surplus church land can be used to create decent, genuinely affordable homes in Wales.
- **Homeless Link** - to create system change so that all homeless people in England with complex needs have Housing First services available to them.
- **Institute of Public Policy Research** - to develop a new personalised rent model, which adjusts tenants' rental payments according to their incomes and is therefore genuinely affordable for low-income households.
- **The Smith Institute** - to establish the Affordable Housing Commission, which is seeking to achieve a clearer, agreed and applied definition of affordability so that housing in England can become genuinely affordable.

The programme budget was fully allocated in the year and it was closed to new applications in October 2018. As well as the new grants, seven organisations funded in previous years continued their work and the project being run by **Shekinah Mission** reached completion.

Achievements

Shekinah Mission was funded to undertake a feasibility study into the potential for Housing First in the Torbay area. The Nationwide Foundation recognised a window of opportunity to explore system change with this local authority where there was cross-party consensus on tackling rough sleeping. The study aimed to influence decision-makers to move to using a Housing First model by providing them with a business case for system change, guidance on what needs to be done to make the transition and better understanding of the implications. In 2018, the study was presented to Torbay Council, which has decided to adopt the Housing First model and has secured additional funding. The project has exceeded expectations and fully achieved its outcomes.

Backing Community-Led Housing

Activities

New funding under this programme in 2018/19 was awarded to:

- **Community First Yorkshire** - to offer guidance to local authorities and community-led housing groups so they understand how local planning policy can support community-led housing.
- **Finance for Sustainability** - to design an investment fund to purchase land quickly on behalf of community-led housing groups, and then release it at an affordable cost once the groups are ready to proceed, thus reducing the incidence of groups missing out on suitable plots.
- **National Community Land Trust Network** - to work in partnership with three other national infrastructure bodies, so that they can coordinate the growth of the community-led housing sector.
- **National Community Land Trust Network: CLT Start-Up Fund** - to fund more applications and to commission a full independent evaluation of the fund. This was additional funding to an existing grant.
- **New Economics Foundation (Nef)** - to make public land available and accessible to community-led housing groups.
- **Wales Cooperative Centre received two new grants to:**
 - Evidence the improved health and well-being benefits of living in community-led housing
 - Develop a comprehensive package of support for all cooperative and community-led housing groups, that will significantly build the sector in Wales.

Achievements

Of the existing grants awarded in previous years, some hit key milestones, including the project by **National Community Land Trust Network** which launched a new web-based interactive platform providing community-led housing information and resources, as well a definitive database of schemes. This new website - www.communityledhomes.org.uk - went live in November 2018. Response to the new website has been more than 7,200 users visiting the site in a single month, which represents a 72% increase on the monthly target that had been set.

In September 2018, the Nationwide Foundation hosted a roundtable event for funders and lenders to explore ways to collaborate and provide coordinated support for community-led housing. This was instigated by the Nationwide Foundation to amplify the voice needed to influence for system changes. Following on from this roundtable, the Nationwide Foundation coordinated a joint letter to the secretary of state for housing, communities and local government, signed by nine funders, which asked the minister to extend the operational length of the Community Housing Fund to 2021. In response, the minister acknowledged that investment from funders was dependent on government spend and said: *'I welcome the commitment that the signatory organisations are making to support the growth of the community-led housing sector, and I note in particular that the level of support that you are able to provide depends largely on a continuing commitment by the Government... I offer you my assurance that I will consider the extension of the fund at the next Spending Review.'*

Transforming the Private Rented Sector

Activities

During the year, further funding was awarded to Shelter Manchester to host **Fair Housing Futures** in Greater Manchester (previously known as Transforming the Private Rented Sector in Greater Manchester). In March 2019, the project was extended by two years with additional funding of £193,797. Two new grants supporting this project were also awarded: one for a mapping exercise to gain an up-to-date, evidenced and detailed understanding of the private rented sector in Greater Manchester; and the other for tenant voice work that will engage and empower tenants, giving them the opportunity to be part of the debates around private rented sector housing in the region.

A **tenant voice programme** was launched to strengthen, support and champion the growth of tenants' voice work, so that private rented sector tenants have more of a say in the issues that affect their lives and homes. As at 31 March 2019, applications to the programme were being assessed with around 7-10 organisations expected to share funding in the region of £800,000.

In addition, the Nationwide Foundation also invited applications for qualitative research and quantitative analysis about the impact on tenants and landlords of recent changes to the **Scottish private rented sector tenancy regime**. As at 31 March 2019 the applications were being assessed.

Achievements

The major activity for this programme in 2018/19 was the dissemination of **The Evolving Private Rented Sector: Its Contribution and Potential**. This was a seminal review of the current state of the private rented sector in England carried out by the **Centre for Housing Policy at the University of York**. Accompanying research to assess the extent that the private rented sector meets the housing needs of vulnerable low-income tenants was launched at the same time. The intention was to enable policymakers and service providers 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 of who is living and operating in the sector.

The project, which began in December 2016, was of interest to a wide-range of stakeholders. MPs, civil servants, landlord groups, tenant groups, housing industry bodies and the voluntary sector were keen to be involved in the development and post-launch analysis of the research.

The launch event was held in Westminster in September 2018, where presentations from Dr Julie Rugg and David Rhodes, the authors from Centre for Housing Policy from University of York, and responses from two expert panels were chaired by Mark Easton, BBC Home Editor. The event was well attended with 75 delegates, including MPs prominent in housing and senior civil servants from Department of Work and Pensions, Ministry of Housing, Communities and Local Government, and the Prime Minister's Office. The feedback was favourable:

- *This is excellent and valuable work, many thanks on behalf of myself and my struggling constituents.*
Teresa Pearce MP, HLCG select committee (Labour)
- *I found the event really interesting and I thought the speakers were excellent – particularly Julie Rugg and Mark Easton.*
Andrew Parfitt, Department for Work and Pensions.

In addition to the launch event, the communications to disseminate the findings more widely and generate debate resulted in 74 pieces of coverage, including 31 national pieces.

Added value support

In addition to funding for programme-specific work, the Nationwide Foundation also funds work that adds value to the organisations and wider, linked work. In 2018/19, eight Added Value grants, totalling £25,878.50 were awarded for:

- The development of Camden Federation of Private Tenants' business plan
- A tenants' voice event delivered by New Economics Foundation
- Convening a funders and lenders event about community-led housing
- Support of CaCHE knowledge exchange hub
- Consultancy support for Wales Cooperative Centre
- Support to help Action Homeless better understand its impact
- Communications support for National Community Land Trust Network
- Bursaries for emerging community-led housing schemes to attend an event about making their schemes a reality.

Learning and Evaluation

One of the Nationwide Foundation's core values is continuous learning. It wants to know how it is doing towards achieving its programme outcomes, what it can learn from the activities it funds and how it can use the learning to inform greater progress towards the outcomes.

The Nationwide Foundation also recognises that much of what it funds is emergent and innovative, and therefore believes that learning and adapting in real time provides the best opportunities to achieve the outcomes. The Nationwide Foundation supports grantees to adapt their plans as they discover what is working well and what is not, as well as being reflective and responsive to changes that it needs to make to its own plans.

Outcomes frameworks

In July 2017, the Nationwide Foundation commissioned NCVO Charities Evaluation Service (CES) to:

- work with the Nationwide Foundation's grantees to ensure that their outcomes monitoring frameworks are robust and aligned with those of the Nationwide Foundation's framework and that progress and impact can be well reported to the Nationwide Foundation
- work with the Nationwide Foundation team to develop its skills and confidence to effectively use the evaluation framework. This will result in us being able to provide a more effective support to grantees.

In 2018/19 this work was underway and all grantees under Decent Affordable Home Phase Two had worked with CES to develop their monitoring and evaluation frameworks, which identify ways to capture the changes that are happening as a result of the work. Not only is this helping the Nationwide Foundation to establish an overall framework to evaluate progress, but the grantees' feedback identified that this work is making a significant contribution to the development of their organisations:

- *"It was, and is, viewed as a valuable piece of work with lasting benefit to the organisation. It prompted staff and directors alike to think about the organisation from a different perspective."* Grantee 2018/19

Learning and evaluation partner

Alongside establishing effective outcomes frameworks, Sheffield Hallam University's Centre for Regional Economic and Social Research was appointed in March 2018 as the Nationwide Foundation's learning and evaluation partner to:

- 1) assess the Nationwide Foundation's effectiveness in delivering its interim and programme outcomes
- 2) the effectiveness of the Nationwide Foundation's approach as a funder
- 3) its wider impact

In March 2019, the Nationwide Foundation and Sheffield Hallam University jointly hosted an event bringing together grantees from the Backing Community-Led Housing programme, specifically those who provide enabling support to community-led housing groups. The session was an opportunity to connect with others undertaking similar enabling activity and to discuss common problems and solutions. It was also an opportunity for the Nationwide Foundation to understand the key challenges faced by grantees and to explore how these can be overcome. Similar events for the other programmes are planned for 2019/20.

Phase One (2013-16)

Activities and Achievements

The Decent Affordable Homes Phase One strategy ended in 2016, so no new funding was awarded in 2018/19, however some multi-year funded work was on-going to achieve the outcomes.

Outcome: Long-term empty properties are brought into use as homes for people in need

By the end of 2018/19, three projects were still active, with four others – Action Homeless, Canopy Housing, Grimsby Doorstep and Highlands Small Communities Housing Trust – reaching completion during the year. Collectively, these four charitable organisations, which all received multi-year grants, brought 44 empty properties into use, to provide stable and affordable homes for 75 people. The final three projects are due to complete in 2019 and 2020.

Outcome: Alternative housing models with the potential to scale, provide more affordable homes and their value is recognised by other funders, lenders or government

By the end of 2018/19, two projects remained active with two others reaching completion during the year:

Wales Co-operative Centre spent five years supporting the co-operative and community-led housing movement in Wales. It supported 10 existing schemes, and also helped establish six new schemes, creating 137 affordable homes. The Centre supported 27 emerging and embryonic community-led and co-operative schemes, which have the potential to develop a further 200 homes.

CLT Fund II, managed by **Caf Venturesome**, is a social investment fund that provides pre-development and development loan funding to help community land trusts progress their housing schemes. A new report *Helping Communities Build*, published by Caf Venturesome in 2019, called for community groups to be given access to affordable land and early stage funding to help them provide much needed homes in local areas. The report was shared with community-led housing stakeholders, finance providers and policymakers, including representatives who manage the Community Housing Fund from the Ministry of Housing, Communities and Local Government.

Future plans

Governance

One trustee comes to the end of their final term on the board in 2019/20 and recruitment for a new trustee will take place. A skills audit will be carried out and recruitment will look to fill any gaps and ensure that the right people can be found to complement the knowledge of existing trustees. The Nationwide Foundation is also keen to increase diversity among its board members.

Developing monitoring frameworks

Grantees will continue to work with their learning partners from NCVO Charities Evaluation Service (CES) to help them effectively use their theories of change and monitor their progress towards intended outcomes. This support will also be provided to any new grantees awarded funding in 2019/20. It will provide the Nationwide Foundation with clarity on how progress happens towards the bigger and longer-term outcomes and how the Nationwide Foundation should measure this.

The next year will see an additional focus on the creation of process and materials that will prepare the Nationwide Foundation to move to an ongoing monitoring and evaluation approach, with more of the support being provided by the Nationwide Foundation's staff. This transition is part of the long-term plan to increase the monitoring and evaluation skills within the Nationwide Foundation's team.

Learning and evaluation partner

During 2019/20, the Nationwide Foundation and Centre for Regional Economic and Social Research from Sheffield Hallam University, will be jointly hosting events bringing together grantees from the Nurturing Ideas to Change the Housing System, Backing Community-Led Housing and the Transforming the Private Rented Sector programmes. These sessions will be an opportunity to share knowledge and expertise, discuss the challenges grantees face in their work and identify opportunities for collaboration.

In summer 2019, the first report from Sheffield Hallam University will be shared with the Nationwide Foundation. This will give the Nationwide Foundation initial learning and observations about how good it is as a funder and the contribution it is making. The Nationwide Foundation will take these findings and consider what changes should be made for it to improve and strive for better performance.

Strategic review

At the end of 2019/20, the Nationwide Foundation will undertake a strategic review of Decent Affordable Homes Phase Two, which was set in 2016 for three years. The Nationwide Foundation will review the progress it has made, the direction of travel and where the Nationwide Foundation is making progress on the systemic changes it wants to deliver. Information from Sheffield Hallam's report will inform this review, along with staff and trustee input, analysis of the current external environment and consideration of anticipated future budget.

The Nationwide Foundation is committed to Decent Affordable Homes until at least 2026, so the strategic review will not alter the overall ambition of the Nationwide Foundation and significant changes are not anticipated.

Grant-making activities

The Nationwide Foundation's grant portfolio is made up of mainly multi-year grants that will be ongoing during 2019/20 and the Nationwide Foundation will continue to work with these grantees. Therefore, in the coming year (2019/20), the value of new grants awarded will be lower than in 2018/19. The Nationwide Foundation plans to award funding of £1.5 million to new projects that will advance its aim of increasing the availability of decent, affordable homes for people in housing need.

Under the Transforming the Private Rented Sector programme, decisions will be made on the applications and funding awarded for the tenant voice grants programme. Funding for the research into the Scottish tenancy regime will also be approved.

Influencing

Since the beginning of the Decent Affordable Homes Phase Two strategy, the Nationwide Foundation has been developing and expanding its influencing activities to bring about changes to the housing system. It has increased its presence and credibility within the housing sector and its understanding of which approaches are most effective for it to use.

Going forward into 2019/20, the Nationwide Foundation will be building on the groundwork that has been done and becoming more focussed in the way it carries out its influencing activity. This means focussing on specific influencing priorities to achieve defined outcomes. One of these will be to support the extension of the Community Housing Fund and ensure it is given every chance to succeed and deliver more affordable community-led homes.

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 seven trustees who are appointed by the board, following open advertisement and interview, and three trustees who are appointed by Nationwide Building Society.
- Appoints trustees for a three-year term with reappointment 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 Nationwide 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 Nationwide 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 2018/19 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 2018/19 this committee focussed on the recruitment of three new board members including the chair.
- Undertakes an annual skills audit of the board. In 2018/19 the audit was used to appraise the skills of the board following the recruitment of three new board members.
- Reviews its application of the Charity Governance Code every two years. This is next due to take place in 2019/20.
- Maintains a risk register to identify the major risks to which the Nationwide Foundation is exposed. During the year, the board reviewed the register and established procedures to manage the major risks. All residual risks (after mitigations) were within the Nationwide Foundation's risk appetite.
- Undertakes an independent audit of its internal controls every two years. This took place in 2017 and concluded that controls were appropriate and is next due to take place in 2019.
- 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

- There were no changes to the staff structure in the year.
- The staff implement the policies and strategies set by the board.
- The trustees have delegated responsibility to the chief executive to approve grants of up to £75k.
- 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 Nationwide Foundation's main benefactor and supplier of in-kind support including offices.
- The Nationwide 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).

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 Nationwide 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.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's 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 2018/19 totalled £2,927,589 (2017/18: £3,011,119). The Nationwide 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 Nationwide Foundation and Nationwide. In 2018/19 this donation totalled £2,763,333 (2017/18: £2,854,167). In addition to the annual donation, in 2018/19, the Society donated services to the Nationwide Foundation totalling £111,253 (2017/18: £107,453). This represents provision of office space, technology, legal and accountancy support.

Expenditure

Expenditure for 2018/19 totalled £2,388,599 (2017/18: £1,640,277). 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 2019	Explanatory notes
A contingency fund that allows the Nationwide Foundation to be able to manage all current funding commitments and allows the trustees time to consider what action should be taken if 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 Nationwide 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.	£2,687,964	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.	£161,700	The Foundation is committed to evaluating 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 Phase Two.	£1,078,305	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 in full to new grants during 2019/20.
For funds that have been awarded as programme related investments.	£203,887	For a full breakdown see note 10 to the financial statements.
Total designated funds:	£4,681,856	

Investment policy

The investment policy permits trustees to manage the Nationwide 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 2018/19 totalled £53,003 (2017/18: £49,499). Funds may only be held with banks or financial institutions that have their head offices located in the UK and that 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, no new programme related investments were made. Repayments were received from two existing social investments (£6,250 from Community Land Trust Fund I and £2,334 from Highlands Small Communities Housing Trust) and interest earned during the year totalled £2,666 (2017/18: £5,304).

Guarantees

The guarantor 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 2019 was 10 (2017/18: 10). The members are only entitled to voting rights and do not have a beneficial interest in the charity.

Auditors

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 12 September 2019 and signed on behalf of the board of trustees by the chair and another trustee:

Chair

Saphié Ashtiany

Trustee.....

Sarah Mitchell

Trustees/Directors

Terrie Alafat ◊ (appointed 15 September 2018)

Saphié Ashtiany (chair) ∞ (appointed 12 July 2018)

Antonia Bance ∞

Sara Bennison † ∞

Juliet Cockram ◊ (retired 27 July 2018)

Martin Coppack ∞ (retired 27 July 2018)

Clara Govier ◊ (retired 21 August 2019)

Judith McNeill (appointed 06 September 2018)

Sarah Mitchell (vice-chair) ◊ ∞

Tony Prestedge †

Benedict Stimson (chair) ∞ (retired 14 September 2018)

John Taylor ◊

Ian Williams † ◊

† 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: NBS CoSec Limited (appointed 07 January 2019)

Victoria Hames (appointed 06 September 2018; retired 04 January 2019)

Maria Willis (retired 06 September 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 2019 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).

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 2019 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.

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 13, 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.

Use of our report

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.

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 2019
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Notes	2019 £	2018 £
INCOMING AND ENDOWMENTS FROM:			
Donations and legacies	2	2,763,333	2,854,167
Investments	3	53,003	49,499
Other	4	111,253	107,453
Total income and endowments		2,927,589	3,011,119
EXPENDITURE ON:			
Charitable activities	5	2,388,599	1,640,277
Total expenditure		2,388,599	1,640,277
Net Income and net movement in funds		538,990	1,370,842
Fund balances brought forward		4,142,866	2,772,024
Fund balances carried forward	15	4,681,856	4,142,866

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 (2018: £nil).

THE NATIONWIDE FOUNDATION
BALANCE SHEET
AS AT 31 MARCH 2019
COMPANY REGISTERED NUMBER: 3451979

	Notes	2019 £	2018 £
FIXED ASSETS			
Programme related investments	10	196,822	199,156
Fixed term deposits		2,000,000	-
TOTAL FIXED ASSETS		2,196,822	199,156
CURRENT ASSETS			
Programme related investments	10	7,065	13,315
Debtors	11	26,593	42,795
Fixed term deposits		3,300,000	4,000,000
Cash at bank		245,107	932,528
TOTAL CURRENT ASSETS		3,578,765	4,988,638
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	12	(1,093,731)	(1,007,428)
NET CURRENT ASSETS		2,485,034	3,981,210
TOTAL ASSETS LESS CURRENT LIABILITIES		4,681,856	4,180,366
NON-CURRENT LIABILITIES			
Creditors: amounts falling due after one year	12	-	(37,500)
NET ASSETS	13	4,681,856	4,142,866
UNRESTRICTED FUNDS OF THE CHARITY			
Designated funds	15	4,681,856	4,142,866
TOTAL FUNDS		4,681,856	4,142,866

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

The financial statements were approved by the board of Trustees on 12 September 2019 and signed on behalf of the board of trustees by the chair and another trustee

}

} Chair - Saphié Ashtiany

}

}

} Trustee - Sarah Mitchell

}

THE NATIONWIDE FOUNDATION
CASH FLOW STATEMENT
AS AT 31 MARCH 2019

	2019 £	2018* £
Cash flows from operating activities		
Net movement of funds per Statement of financial activities	538,990	1,370,842
Adjustments for:		
Interest from investments	(53,003)	(49,499)
Decrease/(increase) in debtors	16,202	(5,991)
Increase/(decrease) in creditors	48,803	(293,770)
Net cash inflow from operating activities	550,992	1,021,582
Cash flows from investing activities		
Fixed term deposits redeemed	5,050,000	1,804,223
Fixed term deposits issued	(6,350,000)	(2,950,000)
Interest from investments	53,003	49,499
Receipts from programme related investments	8,584	45,994
Net cash inflow used in investing activities	(1,238,413)	(1,050,284)
Decrease in cash and cash equivalents in the year	(687,421)	(28,702)
Cash and cash equivalents at the beginning of the year	932,528	961,230
Total cash and cash equivalents at the end of the year	245,107	932,528

*Comparatives have been restated as detailed in note 1.

Cash and cash equivalents comprises cash at bank.

THE NATIONWIDE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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.

Adjustment to comparative information

In order to better reflect the nature of amounts held on fixed term deposit with banking counterparties, these fixed term deposits these are no longer classified as cash and cash equivalents in the cash flow statement. Comparatives have been restated as shown below:

Cash flow statement extract for the year ended 31 March 2018	Previously published £	Adjustment £	Restated £
Net cash inflow provided by (used in) investing activities	95,493	(1,145,777)	(1,050,284)
Cash and cash equivalents at the beginning of the year	3,815,453	(2,854,223)	961,230
Cash and cash equivalents at the end of the year	4,932,528	(4,000,000)	932,528

This restatement has no impact on the charity's net income and net movement in funds or balance sheet.

Accounting policies

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.

1. Accounting policies (continued)

(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.

(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 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

	2019 £	2018 £
Nationwide Building Society	2,758,333	2,854,167
Other donations	5,000	-
Total	2,763,333	2,854,167

3. Income from investments

	2019 £	2018 £
Bank interest receivable	50,337	44,195
Interest from programme related investments	2,666	5,304
Total	53,003	49,499

4. Other incoming resources

	2019 £	2018 £
Donated services from Nationwide Building Society	111,253	107,453
Total	111,253	107,453

Donated services are analysed in note 5(b).

5. Analysis of total expenditure

	Staff costs £	Support costs £	Grants £	Donated services £	Total 2019 £	Total 2018 £
Charitable activities by objective						
Decent Affordable Homes funding	332,519	212,660	1,695,099	103,568	2,343,846	1,564,539
Governance costs	24,022	13,046	-	7,685	44,753	75,738
Total	356,541	225,706	1,695,099	111,253	2,388,599	1,640,277

For further analysis of staff costs see note 6.

5. Analysis of total expenditure (continued)

	2019 £	2018 £
(a) Analysis of support costs		
Administration and IT	81,125	85,027
Learning and Evaluation	144,581	20,689
Total	225,706	105,716
	2019 £	2018 £
(b) Donated services		
Specialist staff services	45,253	41,453
Facility costs	66,000	66,000
Total	111,253	107,453

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.

	2019 £	2018 £
(c) Analysis of governance costs		
Staff costs	24,022	22,620
Board recruitment	-	27,845
Trustees' expenses	1,316	1,123
Audit costs (inclusive of irrecoverable VAT) (note i)	10,980	10,668
Other audit services (note i)	-	3,685
Other administration costs	750	766
Donated services	7,685	9,031
Total	44,753	75,738

Note:

i. The prior year has been restated to show £762 of other audit services which were previously included within audit costs.

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:

	2019 £	2018 £
Salaries	262,202	242,855
Social security	27,998	26,490
Pension contributions	66,341	57,873
Total staff costs	356,541	327,218

6. Staff costs (continued)

The average number of persons employed by the Society who acted as officers of the Foundation was 7 (2018: 7). The number of employees of the Society who acted as an officer of the Foundation receiving emoluments of over £60,000 and less than £70,000 was 2 (2018: 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:

	2019	2018
Decent Affordable Homes funding strategy	6	6
Governance	1	1
Total	7	7

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:

	2019	2018
	£	£
Trustees' expenses	1,316	1,123
Auditors' remuneration:		
Audit services - current year	8,950	8,690
Other services	-	3,000

None of the trustees / directors received any emoluments in respect of services to the Foundation (2018: 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 (2018: 5) received reimbursements of personal travel and subsistence expenditure amounting to £1,316 (2018: £1,123).

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.

	2019	2018
	£	£
DECENT AFFORDABLE HOMES FUNDING STRATEGY		
ACRE	-	78,750
Camden Federation of Private Tenants	16,000	46,000
Cambridge Centre for Housing & Planning Research	34,918	-
Community First Yorkshire	4,920	-
DAH Added Value	25,879	34,733
Dissemination	29,747	
Dumfries and Galloway Small Communities Housing Trust	10,236	23,702
East Midlands CLH (EMCLH)	19,000	76,000
Empty Homes Agency	(7,864)	-
Finance for Sustainability	45,000	-
Housing Associations' Charitable Trust (HACT)	-	92,761
Highlands Small Communities Housing Trust (HSCHT)	85,338	80,000
Homeless Link	56,250	-
Housing Justice	73,446	-
Institute for Public Policy & Research	75,188	-
Joseph Rowntree Foundation (JRF)	-	40,000
National CLT Network (NCLTN)	43,583	133,248
New Economics Foundation	98,290	7,297
Porchlight	-	2,494
Shekinah	-	29,700
Shelter Manchester (Fair Housing Futures)	128,684	91,752
The National Custom and Self Build Association	115,879	125,261
The Smith Institute	185,365	13,225
Town & Country Planning Association	61,265	94,540
University of York	13,547	-
Wales Cooperative Centre (note i)	258,589	-
We Can Make	74,629	58,840
Wessex Community Assets Ltd	30,700	39,000
West Kensington & Gibbs Green Community Homes	52,000	32,587
Young Foundation	164,510	-
TOTAL GRANTS	1,695,099	1,099,890

Note:

i. During July 2019, £60,224 was returned to the Nationwide Foundation in respect of this grant.

9. Taxation

Corporation tax payable for the year ended 31 March 2019 was £nil (2018: £nil).

10. Programme related investments

	2019 £	2018 £
Non-current assets		
Community Land Trust Fund II	112,500	112,500
Highlands Small Communities Housing Trust	64,322	66,656
Wessex Community Assets	20,000	20,000
	196,822	199,156
Current assets		
Community Land Trust Fund I	7,065	13,315
Total programme related investments at 31 March	203,887	212,471

The Foundation has four ongoing programme related investments:

- £7,065 in support of the Community Land Trust Fund I. These funds are due to be returned during 2019/20.
- £64,322 in support of Highlands Small Communities Housing Trust. These funds are due to be repaid over the next 21 years.
- £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

	2019 £	2018 £
Accrued interest	23,565	31,021
Prepayments	3,028	11,774
Total	26,593	42,795

12. Creditors: amounts falling due within one year

	2019 £	2018 £
Grants payable	936,763	881,245
Programme related investment commitments	57,994	76,250
Other creditors	30,242	7,335
Accruals	68,732	42,598
Total	1,093,731	1,007,428

Creditors: amounts falling due after one year

Grants payable	-	37,500
Total	-	37,500

13. Analysis of net assets between funds

	Designated Fund	
	2019	2018
	£	£
Fixed assets	2,196,822	199,156
Current assets	3,578,765	4,988,638
Current liabilities	(1,093,731)	(1,007,428)
Non-current liabilities	-	(37,500)
Total	4,681,856	4,142,866

14. Financial instruments

	2019	2018
	£	£
Financial assets measured at amortised cost	5,568,672	4,963,549
Financial liabilities measured at amortised cost	1,093,731	1,044,928

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	1,085,310	1,988,804	212,471	306,281	-	550,000	4,142,866
Incoming Resources	2,816,336	-	-	-	-	-	2,816,336
Resources Expended	(1,695,099)	-	-	(144,581)	(437,666)	-	(2,277,346)
Transferred	(1,128,242)	699,160	(8,584)	-	437,666	-	-
Carried Forward	1,078,305	2,687,964	203,887	161,700	-	550,000	4,681,856

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

16. Related parties

The Nationwide 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 Nationwide 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 Nationwide 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, one related party transaction was registered. One trustee (Saphié Ashtiany), was also a trustee of the Joseph Rowntree Foundation (JRF) to which a grant was paid to during the year ended 31 March 2018. The trustee was not involved any decisions relating to the grant paid.

Total aggregate compensation paid to key management personnel (the Chief Executive) amounts to £95,341 (2018: £90,282).

17. Post balance sheet events

In June 2019, a donation of £2,400,000 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.