

THE VIRGIN MONEY FOUNDATION

**Annual Report and Accounts
for the year ended 31 December 2017**

The Virgin Money Foundation
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The Virgin Money Foundation

Company Information

The Virgin Money Foundation (the “Foundation”) is a registered charity supported by Virgin Money Holdings (UK) plc (“Virgin Money Holdings”) and its main subsidiary Virgin Money plc (referred to either singularly or collectively as “Virgin Money”). The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Foundation’s Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014. The Trustees’ Report on pages 4 to 11 has been prepared to satisfy the Directors’ Report requirements of the Companies Act 2006 as applicable to small companies.

Reference and Administrative Information

Trustees:	Edward Wakefield (Chair) Joanne Curry (Vice Chair) Tim Davies-Pugh Stephen Pearson Michael Peckham (Resigned 25 February 2018) Sir Tom Shebbeare Tim Arthur Emma Morris (Appointed 29 March 2017) Ruth Ibegbuna (Appointed 15 January 2018)
Company Secretary:	Katie Marshall
Bankers:	Virgin Money plc Jubilee House Gosforth Newcastle upon Tyne NE3 4PL Lloyds Bank plc 25 Gresham Street London EC2V 7HN Nationwide Building Society Nationwide House Pipers Way Swindon SN38 1NW
Independent Auditors:	PricewaterhouseCoopers LLP Atria One 144 Morrison Street Edinburgh EH3 8EX
Registered Office:	Jubilee House Gosforth Newcastle upon Tyne NE3 4PL
Registered Company No:	09457101 (Company limited by guarantee)
Charity No:	1161290

The Virgin Money Foundation Chair's Statement

We started 2017 with clear ambitions to achieve even more than in 2016, which was our first full year of existence. In general, this meant the Foundation's small executive team finding more opportunities to support, more ways to help and more resources – financial and otherwise – to assist with both.

As you will read in the pages that follow, we made some significant steps towards meeting and even exceeding those ambitions and the year held many highlights. In particular, we are delighted to be reporting on the first major awards from our Ripple Fund programme, on successful outcomes from our grant making from our North East-focused programme, on a new co-funding relationship with Big Lottery Fund through which the Foundation match-funded and launched a bespoke *#iwill Take Action* Fund for the North East of England and finally on the first expansion of the Foundation's grant activities outside the North East. The last of these also marks our first steps towards addressing financial exclusion – which, in its many guises, is the root cause of so many difficulties in the communities that we are trying to help. We will do more in this area in the years ahead.

The sheer number of separate initiatives being managed by the team is considerable, and yet there is still more to do. So in the year to come:

- We will do more to make the most of the exceptional support offered by our benefactor Virgin Money and of the time, generosity and skilled volunteering offered by so many of its colleagues to our beneficiaries;
- We will use the exceptional reach and convening power of our brand and partnerships, connections and shared passion for change to reach more, understand better and do more to support the most effective, entrepreneurial and inspirational change makers in communities where our support can realistically make a real and lasting difference;
- We will continue to be open-minded about the solutions that can most effectively and sustainably help the communities that we seek to assist; and
- We will continue the geographic and other diversification that is helping to extend the Foundation's increasingly unique blend of funding assistance, reach and professionally volunteered expertise beyond its initial roots in the North East of England.

That we are able to consider such an ambitious list is due in large measure to the hard work and ability of the Foundation's small executive team, so ably led by its Executive Director Nancy Doyle-Hall. I would like to record our thanks to each of them and to all of our trustees who give so freely of their time and expertise. I would also like to pay tribute to Mike Peckham whose tenure as a trustee ended shortly after the year end. We are delighted that he has agreed to continue as an ambassador for the Foundation.

But the biggest thanks of all must go to the incredible individuals, charities and social enterprises with which we have the privilege of working. Through their inspired activities and enduring relationships in communities, we have had the joy of seeing outcomes that simply make people's lives better.

Some of those outcomes are measurable. For example, our recent funding has resulted in 469 young people moving into the world of work in jobs they never dreamt they would get, and 501 people moving from housing crisis to having a place to call home. However many positive outcomes are not measurable, be it inspiration of individual confidence or personal effectiveness or simply bringing visible hope and opportunity to communities. We are proud of the many occasions on which it emerges that our Foundation's work is, through the work of others, delivering these and many other benefits that may be intangible but are no less important.

Measurable or not, it remains a huge privilege to work with so many people bringing lasting change for the better where it is needed most, and with the colleagues, partners, funders, mentors, volunteers and so many others that are contributing their time, energy, expertise and inspiration towards such worthwhile ends. To all of you: a heartfelt thank you. We look forward to working with as many of you as possible to make 2018 even bigger and even better.

Edward Wakefield
Chair of the Board of Trustees
26 March 2018

The Virgin Money Foundation Trustees' Report

Objectives and activities

Virgin Money launched the Foundation as a further demonstration of its ambition to make 'everyone better off'.

It was incorporated on 25 February 2015 as a company limited by guarantee and registered as a charity on 15 April 2015. The Foundation commenced its public activities in August 2015 with an initial focus on the North East of England and a medium-term ambition to become a national charity.

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives, planning future activities and setting the grant making policy for the period.

The Foundation has been established for the public's benefit and has two documented objectives:

- to promote the sustainable regeneration of socially or economically deprived communities in the UK. This includes, but is not limited to, providing social investment in community housing and building projects; promoting opportunities for youth work, education, training and enterprise; relieving unemployment; and the promotion of other community based projects; and
- to support other charitable purposes in the UK, as the Trustees in their absolute discretion determine.

In practice, the first of these objectives presently commands the Trustees' exclusive attention.

The Foundation defines economically and socially deprived areas as typically characterised by some or all of: poor access to employment opportunities, limited or no access to capital or assets; and/or limited potential to attract other sources of potential community cohesion. Together these factors often lead to net migration away from these areas, a cycle of deprivation and ultimately community breakdown. The English Indices of Deprivation are also a key reference point to assess whether an area fits the Foundation's criteria.

The Foundation typically provides both financial and non-financial support to charities and social enterprises through its grant making programmes.

Measures of success

We launched the Foundation's first grant making in August 2015 and since this time have awarded £4,931,105 through three funds: the North East Fund, Ripple Fund and #iwill Take Action Fund. We measure the effectiveness of our grant making and the non-financial support we give to charitable organisations against the following objectives. We aim:

1. To deliver a North East Fund that enables work in the most disadvantaged communities supporting homeless people into affordable accommodation, young people into sustainable jobs and the development of new social enterprises.

We measure the geographic and thematic spread of our grants and the outcomes achieved by funded activity.

2. To deliver an #iwill Take Action Fund that supports young people from the most disadvantaged communities in the North East to develop a habit of social action, using their talents and energies to make a big difference to their local community.

We measure the numbers of young people engaging with social action activities as a result of our grants, and the leadership roles given to young people within #iwill Take Action activity.

3. To support innovative projects that create significant change in their communities through our Ripple Fund grants.

We measure the impact of the funded activities in their location and evaluate the wider effects of the work.

4. To go beyond pure grant making, supporting organisations in their development through providing skilled volunteers and expertise from our Virgin Money colleagues.

We measure the growth in scale of non-financial support given to the charities we fund and the feedback given regarding its value.

The Virgin Money Foundation Trustees' Report

Strategy

During the year the Trustees of the Foundation developed its strategy, agreeing a new work plan for 2018-2020. Core to this is a commitment to:

- Use the Virgin Money brand to convene people to think through the key issues we seek to address, find solutions and catalyse change;
- Invest in solutions, backing entrepreneurs to drive positive change within communities; and
- Provide non-financial support to beneficiaries to help them increase their resilience or social impact.

Achievements and performance

North East Fund

During the calendar year to 31 December 2017, 25 grants were made through the North East Fund totalling £835,368.

Of this, £59,466 represents 4 grants made between January and March 2017 under the 2016 North East Fund. These grants were made following the end of the 2016 calendar year but within the fiscal year to which the UK government, as funder of the North East Fund, operates.

The remaining 21 grants, totalling £775,902, were made under the 2017 North East Fund, which we launched in May 2017.

The total 25 grants awarded from the North East Fund were spread across our fund objectives as follows:

Theme	Number of Awards	Total Awarded
Homelessness	10	10 awards totalling £331,572 (4 awards totalling £59,466 from the 2016 fund; 6 awards totalling £272,106 from the 2017 fund)
Young People	11	11 awards totalling £394,324 from the 2017 Fund
Social Enterprise	4	4 awards totalling £109,472 from the 2017 fund

Ripple Fund

During 2017 we awarded our first grants through the Ripple Fund. Designed to support sustainable regeneration in local communities, the Ripple Fund enables activity that is likely to have a ripple effect beyond its immediate context. During the year we awarded £1,411,943 in Ripple Fund grants.

As with all of the Foundation's work, we are focused particularly on supporting people with the vision, drive and ability to tackle social and economic disadvantage in their local community. Each Ripple Fund award comes with a commitment to provide non-financial support to the organisation, with the aim of deepening the resilience, reach or impact of their work.

During the year we made the following Ripple Fund awards:

Scotcash – A grant of £300,000 for the expansion of their financial inclusion service from Glasgow to Edinburgh.

Emmaus North East – A grant of £250,000 awarded for the development of their new community and social enterprise in South Shields.

Edberts House – A grant of £216,508 awarded for the refurbishment of their community house in Gateshead and expansion of their activity between 2017 and 2019.

Back On The Map – A grant of £288,935 to purchase and refurbish empty and run down properties in Hendon, Sunderland and to support the development of an ethical lettings service applying best practice in renting the properties to local households.

Key Fund Enterprises – A grant of £56,500 to establish a social enterprise incubator in Newcastle upon Tyne supporting social innovators.

The Virgin Money Foundation Trustees' Report

North East Theatre Trust – a grant of £300,000 to replicate their existing Live Tales programme into the Music, Arts and Culture Quarter of Sunderland, playing a key role in the arts-led regeneration programme of the city.

#iwill Take Action Fund

In August 2017, we launched the #iwill Take Action Fund. #iwill is a UK-wide campaign aiming to get 6 out of 10 young people involved in social action by 2020. The #iwill fund is made possible thanks to £40 million joint investment from the National Lottery and the Department for Digital, Culture, Media and Sport to support young people access high quality social action opportunities. Social action involves activities such as campaigning, fundraising and volunteering, all of which enable young people to make a positive difference to their communities.

The National Lottery and the Department for Digital Culture, Media & Sport are each investing £20 million seed funding over four years to create the #iwill fund. The Foundation is acting as a match funder and awarding grants on behalf of the #iwill fund through its bespoke #iwill Take Action Fund.

The Foundation launched with a question. 'What do you see?' We asked people what potential they see in their local communities and they told us of their dreams and vision. We believe that these visions are important and that, when resourced and supported, big changes can happen locally. Through the #iwill programme we will seek to ask young people this same question and provide the resources and support to enable them to turn their vision into reality through their own social actions.

During 2017 we awarded five Partnership Grants through the #iwill Take Action Fund totalling £743,261. These awards have created significant new social action opportunities for young people across the North East of England.

Awards were made to:

Baltic Centre For Contemporary Art – a grant of £150,000 to work with young people in Gateshead to create social change through using dynamic contemporary art, co-created with inspirational artists.

Youth Focus North East – a grant of £146,097 to deliver 50 local challenges in 50 local communities working with young people across the North East to take action on local issues, working alongside their peers and older members of the community.

Keyfund Federation Ltd - a grant of £148,214 to work with young people across the North East to develop over 200 youth led social action projects with peer support.

Groundwork North East and Cumbria – a grant of £148,950 to support young people to campaign, volunteer and fundraise to improve green spaces and educate their community on the environment by promoting behaviour change.

Middlesbrough Football Club Foundation – a grant of £150,000 to support young people through a three stage social action programme focused on health and well-being.

Heart Of The Community Fund

As part of the ambition to become a national funder, at the end of 2016 the Trustees designated £230,000 for the creation of a Small Grants Fund to be operated in conjunction with Virgin Money's customer Lounges. This fund has been developed during 2017 and will be piloted in Spring 2018, with a full launch later in the year.

Beyond The Grant

As part of our intention to offer a wide range of support to charities beyond grant-giving, we have developed our Beyond The Grant programme. During 2017, 123 volunteers were provided to our funded organisations, including 74 skill-based volunteers offering pro bono support or volunteer placements as trustees or executive coaches for the charities we fund. We believe that the Foundation's ability to connect such professionals with the beneficiaries that we fund is, and will remain, a key differentiator. We are determined to expand this activity. We believe strongly that such interactions provide outstanding personal development for the volunteers and increase the resilience and capacity of the organisations we fund.

During 2017, colleagues from Virgin Money's HR and Creative departments delivered training sessions and workshops for the charities we fund including Management Training, Creativity Training, Coaching Skills Training and Social Media Workshops. We also worked with Virgin Money to offer four Strive to

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Thrive training days for young people from our funded organisations, providing them with a structured day of learning and preparation for the world of work. This is a further example of the benefits of close co-operation with our benefactor, Virgin Money.

Plans for future periods

Between 2018 and 2020 the Foundation will work to achieve the strategy agreed by the Trustees. This will include the development and delivery of a range of funding programmes including the North East Fund, Ripple Fund, #iwill Fund and the Heart Of The Community Fund.

The Foundation continues to explore the potential for a social investment fund to support the regeneration of socially and economically deprived communities.

Alongside all of our funding we will continue to offer non-financial support, drawing on the expertise of staff within Virgin Money to deliver skills based volunteering placements with our funded charities.

In 2018 the Foundation will continue to concentrate its grant making on the North East of England, but will additionally focus upon Norfolk as a key geography for the deployment of the Ripple Fund. Through the Heart Of The Community Fund, we will be awarding small grants in various cities across the United Kingdom by the end of 2018.

The Foundation was launched in 2015 with £4 million from the UK government and £4 million from Virgin Money. Virgin Money have confirmed that financial support will continue beyond 2018. In order to extend its reach, between 2018 and 2021 the Foundation will actively seek to diversify and increase its income streams.

Investment policy

The Foundation is in the fortunate position that its benefactor, Virgin Money, has for the time being agreed to fund the majority of the Foundation's operating costs in addition to making a grant for charitable distribution. Accordingly, the Foundation's investment policy is concerned exclusively with funds intended for distribution according to the Foundation's charitable purpose.

In this respect, the Foundation has received, and will continue to receive, relatively large amounts of funds that accumulate prior to deployment to beneficiaries. Accumulation of funds is exacerbated by (1) any delay in allocation and then deployment and (2) the necessity to retain absolute assets against absolute liabilities – e.g. where the Foundation has made a commitment without conditions over an extended period of time.

The Trustees expect that from time to time there may be some accumulation of funds prior to deployment and, as such, have adopted a clear investment policy for the Foundation as follows:

Unless the Board of Trustees specifically agrees otherwise:

1. The Foundation must hold at least 100% of the value of any conditionless committed funding calls expected within the next 6 months in immediately realisable cash on deposit.
2. The Foundation must hold the balance of any conditionless funding commitments either in immediately realisable cash on deposit or in cash realisable within 120 or fewer days.
3. The Foundation may hold up to 50% of its uncommitted funds in AA or better rated government bonds provided (i) any funds so committed are realisable within 181 or fewer days (ii) any currency risk is hedged completely and (iii) no credit risk is taken other than systemic and/or counterparty risk – i.e. any securities are bought on a yield to redemption basis.
4. The balance of uncommitted funds must be held as cash realisable within 181 or fewer days.
5. Any cash on deposit must be held within an institution approved by the Board having regard first to its creditworthiness, second to the rate of interest being paid and third the extent to which the proposed institution and/or financial product constitutes an ethical investment.
6. No more than £1 million should be held with any one institution without the Board's explicit prior approval, to be renewed at each Board meeting, and there is a normal presumption against this.

The Virgin Money Foundation Trustees' Report

Reserves policy

The Trustees review the reserves policy annually and monitor the level of reserves throughout the year. Unrestricted funds are held with the aim of enabling the Foundation to meet its current funding commitments. In addition, the Trustees have agreed that it is prudent to hold sufficient reserves to cover 6 months (2016: 3 months) non-grant expenditure for contingency purposes.

Financial review

Summary financial information	2017	2016
	£'000	£'000
Total funds brought forward	2,096.8	957.1
Grants and donations received	3,286.1	2,400.7
Other income	23.5	2.9
Expenditure on charitable activities	(3,422.2)	(1,263.9)
Net (expenditure)/income	(112.6)	1,139.7
Total funds carried forward	1,984.2	2,096.8

Income

Income in 2017 totalled £3,309,656 (2016: £2,403,537). The Foundation received £1,000,000 from the UK Government. This represented the third instalment of the total £4,000,000 of grant funding pledged to the Foundation over four years. The Foundation received £850,000 from Big Lottery Fund for deployment as grants under the #iwill Take Action Fund. The Foundation also received grants and donations of £1,003,794 (2016: £1,182,600) from Virgin Money in 2017 (£1,000,000 pledged when the Foundation was first launched plus donations during the year of £3,794). In addition, Virgin Money donated services to the Foundation totalling £432,346 (2016: £254,100). The donated services represent the provision of the Foundation's core staff as well as office space, technology, legal and accountancy support, and the remuneration of the auditors.

Expenditure

Expenditure in 2017 totalled £3,422,215 (2016: £1,263,900). The Foundation's expenditure was used to fund charitable causes and support the running of the Foundation, the activities of which are entirely charitable and accord with its objectives.

The Foundation awarded 36 grants in 2017 (2016: 26 grants) totalling £2,990,572 (2016: £1,044,884). Grants were made for amounts between £3,000 and £300,000. During 2017, one recipient of a North East Fund grant awarded in 2016, returned £1,464 to the Foundation. This amount has been recognised as a deduction to expenditure in the current year.

The Foundation also recorded £433,107 (2016: £255,000) of operational costs, comprising £432,346 (2016: £254,100) of services donated by Virgin Money and £761 (2016: £900) relating to bank charges.

Reserves

The Foundation's reserves at 31 December 2017 totalled £1,984,200 (2016: £2,096,800), comprising restricted reserves of £1,182,301 (2016: £59,500) and unrestricted reserves of £801,899 (2016: £2,037,300).

The unrestricted reserves include £626,899 (2016: £1,862,300) for grant making and £175,000 (2016: £175,000) as a contingency for non grant making expenditure in line with our reserves policy.

The Virgin Money Foundation Trustees' Report

Designated Funds

The unrestricted funds for grant making include the following designated funds:

Designation	Amount	Likely timing of expenditure
Small Grants Fund	£230,000	2018-2020

Structure, governance and management

The structure, governance and management of the Foundation are as follows:

- The Foundation was incorporated as a private company limited by guarantee (Company no. 09457101) on 25 February 2015.
- The Foundation was subsequently registered as a charity on 15 April 2015 (Charity no. 1161290) and operates in accordance with its Memorandum and Articles of Association.
- Virgin Money Holdings is the sole member of the Foundation, but the Foundation is governed by an independent Board of Trustees, who set the strategy of the Foundation and approve all grants.
- The Trustees have identified the major risks to which the Foundation is exposed. The major risks identified include, but are not limited to: failure to follow proper process in the assessment of applications and allocation of funds; failure to ensure activity and funding addresses the Foundation's core charitable purpose; and failure to implement robust governance in accordance with the requirements of the Charity Commission, Virgin Money and the UK Government. The Foundation has established clear processes and governance to address and monitor its key risks, including a monthly review of operational risk management and a detailed Operating Framework Agreement with Virgin Money. During 2017 the Trustees developed an Audit, Finance and Risk Committee, to provide additional governance oversight of the Foundation's Risks.
- The Foundation has a conflicts of interest policy, and a register of Trustee interests is maintained. Trustees declare any conflicts of interest at the start of each Board meeting, and withdraw from decisions where there is a conflict.
- The Foundation has a Governance Manual which:
 - (i) provides an overview of the governance structures and processes by which the Trustees control and supervise the activities of the Foundation;
 - (ii) provides an outline of the Foundation's management structure and operational governance; and
 - (iii) summarises the Foundation's approach to conflicts of interest and brand protection.

The Trustees who served during the period and up to the date of signing the financial statements are listed on page 2, which information is incorporated into this report by reference. Tim Arthur and Stephen Pearson are employees of Virgin Money. The Foundation's policies regarding Trustees are as follows:

- Virgin Money appoints the Trustees, but Virgin Money and the Trustees must use their reasonable endeavours to ensure that at least 50% of the Trustees at any one time, within a year of incorporation, and thereafter, are not employees, directors or officers of Virgin Money. The Trustees may also co-opt up to three Trustees.
- The first Trustees shall initially serve in office for one year, after which they must retire but shall be eligible for re-appointment. Thereafter, all Trustees can serve in office for multiple consecutive terms, subject to each term being no longer than three years.
- It is the Foundation's policy that every Trustee should, if necessary, receive training when appointed to the Board, and subsequently as required or requested. The Foundation's induction process is designed to ensure that every new Trustee understands his or her responsibilities.

The Virgin Money Foundation Trustees' Report

During 2017 the Trustees established a Funding Recommendations Panel. The Funding Recommendations Panel considers all funding recommendations for amounts of £60,000 or less. The Funding Recommendations Panel makes a recommendation regarding funding to the full Board of Trustees. All final decisions regarding the structure of the Foundation's funding programmes and the allocation of funds to individual projects are agreed by a majority vote of the Foundation's Trustees at a formal meeting of the Board. Trustees are required to excuse themselves from voting and influencing the discussion should any conflict of interest arise in relation to a potential project. In the event of no clear decision being reached as a result of a vote, the Chair has the deciding vote.

The Trustees do not receive any emoluments in respect of services provided to the Foundation although the Foundation meets the costs of the Trustees' travel to and from meetings, plus accommodation where required (within the bounds of its adopted expenses policy).

The Foundation had appropriate Directors' and Officers' insurance cover, as well as Professional Indemnity insurance cover, in place throughout 2017.

Colleagues and remuneration

The Trustees delegate day-to-day management of the Foundation to the Executive Director, Nancy Doyle-Hall, who is supported by a Programme Manager, a Programme Officer and a Programme Support Assistant.

All Foundation colleagues are employed by Virgin Money and therefore matters of salary and review are administered in line with the organisation's Remuneration Policy. The Chair of the Board of Trustees provides detailed feedback on the performance of the Executive Director as part of the annual pay review process.

Key relationships

The Foundation currently receives funding for its charitable activities from Virgin Money, Big Lottery Fund and from the UK government. Virgin Money also covers the majority of the Foundation's operating costs via donations and provides additional operational support.

Guarantees

In the event of the Foundation being wound up, the liability of the sole member of the Foundation, Virgin Money Holdings, is limited to £1. The total number of such guarantees at 31 December 2017 was one.

Disclosure of information to auditors

In so far as the Trustees who hold office at the date of approval of this Trustees' Report are aware:

- there is no relevant audit information of which the Foundation'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 Foundation's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members, or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

The Virgin Money Foundation Trustees' Report

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' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 and signed on its behalf on 26 March 2018 by:

Edward Wakefield
Chair of the Board of Trustees

The Virgin Money Foundation
Independent Auditors' Report

Independent auditors' report to the member of The Virgin Money Foundation

Report on the audit of the financial statements

Opinion

In our opinion, The Virgin Money Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the statement of financial activities (including the income and expenditure account), the cash flow statement for the year then ended; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we

The Virgin Money Foundation
Independent Auditors' Report

conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

The Virgin Money Foundation
Independent Auditors' Report

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Shujaat Khan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
26 March 2018

The Virgin Money Foundation
Statement of Financial Activities
(Including Income and Expenditure Account)

For the year ended 31 December

	Note	2017			2016
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total Funds £'000
Income from:					
Donations and legacies	2	1,436.1	1,850.0	3,286.1	2,400.7
Other income	3	23.5	-	23.5	2.9
Total income		1,459.6	1,850.0	3,309.6	2,403.6
Expenditure on:					
Charitable activities	4	(1,845.0)	(1,577.2)	(3,422.2)	(1,263.9)
Total expenditure		(1,845.0)	(1,577.2)	(3,422.2)	(1,263.9)
Net (expenditure)/income in funds for the year					
	5	(385.4)	272.8	(112.6)	1,139.7
Transfers between funds		(850.0)	850.0	-	-
Net movement in funds for the year		(1,235.4)	1,122.8	(112.6)	1,139.7
Reconciliation of funds:					
Total funds brought forward		2,037.3	59.5	2,096.8	957.1
Total funds carried forward		801.9	1,182.3	1,984.2	2,096.8

The Statement of Financial Activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing operations.

The accompanying notes form an integral part of these financial statements.

The Virgin Money Foundation
Balance Sheet

As at 31 December

	Note	2017 £'000	2016 £'000
Current assets			
Debtors	7	674.1	234.5
Cash at bank and in hand	8	3,238.4	2,399.6
Total current assets		3,912.5	2,634.1
Liabilities			
Creditors: Amounts falling due within one year	9	(1,450.8)	(537.3)
Net current assets		2,461.7	2,096.8
Total assets less current liabilities		2,461.7	2,096.8
Creditors: Amounts falling due after one year	9	(477.5)	-
Total net assets	13	1,984.2	2,096.8
The funds of the charity			
Restricted income funds	11	1,182.3	59.5
Unrestricted income funds	12	801.9	2,037.3
Total charity funds	13	1,984.2	2,096.8

The accompanying notes form an integral part of these financial statements.

The financial statements have been prepared in accordance with the provisions of the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees and were signed on its behalf on 26 March 2018:

Edward Wakefield
Chair of the Board of Trustees

The Virgin Money Foundation
Cash Flow Statement

For the year ended 31 December

		2017	2016
		£'000	£'000
Cash flows from operating activities			
Net cash provided by operating activities	(a)	838.8	892.5
Change in cash and cash equivalents in the reporting period		838.8	892.5
Cash and cash equivalents at the beginning of the reporting period		2,399.6	1,507.1
Cash and cash equivalents at the end of the reporting period	(b)	3,238.4	2,399.6

(a) Reconciliation of net movement in funds to net cash flows from operating activities

		2017	2016
		£'000	£'000
Net movement in funds for the reporting period (as per the Statement of Financial Activities)		(112.6)	1,139.7
Adjustments for:			
Increase in debtors		(439.6)	(165.4)
(Decrease)/increase in creditors		1,391.0	(81.8)
Net cash provided by operating activities		838.8	892.5

(b) Analysis of cash and cash equivalents

		2017	2016
		£'000	£'000
Cash at bank and in hand		3,238.4	2,399.6
Total cash and cash equivalents		3,238.4	2,399.6

The accompanying notes form an integral part of these financial statements.

The Virgin Money Foundation
Notes to the Financial Statements

1. Accounting policies

(a) Reporting entity

The Foundation is a company limited by guarantee incorporated in England and Wales and has no share capital. The member of the Company is Virgin Money Holdings (UK) plc. In the event of being wound up, the liability of the member in respect of the guarantee is limited to £1.

(b) Basis of preparation and going concern

The 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.

The financial statements, which should be read in conjunction with the Trustees' Report, are prepared in compliance with the Companies Act 2006, the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('the SORP') and applicable accounting standards in the United Kingdom (UK GAAP).

The Foundation has adjusted the formats from those prescribed by the Companies Act 2006 to include headings that are relevant to its activities, to enable it to show a true and fair view.

External funding has been pledged from the UK Government until April 2019. Virgin Money have confirmed that financial support will continue beyond 2018. In addition all operating costs will be covered by Virgin Money under the framework agreement during this period. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting to be appropriate in preparing the annual financial statements.

The Foundation's financial statements are presented in pounds sterling, which is the functional currency of the Foundation.

The principal accounting policies, which have been applied consistently in the period, are set out below.

(c) Reserves policy

The Trustees review the reserves policy annually and monitor the level of reserves throughout the year. Unrestricted funds are held with the aim of enabling the Foundation to meet its current funding commitments. In addition, the Trustees have agreed that it is prudent to hold sufficient reserves to cover 6 months non-grant expenditure for contingency purposes.

General reserves are unrestricted funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Foundation and that have not been designated for other purposes.

(c) Fund accounting

Designated funds comprise unrestricted funds that have been set aside at the discretion of the Trustees for specific purposes. The aim and use of each designated fund is set in note 12.

Restricted funds are subject to specific restrictions imposed by the originator of the income. These include grants and contracts from institutions for provision of specific grants to beneficiaries, activities or services. Costs are charged against the specific fund in line with donor rules. An analysis of the restricted funds is set out in note 11.

Income and gains are allocated to the appropriate fund.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

The Virgin Money Foundation
Notes to the Financial Statements

1. Accounting policies (continued)

(e) Income resources

Income, including donations and grants, is recognised when there is evidence of entitlement, receipt is probable, and its amount can be measured reliably. In the case of a grant, evidence of entitlement is considered to exist when the formal offer of funding is communicated to the Foundation. Where grants contain terms or performance conditions which have not been met at the reporting period, the grant received is deferred as a liability and shown in the balance sheet as deferred income. Deferred income is then released to income in the reporting period in which the performance related or other conditions that limit recognition are met.

Grants from governments and organisations which provide core funding, or are of a general nature, are included as 'Income from donations and legacies'. Income is recognised in accordance with the terms of the funding agreement or contract.

Donated services and facilities are included as 'Income from donations and legacies' at their estimated value to the Foundation when received, and under the appropriate expenditure heading depending on the nature of service or facility provided, at the same value and time.

(f) Resources expended

Grants payable are made to third parties in the furtherance of the charitable objects of the Foundation. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the Foundation.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Foundation that would permit the Foundation to avoid making future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made.

A contingent liability is identified and disclosed for those grants resulting from:

- A possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- A present obligation following a grant offer where settlement is either not considered probable; or
- The amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

Allocation of Expenditure

Charitable activities include the direct costs of the grant awards and the indirect support costs of delivering the grant programmes. 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 staff costs. The allocation methodology is reviewed annually to ensure that it is still applicable.

The Virgin Money Foundation
Notes to the Financial Statements

1. Accounting policies (continued)

(g) Taxation

The Foundation is a registered charity and is thus exempt from tax on income and gains falling within chapter 3 of part 11 of the Corporation Tax Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to charitable objects. No tax charges have arisen.

Irrecoverable VAT is not separately analysed and is charged to the Statement of Financial Activities when the expenditure to which it relates is incurred, and is allocated as part of the expenditure to which it relates.

2. Donations and legacies

	2017 Unrestricted £'000	2017 Restricted £'000	2017 Total £'000	2016 Total £'000
UK Government grant	-	1,000.0	1,000.0	964.0 ¹
Big Lottery Fund grant	-	850.0	850.0	-
Virgin Money grant	1,000.0	-	1,000.0	1,000.0
Virgin Money donations	3.8	-	3.8	182.6
Virgin Money donation of services	432.3	-	432.3	254.1
Total	1,436.1	1,850.0	3,286.1	2,400.7

¹ During 2016, one recipient of a North East Fund grant awarded in 2015 and reported in the 2015 Annual Report and Accounts concluded that its ambitions as stated in its application were not achievable. As such £36,000, being the unspent element of the grant, was returned to the Cabinet Office as the original funder and was recognised as a deduction to income and expenditure in 2016.

Virgin Money provides the Foundation with services, including provision of the Foundation's core staff, office space, technology, legal and accountancy support. The value of these services is treated as a donation to the Foundation. Further analysis of the services donated by Virgin Money is shown in note 4.

3. Other income

	2017 Unrestricted £'000	2017 Restricted £'000	2017 Total £'000	2016 Total £'000
Bank interest	23.5	-	23.5	2.9
Total	23.5	-	23.5	2.9

The Virgin Money Foundation
Notes to the Financial Statements

4. Expenditure on charitable activities

(a) Charitable activities by objective

	2017					2016 Total £'000
	Restricted £'000	Grants Unrestricted £'000	Total Grants £'000	Support costs Unrestricted £'000	Total £'000	
Programmes:						
North East Fund	833.9	-	833.9	78.7	912.6	1,151.0
#iWill Take Action	743.3	-	743.3	70.1	813.4	-
Ripple Fund	-	1,411.9	1,411.9	133.2	1,545.1	-
Governance	-	-	-	151.1	151.1	112.9
Total	1,577.2	1,411.9	2,989.1	433.1	3,422.2	1,263.9

Where possible, support costs are allocated on an individual basis to the relevant objective or to governance costs. If costs are not directly attributable to a particular objective or to governance, they are apportioned on the basis of the approximate time allocated by the chief executive and other officers between the Foundation's charitable objectives and governance.

(b) Analysis of grants payable

The grants payable are further analysed below:

	2017 Grants to Institutions £'000	2016 Grants to Institutions £'000
Helping disadvantaged young people into employment	392.9	451.0
Supporting new or existing social enterprises	109.5	117.2
Helping homeless people find and keep a home	331.6	476.7
Other sustainable regeneration in local communities	1,411.8	-
Promoting participation in youth social action	743.3	-
Total grants payable	2,989.1	1,044.9
Less grant returned to UK Government	-	(36.0) ¹
Expenditure on grants	2,989.1	1,008.9

¹ During 2016, one recipient of a North East Fund grant awarded in 2015 and reported in the 2015 Annual Report and Accounts concluded that its ambitions as stated in its application were not achievable. As such £36,000, being the unspent element of the grant, was returned to the Cabinet Office as the original funder and was recognised as a deduction to income and expenditure in 2016.

No grants in 2017 and 2016 were payable to individuals.

(c) Support costs

	2017 £'000	2016 £'000
Staff costs relating to charitable activities	147.4	95.4
Staff costs relating to governance	66.2	47.0
Governance costs	84.9	65.9
Other costs	134.6	46.7
Total support costs	433.1	255.0

Support costs comprise of £432,346 (2016: £254,100) of services donated by Virgin Money and £761 (2016: £900) relating to bank charges.

The Virgin Money Foundation
Notes to the Financial Statements

4. Expenditure on charitable activities (continued)

Virgin Money has entered into a framework agreement with the Foundation to provide support services. Under the terms of this agreement, the Foundation is provided with staff, office space, and facilities.

Virgin Money also provides human resources services, IT and other administrative support to the Foundation. All support costs relate to the Foundation's grant making activities, and are incurred by Virgin Money and donated to the Foundation.

(d) Auditors' remuneration

	2017	2016
	£'000	£'000
Fees payable to the Foundation's auditors for the audit of the Foundation's Annual Report and Accounts	7.2	7.2
Total auditors' remuneration	7.2	7.2

The statutory audit fee was included within the Virgin Money audit fee paid by Virgin Money. The value of this service has been estimated to be £7,200 (2016: £7,200) and has been treated as a donation from Virgin Money.

5. Net income for the period

Net income for the period is stated after charging:

	2017	2016
	£'000	£'000
Auditors' remuneration	7.2	7.2
Trustees' expenses	6.3	4.3
Bank charges	0.8	0.9

None of the Trustees received any emoluments in respect of services to the Foundation.

Trustees' expenses

Trustees' expenses include amounts reimbursed to Trustees for out of pocket expenses and amounts paid to third parties for costs including travel, accommodation, subsistence and training. Trustees are reimbursed for travel when claimed. During the year, eight Trustees received reimbursements of personal travel amounting in aggregate to £6,275 (2016: four Trustees received reimbursements of personal travel amounting in aggregate to £4,295). These expenses were funded by Virgin Money and treated as a donation to the Foundation.

6. Employee information

The Foundation did not directly employ any staff during the year (2016: none). The services of individuals were obtained from Virgin Money as a donation of service to the Foundation. The table below shows the total costs for staff working for the Foundation but employed and paid by Virgin Money.

	2017	2016
	£'000	£'000
Wages and salaries	179.3	121.3
Social security costs	15.9	9.3
Other pension costs	18.4	11.8
Total staff costs	213.6	142.4

The Virgin Money Foundation
Notes to the Financial Statements

6. Employee information (continued)

Included in the table above is one individual who received total employee benefits (excluding employer pension costs) for the reporting period of between £90,001 and £100,000.

The monthly average number of persons working for the Foundation but employed and paid by Virgin Money during 2017 was four (2016: three).

7. Debtors

	2017	2016
	£'000	£'000
Accrued income	674.1	234.5
Total	674.1	234.5

8. Cash at bank and in hand

	2017	2016
	£'000	£'000
Cash and bank balances	3,238.4	2,399.6
Total	3,238.4	2,399.6

9. Creditors

Amounts falling due within one year

	2017	2016
	£'000	£'000
Accruals for grants payable	1,450.8	537.3
Total	1,450.8	537.3

Amounts falling due after one year

	2017	2016
	£'000	£'000
Accruals for grants payable	477.5	-
Total	477.5	-

Reconciliation of grants payable

	2017	2016
	£'000	£'000
Opening balances brought forward	537.3	619.1
Grants awarded in the period	2,989.1	1,044.9
Grants paid in the period	(1,598.1)	(1,090.7)
Grants returned to UK Government	-	(36.0)
Grants payable carried forward	1,928.3	537.3

The Virgin Money Foundation
Notes to the Financial Statements

10. Contingent liabilities

Contingent liabilities are disclosed unless the possibility of their existence is remote. The Trustees are not aware of any significant contingent liabilities as at 31 December 2017 (31 December 2016: none).

11. Restricted income funds

The movements on the restricted funds are as follows:

	Opening balances brought forward at 1 January 2017 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Fund balances carried forward at 31 December 2017 £'000
UK Government	59.5	1,000.0	(833.9)	-	225.6
Big Lottery Fund #iwill fund Grant	-	850.0	(743.3)	850.0	956.7
Total	59.5	1,850.0	(1,577.2)	850.0	1,182.3

The Foundation applies for funding from the UK Government following the approval of successful grant applications by the Trustees. As funding is provided in relation to specific grants awarded by the Foundation, the funds provided by the UK government are treated as restricted income funds.

During 2017, the Foundation received £850,000 from Big Lottery Fund for deployment as grants under the #iwill Take Action Fund. This £850,000 was matched by a fund transfer of £850,000 from the Foundation's unrestricted fund (see note 12 below). Both amounts are now treated as restricted income funds.

12. Unrestricted income funds

The movements on the unrestricted funds are as follows:

	General £'000	Designated: #iwill £'000	Designated: Scotcash £'000	Designated: Small Grants Funds £'000	2017 Total £'000	2016 Total £'000
At the beginning of the period	657.3	850.0	300.0	230.0	2,037.3	852.7
Net income / expenditure for the year	(85.4)	-	(300.0)	-	(385.4)	1,184.6
Transfers between funds	-	(850.0)	-	-	(850.0)	-
At the end of the period	571.9	-	-	230.0	801.9	2,037.3

The Small Grants Fund, which was designated in 2016, has been developed during 2017 and will be piloted in the first half of 2018, with a full launch later in the year.

The Virgin Money Foundation
Notes to the Financial Statements

13. Analysis of net assets between funds

	Unrestricted					Restricted Fund £'000	2017 Total £'000	2016 Total £'000
	General £'000	Designated: #iwill £'000	Designated: Scotcash £'000	Designated: Small Grants Funds £'000				
Current Assets	1,477.6	-	-	230.0		2,204.9	3,912.5	2,634.1
Current liabilities	(905.7)	-	-	-		(1,022.6)	(1,928.3)	(537.3)
Net Assets	571.9	-	-	230.0		1,182.3	1,984.2	2,096.8

14. Related party transactions

	Transaction value 2017 £'000	Balance outstanding as at 31 December 2017 £'000	Transaction value 2016 £'000	Balance outstanding as at 31 December 2016 £'000
Donations received from Virgin Money plc:				
Grant and additional donations	1,003.8	-	1,182.6	175.0
Donation of services	432.3	-	254.1	-
Recharges and trading balances with Virgin Money plc	(432.3)	-	(254.1)	-
Interest received from Virgin Money plc	22.4	-	2.9	-

The Foundation receives donations from Virgin Money plc, a wholly owned subsidiary of its sole member to pursue its charitable objective. Further details of donations and corresponding charges (in respect of donation of services) are shown in notes 2 and 4.

15. Subsequent events

Subsequent to the balance sheet date, the Foundation has made payments totalling **£[586,969]** in respect of grants awarded in 2017. The Foundation has also awarded further grants totalling £385,026, with the effect that the full £1 million in UK Government funding for the fiscal year to April 2018 has now been allocated. Of the £385,026 awarded subsequent to the balance sheet date, **£[nil]** has been paid out to the date of this report.

Apart from the matters disclosed above, there have been no other material events after the reporting period requiring disclosure between 31 December 2017 and the signing of these financial statements.

The Virgin Money Foundation
Notes to the Financial Statements

16. Grants approved in 2017

Grants approved in 2017 are as follows:

Name of institution	£'000
The A690 Youth Initiative	45.6
Back on the Map Limited	288.9
BALTIC Flour Mills Visual Arts Trust	150.0
Barnabas – Safe & Sound	3.0
Berwick Youth Project	34.2
Bright Futures	49.0
The Cyrenians Limited ¹	50.0
Developing Initiatives for Support in the Community Limited	49.9
East Durham Business Service Limited	35.2
Edberts House	216.5
Emmaus North East	250.0
The Five Lamps Organisation	12.0
Food Nation ¹	35.1
Foundation of Light	40.0
Fourth Action	15.7
Groundwork North East	149.0
Handcrafted Projects	40.2
Hartlepool Citizens Advice Bureau	49.4
Hospitality and Hope	33.8
Justice Prince CIC	43.0
Key Fund Investments Limited	56.5
North East Theatre Trust Limited	300.0
Middlesbrough Football Club Foundation	150.0
The Community Network (NE) CIC	40.6
My Sister's Place	42.0
Nacro	40.6
Scotcash CIC	300.0
Southwick Neighbourhood Youth Project	31.6
The Cornforth Partnership	48.0
The Ethical Lettings Agency	14.2
Keyfund Federation Limited	148.2
Wheels 2 Work County Durham	24.5
YMCA North Tyneside ²	57.8
Youth Focus North East	146.1
Total grants approved in 2017	2,990.6

¹ Joanne Curry, Vice Chair of the Virgin Money Foundation is also an Executive Director of the Cyrenians Limited. Ms Curry was not involved in the decision making regarding this award.

² The amount shown consists of two separate grants awarded to this institution during the year.