

MONEY FOUNDATION

Annual Report and Accounts
for the period ended 31 March 2025



Contents

Company Information	03
Chair's Statement	04
Our Approach	05
Trustees' Report	09
Independent Auditor's Report	28
Statement of Financial Activities	31
Balance Sheet	32
Cash Flow Statement	33
Note to the Financial Statements	35



Company Information

The Virgin Money Foundation (the 'Foundation') is a registered charity supported by Virgin Money UK PLC, which together with its subsidiaries and controlled entities is referred to as 'Virgin Money' or the 'Group' in this Annual Report. The sole member of the Foundation is Clydesdale Bank PLC which is a wholly owned subsidiary of Virgin Money.

Following the acquisition of Virgin Money by Nationwide Building Society (Nationwide) on 1 October 2024, the Foundation's accounting reference date was changed from 30 September to 31 March in order to align to Nationwide's accounting reference date. The financial statements have therefore been prepared for the 18-month period ended 31 March 2025. Nationwide is a building society incorporated and registered in England and Wales.

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 2 October 2019. The Trustees' report on pages 9 to 27 has been prepared to satisfy the Directors' report requirements of the Companies Act 2006 as applicable to small companies.

Reference and Administrative Information

Trustees (who are also the Directors for the purposes of company law):

Amanda Jordan (Chair)
Hannah Underwood (Vice Chair)
Lorna Bennie
Keith Burge
Edward Younger
Keith Merrin
Mazin Alkirwi
Emma Isaac (appointed 6 August 2024)
Joanne Curry (resigned 26 June 2024)

Company Secretary:

Lorna McMillan

Bankers:

Clydesdale Bank PLC
177 Bothwell Street
Glasgow G2 7ER

Lloyds Bank plc
25 Gresham Street
London EC2V 7HN

Nationwide Building Society
Nationwide House
Pipers Way
Swindon SN38 1NW

Independent Auditor:

Ernst & Young 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)



Since launching our Digital Inclusion strategy the team have done an incredible job in bringing this vision to life. With every meeting we hold and every application we consider this focus feels ever more relevant to the pressing social issues of our time. Due to our rich history and trusted relationships with grass roots Community Anchors we are uniquely positioned to contribute new impacts and new insights to the wider Digital Inclusion movement in the UK."

Hannah Underwood

Vice Chair



It was a privilege to serve as Vice Chair of the Virgin Money Foundation during its formative first nine years. I witnessed firsthand the growth of inspiring community activists and social entrepreneurs; the empowerment of young people finding pathways into employment; and the vital support offered to families in need of a safe place to call home. Community Anchor organisations were strengthened to offer stability and hope to local people through both the highs and lows. The experience deepened my understanding of corporate philanthropy and, above all, volunteering as a Trustee has been one of the most enriching chapters of my life."

Joanne Curry MBE, DL

Retiring Vice Chair

Charity No:

Registered in England and Wales Charity No. 1161290
Registered in Scotland Charity No. SC050400

Chair's Statement

Welcome to the 2025 Annual Report and Accounts of the Virgin Money Foundation which covers the 18-month period ended 31 March 2025.

Over the past ten years, the Virgin Money Foundation has had the privilege of partnering with exceptional organisations rooted in and committed to their local community. Through these relationships we have heard the vision that people have for their local area, the issues that impact the lives of people living there and have funded a broad range of projects working to bring about positive, lasting change in these communities. The work we have funded spans initiatives focused upon housing, employment, regeneration and youth work. Through this work, one of the cross-cutting issues we have seen grow in severity is the issue of digital exclusion.

The North East of England and Scotland - the places our funding is concentrated in - are two of the areas of the UK facing high levels of digital poverty. Digital poverty makes life even harder for people and communities who already face more challenges than most. It disproportionately impacts lower income communities, and has a compound effect on poverty, making it increasingly difficult for people with the least financial resource to access essential services and increasing the risk of social isolation and sustained economic hardship. In late 2023, we worked with our grantees to explore this and develop a new fund that would help them to address the issue in their neighbourhood. In January 2024 the Foundation's new strategy launched and with it we opened three new programmes of work which you will read about in this report.

Since launching the strategy, we have awarded

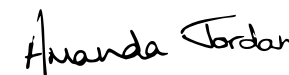
multi-year grants to 23 organisations. Each are approaching the issue of digital poverty from a different angle. Some of these grants will fund a distinct programme of digital skills training for a local community or segment of it, coupled with providing access to devices and connectivity. Other grants are introducing digital inclusion 'by stealth', building it into the range of activities these community anchors already deliver in their local community, building the confidence and interest of local people to use technology in their day-to-day lives. During the period we brought on board a learning partner, who will support the Foundation and our grantees to explore more deeply issues of digital poverty and digital inclusion, draw out learnings and work with the board and executive to iterate our strategy based on these insights.

You will read in this report that the grants we have awarded across both our grant programmes over the last year are expected to benefit 50,000 people. For every individual the story will be different. The reason we need to go online, the services we need to access there, the skills we want to develop differ person to person and context to context, so too will be the support that is needed during this transition.

Our hope is that when we look back on the activity funded through this strategy and what was achieved, we will find that the communities we fund into are better resourced to secure jobs and income, access doctors' appointments, participate in learning opportunities, support children with homework, bid for housing and report housing issues and that they have the confidence, access and skills to participate in an increasingly online world, safely and on an equal footing with those with a higher household income.

I am delighted that we have been able to work closely with Virgin Money in the development of this new strategy. You will read in this report the tangible difference their staff are making in communities across the UK as volunteers in schools and community organisations, delivering our shared ambition of tackling digital poverty. During the financial period Virgin Money was acquired by Nationwide. We look forward in the years ahead to working with Nationwide to continue and expand our commitment to local communities, a clear proof point of our collective purpose of being *for the good of society*.

As we look back at the first year of our strategy, I would like to extend my greatest thanks for the astute and generous insights of the organisations who helped us to develop our new programmes and to our portfolio of grantees whose work is making a difference, building the digital skills, access and confidence of people.



Amanda Jordan
Chair of the Board of Trustees
25 June 2025



Our Approach

Bridging the Digital Divide, Building Brighter Futures

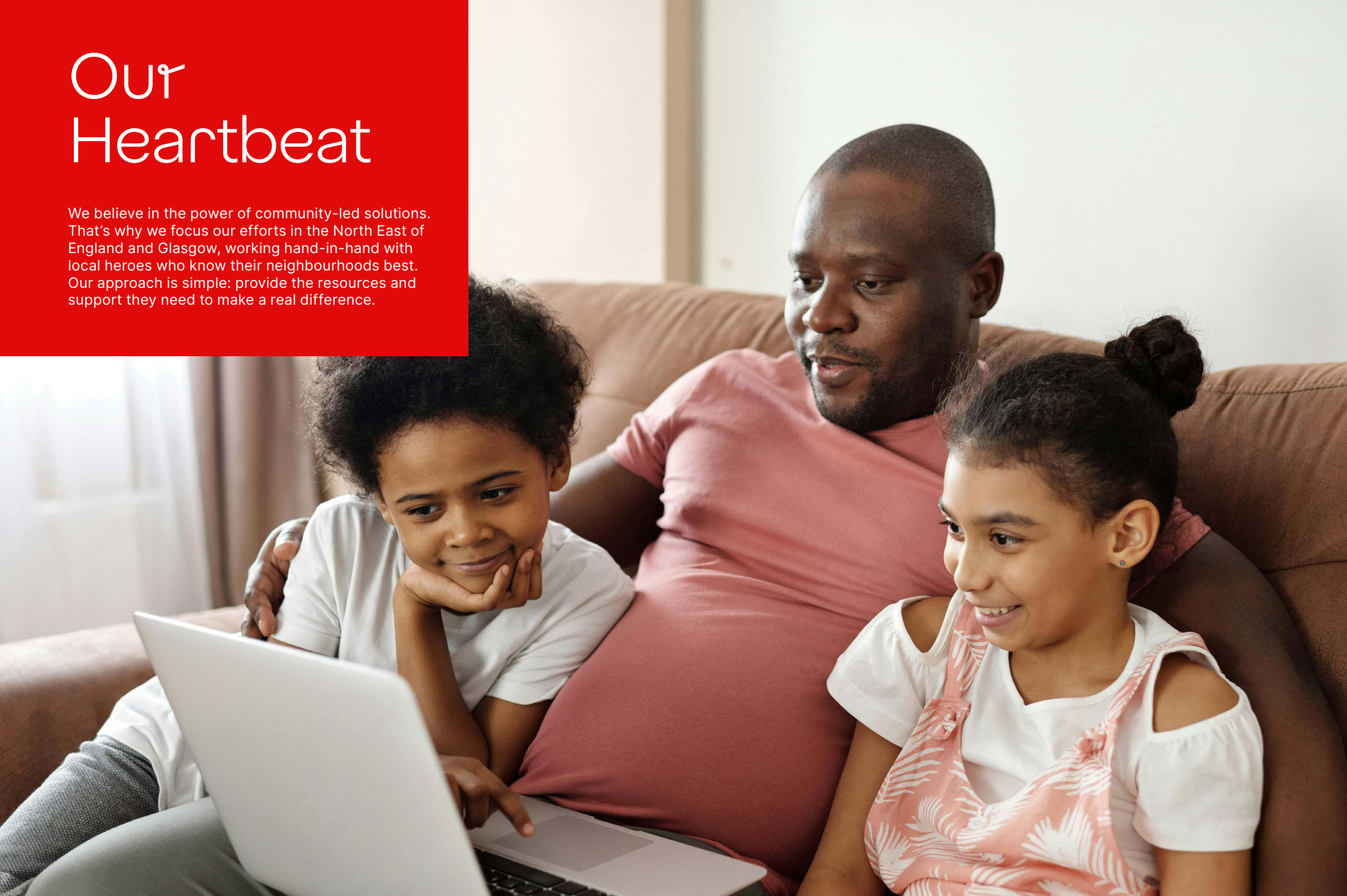
Imagine a world where everyone has the power to connect, learn, and thrive online. That's the vision driving the Virgin Money Foundation's mission to tackle digital poverty and create lasting change in communities across the UK.



Fuse Youth Cafe
Location - Glasgow

Our Heartbeat

We believe in the power of community-led solutions. That's why we focus our efforts in the North East of England and Glasgow, working hand-in-hand with local heroes who know their neighbourhoods best. Our approach is simple: provide the resources and support they need to make a real difference.



More Than Just Grants

A Strategic Approach

We're not just handing out money; we're investing in a brighter future. Our new Theory of Change guides our strategy, ensuring every pound we spend has maximum impact. We're all about hyper-localised solutions, empowering trusted community organisations to create tailored programs that truly meet the needs of their residents.



Building Digital Skills Fund:

Imagine a local community centre transformed into a digital hub, thanks to our grants of up to £100,000. We're partnering with incredible organisations to create bespoke programmes that unlock the potential of digital technology.

£2,036.3k

awarded



Volunteer and Connect Fund:

We're helping schools bridge the digital divide with grants up to £5,000 through our Volunteer and Connect Fund, providing essential tools and training. This initiative focuses on supporting schools where Virgin Money colleagues volunteer.

29,000

children impacted



Digital Champions Programme:

Virgin Money colleagues are passionate about making a difference, and we're giving them the platform to do just that. Through our Digital Champions Programme, we're training Virgin Money colleagues to become digital mentors, providing essential support to people in their local communities.

213

champions

Looking Ahead

Building a Digitally Inclusive Future

We're not stopping here. We're committed to expanding our reach and deepening our impact.

We will continue to deliver our strategy, tackling digital poverty through our three core programmes: the Building Digital Skills Fund, the Volunteer and Connect Fund, and the Digital Champions Programme. In 2025, we will publish our newly developed Theory of Change and embed our learning framework. Our learning partner, BrightPurpose, will work with our portfolio of grantees to derive learning from the activity we are funding, challenge assumptions, and test our hypotheses. In addition to these programmes, we intend to develop a new national strategic partnership focused on tackling digital exclusion on a broader scale as we believe that everyone deserves the opportunity to thrive in the digital age.



Cranhill Development Trust
Location - Glasgow

Trustees' Report

Objectives and Activities

The Foundation was incorporated on 25 February 2015 as a company limited by guarantee. It was registered as a charity on 15 April 2015 and in 2020 registered with the regulator for charities in Scotland - OSCR.

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.

Since its launch, the Foundation has awarded grants totalling £16 million. The Foundation currently concentrates its grant making on communities in the North East of England and in Glasgow. Within these geographies we fund organisations whose work benefits people in neighbourhoods at the top of the Index of Multiple Deprivation / Scottish Index of Deprivation.



Cranhill Development Trust
Location - Glasgow

Strategy

Measures of Success:

During the period, a new Theory of Change and Learning Framework has been developed, underpinning our new strategy. This details the measures of success we will be reporting against. The Theory of Change sets out:

Overall Impact

The headline impact we are seeking is a reduction in digital poverty as a result (in part or in full) of activities delivered or funded by the Virgin Money Foundation.

Primary Outcomes

The two primary outcomes that our programmes work towards are:

1. The number of people who have access to the kit and connection to get online as a result of our grant funded activity.
2. The number of people who have increased digital skills as a result of our grant funded activity.

Secondary Outcomes

These are additional measures of success relevant to individual grants we award and may be achieved as a consequence of achieving one of the primary outcomes.

Secondary outcomes may include the number of people who have improved employment prospects as a result of our grant funded activity or the number of people who are less socially isolated as a result of our grant funded activity.

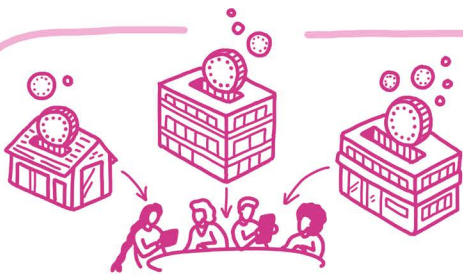
Outputs

These are activities delivered in order to achieve the outcomes and overall impact.

Outputs may include: The number of people participating in digital skills development activities, the number of Digital Champion volunteers trained, the number of people supported by Digital Champions and the number of items of digital kit purchased through the Volunteer and Connect Fund.



Justice Prince
Location - Newcastle upon Tyne



BUILDING DIGITAL SKILLS

MULTI-YEAR GRANTS TO COMMUNITY ANCHOR ORGANISATIONS TO DELIVER BESPOKE DIGITAL INCLUSION SUPPORT IN THEIR LOCAL COMMUNITY



DIGITAL CHAMPIONS

VIRGIN MONEY VOLUNTEERS BASED IN LOCAL ORGANISATIONS SUCH AS FOOD BANKS, COMMUNITY CENTRES & LIBRARIES, OFFERING RESPONSIVE DIGITAL SUPPORT



VOLUNTEER & CONNECT

FUNDING FOR SCHOOLS IN WHICH VIRGIN MONEY COLLEAGUES VOLUNTEER, PROVIDING KIT & CONNECTIVITY TO YOUNG PEOPLE



DELIVERED & EMBEDDED INTO LOCAL COMMUNITIES

CONNECTIVITY, SKILLS & DEVICES



ACCESS TO EDUCATION



EMPLOYMENT PROSPECTS



SOCIAL OR SUPPORT NETWORKS



ACCESS TO HEALTHCARE & PUBLIC SERVICES



TACKLING DIGITAL POVERTY

OUR WORKING HYPOTHESIS IS THAT HYPER-LOCALISED, TAILORED APPROACHES, DELIVERED BY TRUSTED LOCAL ORGANISATIONS, ARE NEEDED TO HELP THOSE EXPERIENCING DIGITAL POVERTY TO OVERCOME IT



PEOPLE HAVE ACCESS TO THE KIT & CONNECTIVITY TO GET ONLINE

PEOPLE HAVE INCREASED DIGITAL SKILLS & CONFIDENCE



BRIDGING THE GAPS OF ACCESS TO TECHNOLOGY

ENABLING OPPORTUNITY TO DEAL WITH DIGITAL CHALLENGES TO SERVICES & ISOLATION



INCOME & ACCESS TO BENEFITS



IMPROVED ADVOCACY



IMPROVED SAFETY INCLUDING ONLINE



IMPROVED & BETTER HOUSING OPTIONS



Cranhill Development Trust
Location - Glasgow



Charity - Peace of Mind
Location - Gateshead



Charity - Maryhill Integration Network
Location - Glasgow

Achievements and Performance

Building Digital Skills Fund

Between 2019 and 2023 the Virgin Money Foundation ran the Community Anchors' Fund, providing funding to neighbourhood based anchor organisations in the North East of England and Scotland. The Building Digital Skills Fund builds on these partnerships, resourcing community anchors in these locations to address digital poverty in their neighbourhood. The North East of England and Scotland are localities that experience high levels of digital exclusion and community anchor organisations are well placed to, or already are, responding to this, tackling digital exclusion and helping to close the digital divide.

The Building Digital Skills Fund provides grants of up to £100,000 spread over a period of up to three years. Applications to this fund are by invitation only. Building upon our hypotheses that hyper-localised, tailored approaches, delivered by trusted local organisations are what is needed to help people experiencing digital poverty to overcome

it. This fund supports community organisations to create bespoke interventions that are right for their community.

The Fund launched in February 2024 and during the financial period, we awarded 23 grants totalling £2,036.3k. Of these 14 grants totalling £1,248.0k were awarded to organisations in the North East of England and nine grants totalling £788.3k to organisations across Glasgow. In Glasgow, the Fund is delivered in partnership with HFD Charitable Foundation. The grants awarded to date through the Building Digital Skills Fund are expected to increase the digital access or confidence of 26,000 people. Throughout our strategy we seek to target funds in communities with the highest levels of need. Digital poverty disproportionately impacts low-income households. Over 80% of the Building Digital Skills grants awarded during the period were awarded to organisations based in the top 20% of deprivation as detailed in the Index of Multiple Deprivation or Scottish Index of Deprivation.

Over 40% are based in areas in the top 5% of the Index of Multiple Deprivation / Scottish Index of Deprivation. 18% of our Building Digital Skills awards during the period were made to organisations working specifically with communities facing racial inequity.



Volunteer and Connect Fund

Research suggests that 20% of children in the UK experience digital poverty. Through the Volunteer and Connect Fund, the Foundation works with colleagues across Virgin Money to help change this. Through the Fund, the Foundation provides grants of up to £5,000 to schools across the UK where a Virgin Money colleague provides sustained volunteering. The grants support digital inclusion initiatives, funding kit, connectivity, software or skills training to help children and their families become digitally connected and confident.

To ensure that our funds are spent where there is the greatest need, funding is only provided to schools in receipt of Pupil Premium or Pupil Equity Funding, and the level of grant is determined by the level of this funding.

The Fund launched in February 2024 and during the financial period we awarded 165 grants totalling £364.8k. The grants provided during the period are expected to increase the digital access or confidence of 29,000 children.



20%

of children in the UK
experience digital poverty

165

grants have been awarded
since February 2024

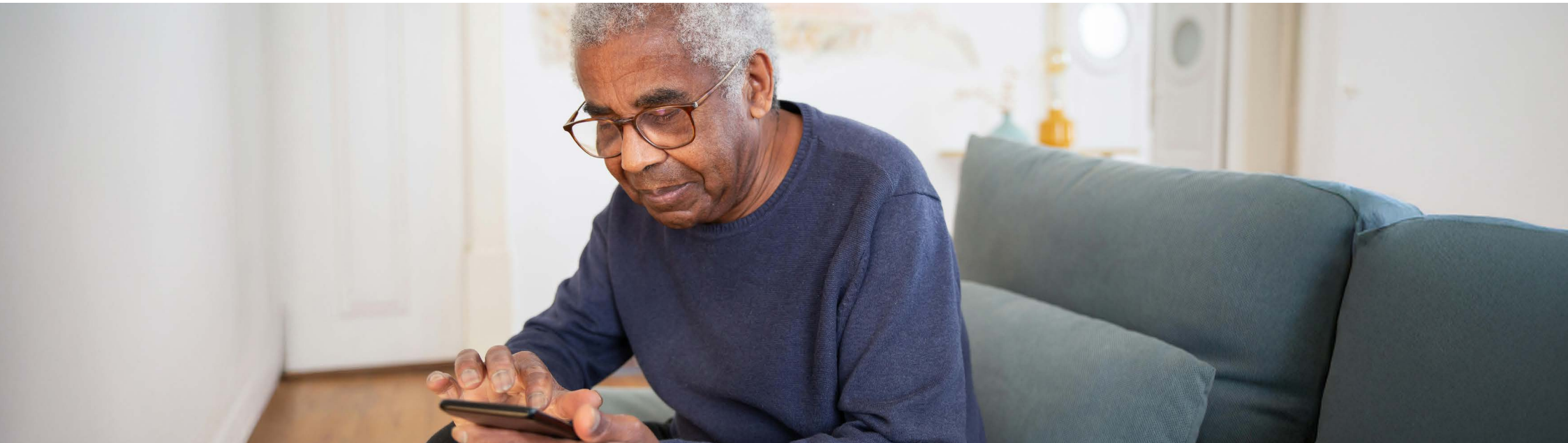
29,000

Children expected to
benefit from the grants

Digital Champions Programme

As a corporate foundation, in addition to the distribution of funds, we have access to the time and expertise of colleagues across Virgin Money, each of whom are granted volunteering days by the bank. In order to tackle digital poverty in communities across the UK we have developed the Digital Champions Programme, providing Virgin Money colleagues with the training and resources they need to volunteer in their local community, supporting people with every day digital tasks.

The pilot of the Digital Champions programme launched in June 2024. During the financial period, 218 colleagues across Virgin Money were trained as Digital Champions and between them they have provided 897 support sessions to people experiencing digital exclusion sessions delivered.



June 2024

Digital Champions pilot launched

218

Virgin Money colleagues trained

897

digital exclusion support

Digitots: Sparking a Digital Future for Glasgow's Youngest Learners

The Problem

Digital exclusion continues to be a significant barrier for many families in Glasgow, particularly those with limited access to technology at home. Rosemount Lifelong Learning, a charity based in Royston, identified that young children were missing out on the opportunity to build essential digital skills during their early years. Many of the families supported by the charity do not have regular access to digital devices, making it difficult for parents and carers to support their children's digital learning or feel confident using technology themselves.

Recognising the importance of early digital literacy in today's tech-driven world, Rosemount sought to address this gap by creating opportunities for pre-school children to explore and become comfortable with technology in a safe, supportive, and play-based environment.



Charity: Rosemount Lifelong Learning
Location: Glasgow

The Solution

With the support of a £99,600 grant from the Building Digital Skills Fund – a partnership between the HFD Charitable Foundation and Virgin Money Foundation – Rosemount Lifelong Learning launched Digitots. A pioneering initiative designed to help children aged three to five develop introductory digital skills. Delivered through engaging, play-based activities such as digital drawing on tablets, interactive games using a digital whiteboard, and exploration with various electronic devices, Digitots offers an accessible and fun way for children to gain confidence in using technology. The funding enabled the charity to appoint a part-time IT tutor and invest in new laptops to support not only the Digitots sessions but also wider efforts to tackle digital exclusion.

The programme currently runs weekly sessions for children attending the charity's nursery and builds upon the success of Digitbite, a wider initiative that introduces people of all ages to technologies such as 3D printers, virtual reality, and drones.

Beyond leading sessions with the children, the IT tutor also works closely with parents and carers, ensuring that families are supported in using the technology and feel confident extending their child's digital learning journey at home.

By equipping Glasgow's youngest learners – and their families – with essential digital skills, Rosemount Lifelong Learning is helping to ensure that everyone, regardless of their background, can thrive in an increasingly digital society.



We're thrilled with the launch of Digitots and the opportunity it gives young children to explore technology in a fun and supportive environment. In today's world, it's more important than ever for kids to feel comfortable with technology, and starting early can make such a difference. Thanks to the support from HFD and Virgin Money Foundation, we've been able to bring in a dedicated IT tutor and provide the tools and resources needed to help both children and families overcome barriers and develop essential digital skills."

**Sean Morrow, Chief Executive Officer
at Rosemount Lifelong Learning**



The Digitots programme is a fantastic initiative introducing children to technology, while also equipping their families with the confidence to embrace digital services and tools. Rosemount Lifelong Learning is creating opportunities that will have a lasting impact. At the HFD Charitable Foundation, we're proud to support projects like this that make a real difference in communities and help to bridge the digital divide."

**Lauren McKenzie, Ambassador for the
HFD Charitable Foundation**



Ensuring that people have access to technology is essential for children as well as adults. It helps them to develop skills they will need as they go through the education system and beyond. The Digitots initiative is a brilliant programme and we are delighted to support Rosemount Lifelong Learning to launch this initiative through the Building Digital Skills Fund."

**Nancy Doyle-Hall, Executive Director at the
Virgin Money Foundation**

Building Resilience Through Digital Inclusion

The Problem

Cranhill Development Trust has been a vital part of the Cranhill community since 2002, responding to complex local needs and supporting around 3,000 people each year. The Trust's core aims are to promote resilience, tackle poverty, and reduce social exclusion through a holistic range of programmes, opportunities, and community events.

In recognition of the growing need for digital skills within the community, Cranhill Development Trust was awarded £90,000 to employ a full-time Digital Inclusion Worker. This role focuses on improving digital literacy through one-to-one support, designated drop-in sessions, and group workshops. The funding also supports the integration of a digital strategy across all areas of the organisation.

Asif came to Cranhill Development Trust in January, shortly after moving to the area with his family. With limited English and no extended family nearby, he initially sought assistance with enrolling his children in primary school and nursery — a process requiring completion of online forms, which he found challenging due to a lack of digital skills and access to devices at home.

Following the successful enrolment of his children, Asif continued to receive one-to-one support with applications for financial assistance, including School Clothing Grants, Free School Meals, and the Best Start Grant for his youngest child entering nursery.

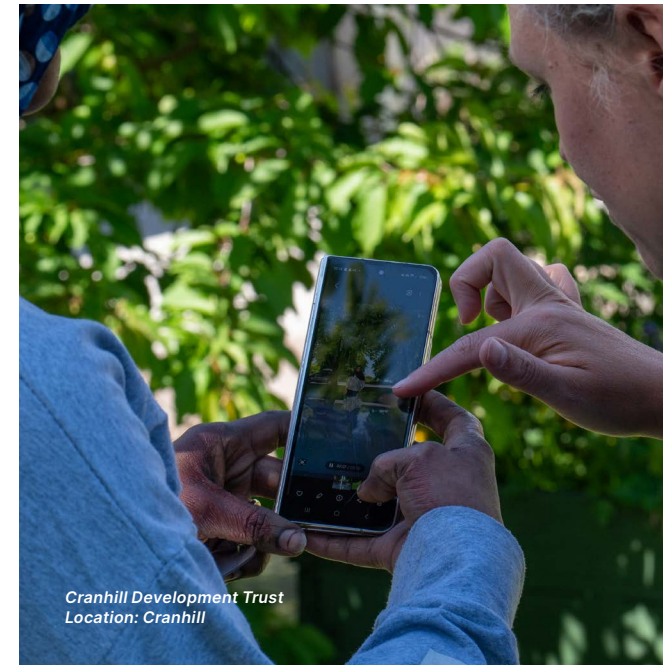
The Solution

Through the Digital Inclusion Worker, Cranhill Development Trust provided comprehensive support to Asif and his family. In addition to educational enrolments and benefit applications, he received help applying for Young Scot bus passes for his two eldest children, referral to the Thrive Under 5 programme, three £50 ASDA vouchers to support the family, Eid gifts for his children, and a bicycle to assist him with commuting to appointments and ESOL classes.

To ensure ongoing access to digital services, Cranhill Development Trust issued Asif with a desktop computer, a WiFi dongle, and a data SIM card, enabling him to manage important tasks such as contacting his doctor and accessing updates through the school app.

Asif is now actively engaging with further support services at Cranhill Development Trust, including welfare advice, health and wellbeing activities, children's activities, and ESOL (English for Speakers of Other Languages) classes. He has repeatedly praised the outstanding work of Cranhill Development Trust, commenting that without the charity's support, he and his family would have faced significant financial and emotional hardship.

This case highlights how digital access and community support can create pathways to greater resilience, independence, and wellbeing for newly arrived families.



Empowering Young People to Build a Brighter Future

The Problem

Moving On Durham is the leading youth homelessness charity in Durham, supporting vulnerable young people to secure safe, stable homes for over 30 years. They work with 16 to 25 year olds who have experienced or are at risk of homelessness, driven by the belief that every young person deserves a safe home and the opportunity for a fresh start. By helping individuals work towards their personal goals and aspirations, Moving On Durham aims to break the cycle of homelessness.

In 2021, Rachel approached Moving On Durham after receiving an eviction notice from her previous accommodation, where she had endured severe emotional, physical, and financial abuse. It quickly became clear that she needed more than just a safe place to live — she needed support to rebuild her confidence, regain her independence, and pursue a future she could be proud of.

Rachel expressed a strong desire to return to education. However, she worried that attending college in person would negatively affect her mental health. Without access to digital tools and support, furthering her education seemed out of reach.

The Solution

Thanks to a grant of £89,178 from the Virgin Money Foundation's Building Digital Skills Fund, Moving On Durham was able to strengthen its support for young people like Rachel. The funding allowed them to appoint a dedicated Digital Inclusion Worker to create personalised digital skills plans, install fibre broadband in all their properties, and ensure that each young person had access to suitable hardware.

Working alongside Rachel, Moving On Durham explored distance learning options and identified the Open University as an ideal pathway. She subsequently enrolled in a BA (Hons) Degree in Criminology and Psychology, which she began on 1st February 2025.

Moving On Durham provided a reliable internet connection, a high-specification laptop, and practical support to complete her student finance application and prepare for the course.

This support was transformational. Moving On Durham reflected that without the Virgin Money Foundation's investment, such opportunities would have remained out of reach. This case powerfully demonstrates how access to the right resources, alongside dedicated guidance, can remove barriers and empower young people to take control of their futures.



Charity: Moving on Durham
Location: Durham



Building Skills, Restoring Confidence

The Problem

John approached Hospitality & Hope, a local community charity in South Tyneside, seeking support after a life-changing diagnosis of sleep apnoea. As a result of his condition, he lost his driving licence and, subsequently, his job as a lorry driver — a career he had dedicated over 30 years to.

Facing mounting financial pressures and struggling to secure new employment through a local job agency, John's savings quickly dwindled, and the situation began to take a toll on his mental health. With no previous experience of using computers, he found modern job-seeking processes overwhelming and inaccessible.

The Solution

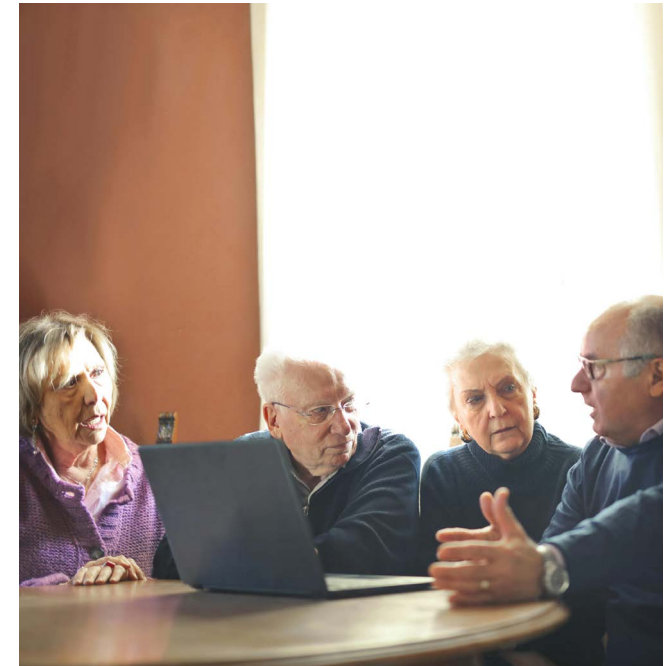
Alongside wider support from Hospitality & Hope, John was introduced to Amy, a Digital Champion through the Digital Champions programme. Amy took the time to listen to his experiences and aspirations, and together they worked on building his digital skills from the ground up.

Over several sessions, Amy helped John to create a professional CV, apply for jobs online, and engage directly with his mortgage provider for financial support while he sought new employment. Despite his initial lack of digital experience, John quickly gained confidence and new skills.

Thanks to this dedicated support, John successfully secured a job, in a role closely aligned with his previous experience and interests. He expressed heartfelt thanks to Amy for her patience and encouragement.

Later, John returned to Amy for further assistance after receiving a suspicious message from his bank. Amy provided guidance on recognising scams and fraud, and explained how to safely verify messages by contacting the bank directly.

This case highlights how digital inclusion, combined with compassionate support, can empower individuals to rebuild their lives, regain independence, and protect themselves in an increasingly digital world.



Colleagues In The Community Fund

The introduction of The Foundation's new strategy has focused all our activity upon the strategic goal of tackling digital poverty. As a result of this we have retired our previous funding programmes. In the first few months of the financial period our Colleagues in the Community Fund was still in operation. Through this fund we supported the wider volunteering efforts of Virgin Money colleagues by awarding small grants to the community organisations they volunteered with.

During the financial period the Foundation awarded 38 grants through the Colleagues in the Community Fund totalling £19.0k.

Young Change Makers Fellowship Programme

Co-funded by the National Lottery Community Fund and delivered in partnership with Northern Soul, the Young Change Makers Fellowship Programme provided funding, mentoring and leadership development support to young people with the potential to change society for the better starting in their own community. The programme closed at the end of FY23 and during this financial period underwent an external evaluation. In line with the findings of the evaluation and in light of the launch of our new digital inclusion focused strategy we took the decision to not re-open the programme and instead to grant fund Northern Soul to develop The Spark Programme, a leadership development programme for young people across the North of England. With their permission, the grant awarded included the balance of restricted funds provided by the National Lottery Community Fund for the Young Change Makers Programme.





Cranhill Development Trust
Location: Cranhill

Connecting Charity Leaders

Beyond The Grant

During the period the Foundation has concentrated its non-financial support to grantees on the resourcing of peer support learning circles. Through the learning circles we aim to provide a safe, confidential space for leaders to reflect on both their own practice and on the challenges and opportunities in their wider field. The Community Anchors learning circle has been meeting since February 2020 and members have supported one another through the many ups and downs of the last five years. Going forwards the learning circle will seek to resource leaders as they tackle digital poverty in their communities.



I have really valued the opportunity that the group offers me to meet regularly with my peer group who are all experiencing similar issues to myself whilst striving to do the best for beneficiaries in what are extremely challenging times for the sector. The Learning circle participant has been absolutely invaluable to me over the last couple of years as we weathered Covid, emerged from Covid and now are impacted by the cost of living crisis. Whilst I absolutely love my role as Chief Officer it can sometimes be quite a lonely place. I have found that the group offers me a place to share knowledge, skills, ideas and offers support too as well as the odd test and challenge. It encourages me to take some time out for reflection."

Plans For Future Periods

During the year ahead we will continue to deliver our strategy, tackling digital poverty through our three programmes: the Building Digital Skills Fund, the Volunteer and Connect Fund and the Digital Champions Programme. Underpinning this, during 2025 we will publish our newly developed Theory of Change and embed our new learning framework. Our learning partner, BrightPurpose, will work with our portfolio of grantees to derive learning from the activity we are funding, challenge assumptions and test our hypothesis.

In addition to the three programmes of work outlined above, in future periods we intend to develop a new national strategic partnership focused upon tackling digital exclusion.

Financial Investment Policy

The Foundation is in the fortunate position that its benefactor, Virgin Money, has 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 condition-less committed funding calls expected within the next six months in immediately realisable cash on deposit. Amounts due from notice accounts may count towards this figure to the extent that (a) notice has been given and acknowledged and (b) funds will be freely available at least 14 days prior to the Foundation's corresponding funding commitments.
- ② The Foundation must hold the balance of any unconditional 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 Trustees 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 £2 million should be held with any one institution without the Trustees' explicit prior approval, to be renewed at each Trustees meeting, and there is a normal presumption against this.



West End Refugee Service
Location - Newcastle upon Tyne

Social Investment Policy

The parameters of the Foundation's policy on social investment are set out in the financial investment policy above, and its grant making activity undertaken in support of its charitable purposes, the Foundation considers and, if thought fit, undertakes social investment as a means of both furthering the Foundation's charitable purposes and with the potential to generate a financial return.

The power for the Foundation to make such social investments derives from statute and further provisions as to the Foundation's power to make social investments by way of loan are set out in the Operating Framework Agreement made with the Foundation's sole member. The Foundation's 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 purpose for making them is not financial but to further the objects of the funding charity."

The Trustees consider that the primary motivation for making any social investment must be the achievement of social impact in the context of the Foundation's charitable objects; any financial return generated is regarded as secondary. The Foundation's social investment activity is not a replacement for its grant making activity, which will continue to be the primary means of furthering the Foundation's charitable purposes.

During the 18-month period to 31 March 2025, the Foundation did not make any new programme related social investments.

Reserves Policy

The Trustees review the reserves policy annually and monitor the level of reserves throughout the period. 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 3-6 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.

Cranhill Development Trust
Location Glasgow



Financial Review

£3,269.6k **£1,832.1k**

Total income 18 months
to 31 March 2025

Total income
12 months to 31 March 2023

Total income

Grants & Donations from Virgin Money

£2,286.0k

HFD Charitable Foundation

£200k

Other smaller donations

£105.6k

Donated services (Virgin Money)

£658.3k

Income

Income in the period totalled £3,269.6k (12 months to 30 September 2023: £1,832.1k). The Foundation received grants and donations of £2,286.0k (12 months to 30 September 2023: £1,143.0k) from Virgin Money in the period, £200k (12 months to 30 September 2023: £100k) from HFD Charitable Foundation and other smaller donations totalling £105.6k (12 months to 30 September 2023: £144.8k). In addition, Virgin Money donated services to the Foundation totalling £658.3k (12 months to 30 September 2023: £438.6k). 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 the period totalled £3,200.6k (12 months to 30 September 2023: £2,233.8k). 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 grants in the period totalling £2,533.7k (12 months to 30 September 2023: £1,552.2k) and rescinded two previously awarded grants of £1.0k (12 months to 30

September 2023: £2.7k). Grants were made for amounts between £500 and £106,000. In addition, the Foundation paid £12.2k (12 months to 30 September 2023: £236.7k) towards programme costs and made an adjustment to previously recognised costs pertaining to the Social and sustainable housing fund of £5.7k.

The Foundation also incurred £661.4k (12 months to 30 September 2023: £447.6k) of operational costs, comprising £658.3k (12 months to 30 September 2023: £438.6k) of services donated by Virgin Money, £3.1k (12 months to 30 September 2023: £3.9k) relating to bank charges and £Nil (12 months to 30 September 2023: £5.1k) of services funded by the Big Lottery and the National Lottery Community Funds.

Reserves

The Foundation's reserves at 31 March 2025 totalled £1,880.6k (30 September 2023: £1,811.6k), comprising restricted reserves of £85.1k (30 September 2023: £96.0k) and unrestricted reserves of £1,795.5k (30 September 2023: £1,715.6k).

The unrestricted reserves include £1,622.5k for grant-making and £173.0k as a contingency for non grant-making expenditure in line with our reserves policy.

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. In August 2020, the Foundation registered with the regulator for charities in Scotland (Charity no. SC050400).
- Clydesdale Bank PLC 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 and approved a Risk and Control Framework for the Foundation. The major risks are the failure to secure ongoing funding sufficient to deliver the Foundation's strategy, and the misuse of charitable funds due to the failure to follow proper process in the assessment and allocation of funds or due to the recipient organisation misusing the funds. A detailed Operating Framework Agreement is in place with Virgin Money detailing both the financial support and provision of services the Foundation can expect to receive from the bank. The Audit, Finance and Risk Committee provide 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

discussions and decisions where there is any actual or potential 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.



Blyth Resource and Initiative Location - Blyth

Trustees

The Trustees who served during the period and up to the date of signing the financial statements are listed on page 3. Lorna Bennie is an employee 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 are not employees, directors or officers of Virgin Money. The Trustees may also co-opt up to three Trustees.
- Trustees initially serve in office for one year, after which they must retire but shall be eligible for re-appointment. Following re-appointment, 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 their responsibilities.
- During the financial period the Foundation appointed a new Trustee and Chair of the Audit, Finance and Risk Committee.
- The Board has appointed a Funding Recommendations Panel which considers all funding recommendations for amounts between £2,001 and £60,000.

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 potential or actual 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.

- Funding decisions of under £2,000 are delegated to the Executive Director who reports these funding decisions to the board on a regular basis.
- During the period, the Foundation held a combination of in-person and virtual meetings. All meetings took place as scheduled.

The Trustees do not receive any emoluments for their role as Trustees 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).

Additionally, the Foundation's Articles of Association permit that Trustees may be paid for services delivered to the Foundation and/or its beneficiaries. As a matter of practice, the Board has adopted a policy that (a) a proper procurement process will be followed that considers alternative potential providers alongside the Trustee that proposes to provide services; (b) any Trustee that may potentially benefit shall not be part of the relevant procurement discussion or decision; and (c) if any Trustee does provide services, the Charity Commission must be notified at the time and the matter then recorded as a related party transaction in the next published accounts.



Justice Prince
Location - Newcastle upon Tyne

Since the date of publication of the last Annual Report, there have been no matters in respect of which a Trustee has recused themselves from discussion at the Board due to a potential conflict of interest.

Colleagues and Remuneration

The Trustees delegate day-to-day management of the Foundation to the Executive Director, who is supported by a Executive Director, Grants and Learning Manager, Grants Officer, Engagement & Communications Manager and an Administrator. During the period, the Grants and Learning Manager was on extended absence, and their role was covered by a Virgin Money colleague secondment.

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 review process.

Key Relationships

During the period the Foundation expended funds from Virgin Money, National Lottery Community Fund and HFD Charitable Foundation. 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, Clydesdale Bank PLC, is limited to £1. The total number of such guarantees at 31 March 2025 was 1. The member is only entitled to voting rights in the Foundation and does not have a beneficial interest.

Disclosure of Information to Auditors

In so far as the Trustees who held 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 auditors are aware of that information.

Going Concern

The Trustees have made an assessment of the Foundation's ability to continue as a going concern and are satisfied that it has the resources to continue in business for at least 12 months from the approval of the financial statements.

The Foundation's use of the going concern basis for preparation of the accounts is discussed in note 1 to the financial statements.

Post Balance Sheet Events

There have been no significant events between 31 March 2025 and the date of approval of the annual financial statements which would require a change to or additional disclosure in the financial statements.



Charity - Ubuntu Multicultural Centre CIC
Location - Middlesbrough

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 period. 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 25 June 2025 by:



Amanda Jordan
Chair of the Board of Trustees



Independent Auditor's Report

Independent Auditor's Report to the member of the Virgin Money foundation

Opinion

We have audited the financial statements of The Virgin Money Foundation ("the charitable company") for the period ended 31 March 2025 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement, and the related notes 1 to 16, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 below. 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 the provisions available for small entities, in circumstances set out in note 1.2 to the financial statements, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- The information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report 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 identified no material misstatements in the Directors' report included within the trustees' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; 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' Annual Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 27, 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 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 management either intends to liquidate the charitable company or to cease operations, or has 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are 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' – 2nd edition – October 2019), and applicable accounting standards in the United Kingdom (UK GAAP).

- We understood how The Virgin Money Foundation is complying with those frameworks having an oversight of those charged with governance the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by actions such as the ones detailed above, along with specific procedures on high-fraud risk areas.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiries of internal legal counsel, executive management and inspection of correspondence with regulators.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ernst & Young LLP
459B6AD1892A4DC...

Blake Adlem (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
Edinburgh
25 June 2025

Statement of Financial Activities

(Including income and expenditure account)

For the period ended

	Note	18 months to 31 March 2025			12 months to 30 September 2023		
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Income from:							
Donations and legacies	2	3,049.9	200.0	3,249.9	1,726.4	100.0	1,826.4
Other income	3	19.7	-	19.7	5.7	-	5.7
Total income		3,069.6	200.0	3,269.6	1,732.1	100.0	1,832.1
Expenditure on:							
Charitable activities	4	(2,989.3)	(211.3)	(3,200.6)	(1,946.2)	(287.6)	(2,233.8)
Total expenditure		(2,989.3)	(211.3)	(3,200.6)	(1,946.2)	(287.6)	(2,233.8)
Net income/ (expenditure) in funds for the period	5	80.3	(11.3)	69.0	(214.1)	(187.6)	(401.7)
Transfers between funds		(0.4)	0.4	-	-	-	-
Net movement in funds for the period		79.9	(10.9)	69.0	(214.1)	(187.6)	(401.7)
Reconciliation of funds:							
Total funds brought forward		1,715.6	96.0	1,811.6	1,929.7	283.6	2,213.3
Total funds carried forward		1,795.5	85.1	1,880.6	1,715.6	96.0	1,811.6

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derives from continuing operations. The accompanying notes form an integral part of these financial statements.

Balance Sheet


As at

	Note	31 March 2025 £'000	30 September 2023 £'000
Non-current assets			
Programme related investments	7	222.3	208.5
Current assets			
Debtors	8	100.0	100.0
Cash at bank and in hand	9	3,025.2	2,160.4
Total current assets		3,125.2	2,260.4
Liabilities			
Creditors: Amounts falling due within the year	10	(828.6)	(607.3)
Net current assets		2,296.6	1,653.1
Total assets less current liabilities		2,518.9	1,861.6
Creditors: Amounts falling due after one year	10	(638.3)	(50.0)
Total net assets	14	1,880.6	1,811.6
The funds of the charity			
Restricted income funds	12	85.1	96.0
Unrestricted income funds	13	1,795.5	1,715.6
Total charity funds	14	1,880.6	1,811.6

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 25 June 2025:



Amanda Jordan
Chair of the Board of Trustees

Cash Flow Statement

For the period

		18 months to 31 Mar 2025 £'000	12 months to 30 Sep 2023 £'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	(a)	878.6	(476.8)
Cash flows from investing activities			
Net cash used in investment activities		(13.8)	(65.2)
Change in cash and cash equivalents in the period		864.8	(542.0)
Cash and cash equivalents at the beginning of the period		2,160.4	2,702.4
Cash and cash equivalents at the end of the period	(b)	3,025.2	2,160.4

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

		18 months to 31 Mar 2025 £'000	12 months to 30 Sep 2023 £'000
Net movement in funds (as per the statement of financial activities)		69.0	(401.7)
Adjustments for:			
Increase in debtors		-	(50.0)
Increase/(decrease) in creditors		809.6	(25.1)
Net cash provided by/(used in) operating activities		878.6	(476.8)

Cash flow statement (continued)

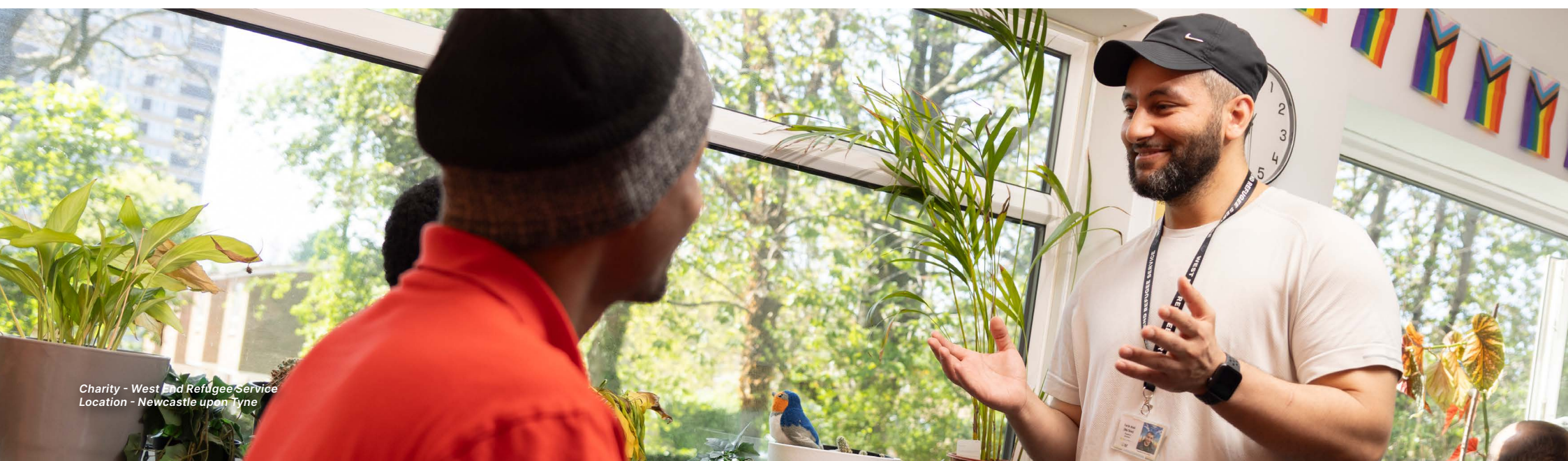
(b) Analysis of cash and cash equivalents

	18 months to 31 Mar 2025 £'000	12 months to 30 Sep 2023 £'000
Cash at bank and in hand	3,025.2	2,160.4
Total cash and cash equivalents	3,025.2	2,160.4

(c) Analysis of changes in net debt

	At 1 Oct 2022 £'000	Cash flows £'000	At 30 Sep 2023 £'000	Cash flows £'000	At 31 Mar 2025 £'000
Cash	2,702.4	(542.0)	2,160.4	864.8	3,025.2

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



Charity - West End Refugee Service
Location - Newcastle upon Tyne

Notes to the Financial Statements

1. Accounting policies

1.1 Reporting entity

The Virgin Money Foundation is a company limited by guarantee incorporated in England and Wales and has no share capital. The sole member of the Foundation is Clydesdale Bank PLC which is a wholly owned subsidiary of Virgin Money. In the event of being wound up, the liability of the member in respect of the guarantee is limited to £1.

Following the acquisition of Virgin Money by Nationwide Building Society (Nationwide) on 1 October 2024, the Foundation's accounting reference date was changed from 30 September to 31 March in order to align to Nationwide's accounting reference date. The financial statements have therefore been prepared for the 18-month period ended 31 March 2025. Nationwide is a building society incorporated and registered in England and Wales.

Nationwide Building Society is registered at Nationwide House, Pipers Way, Swindon, SN38 1NW. Nationwide's consolidated annual report and accounts can be obtained from this address or at nationwide.co.uk.

1.2 Basis of preparation

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' – 2nd edition – October 2019) 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.

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

1.3 Going concern

Virgin Money continues to adhere to the pledge to provide up to £400,000 per annum of financial support to the Foundation to cover its operating costs, as well as an annual donation of at least £1.1 million per annum (to be invested in charitable causes), until at least December 2026. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the approval of the financial statements. Accordingly, the Trustees continue to believe the going concern basis of accounting to be appropriate in preparing the financial statements.

1.4 Climate change

The potential impact of climate-related risks on the Foundation's financial position and performance has been considered in preparing the financial statements.

This involved undertaking an assessment at a Virgin Money level over the assets (both financial and non-financial) and evaluating whether the observable effects of physical and transitional risk of climate change would have a material impact on the financial position and performance in the current period. It is

widely understood and appreciated that the effects of climate change will not be significant in the short term and that the inherent risks and uncertainties in quantifying the effect of climate change in the financial statements are considerable and more likely to impact in the longer term.

1.5 Accounting policies

The principal accounting policies, which have been applied consistently in the preparation of the financial statements, are set out below.

(a) Reserves policy

The Trustees review the reserves policy annually and monitor the level of reserves throughout the period. 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 3-6 months of 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.

(b) Fund accounting

Designated funds comprise unrestricted funds that have been set aside at the discretion of the Trustees for specific purposes. An analysis of each designated fund is set out in note 13.

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 12. Income and gains are allocated to the appropriate fund.

(c) Programme related investments

Programme related investments are held at cost less any impairment provision, as the Foundation is unable to obtain a reliable estimate of fair value. Programme related investments are assessed for objective evidence of impairment at the end of each reporting period.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

(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 period 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 are apportioned on the basis of the approximate time allocated by the Executive Director 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 appropriate.

(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

	18 months to 31 March 2025			12 months to 30 September 2023		
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Virgin Money grant	2,286.0	-	2,286.0	1,143.0	-	1,143.0
Other donations	105.6	200.0	305.6	144.8	100.0	244.8
Virgin Money donation of services	658.3	-	658.3	438.6	-	438.6
Total	3,049.9	200.0	3,249.9	1,726.4	100.0	1,826.4

The Group provides the Foundation with services, including provision of the Foundation's core staff, office space and 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 the Group is shown in note 4.

3. Other income

	18 months to 31 March 2025			12 months to 30 September 2023		
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Bank interest	19.7	-	19.7	5.7	-	5.7
Total	19.7	-	19.7	5.7	-	5.7

4. Expenditure on charitable activities

(a) Charitable activities by objective

	18 months to 31 March 2025						
	Grants			Support costs			Total £'000
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000	
Programmes:							
Colleagues in the Community Fund	18.0	-	18.0	4	-	4.0	22.0
Social and Sustainable Capital Fund	(5.7)	-	(5.7)	(1.3)	-	(1.3)	(7.0)
National Lottery Community Fund #iwill Fund Grant	-	1.1	1.1	-	-	-	1.1
Ripple fund	8.0	-	8.0	1.8	-	1.8	9.8
National Lottery Community Fund Partnerships England Wide	58.4	58.5	116.9	12.9	-	12.9	129.8
Building Digital Skills Fund Glasgow – HFD Award Funding	636.4	151.7	788.1	140.7	-	140.7	928.8
Building Digital Skills Fund NE	1,248.0	-	1,248.0	276.0	-	276.0	1,524.0
Volunteer Connect	364.8	-	364.8	80.7	-	80.7	445.5
Governance	-	-	-	146.6	-	146.6	146.6
Total	2,327.9	211.3	2,539.2	661.4	-	661.4	3,200.6

4. Expenditure on charitable activities (continued)

	12 months to 30 September 2023						
	Grants			Support costs			Total £'000
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	
Programmes:							
Community Anchors' Fund – North East	649.5	-	649.5	150.1	-	150.1	799.6
Colleagues in the Community Fund	106.9	-	106.9	24.7	-	24.7	131.6
Social and Sustainable Capital Fund	1.6	-	1.6	0.4	-	0.4	2.0
Community Anchors' Fund - Glasgow	314.8	157.4	472.2	72.8	-	72.8	545.0
National Lottery Community Fund #iwill Fund Grant	0.4	8.7	9.1	0.1	0.1	0.2	9.3
Ripple fund	4.0	-	4.0	0.9	-	0.9	4.9
National Lottery Community Fund Partnerships England Wide	116.4	116.4	232.8	26.9	5.0	31.9	264.7
Community Entrepreneur Fellowships Leading the Way	91.4	-	91.4	21.1	-	21.1	112.5
10% COL Fund	218.7	-	218.7	50.5	-	50.5	269.2
Governance	-	-	-	95.0	-	95.0	95.0
Total	1,503.7	282.5	1,786.2	442.5	5.1	447.6	2,233.8

4. Expenditure on charitable activities (continued)

(b) Support costs

	18 months to 31 Mar 2025 £'000	12 months to 30 Sep 2023 £'000
Staff costs relating to charitable activities	301.0	221.0
Staff costs relating to governance	96.7	66.5
Governance costs	49.9	28.5
Other costs	213.8	131.6
Total support costs	661.4	447.6

Support costs comprise £658.3k (12 months to 30 September 2023: £443.7k) of services provided by the Group and £3.1k (12 months to 30 September 2023: £3.9k) relating to bank charges. £658.3k (12 months to 30 September 2023: £438.6k) of services were donated by the Group and £Nil (12 months to 30 September 2023: £5.1k) of services were funded by the Big Lottery and the National Lottery Community Funds.

The Group has 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.

The Group 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 the Group and donated to the Foundation.

4. Expenditure on charitable activities (continued)

(c) Auditor's remuneration

	18 months to 31 Mar 2025 £'000	12 months to 30 Sep 2023 £'000
Fees payable to the Foundation's auditors for the audit of the Foundation's Annual Report and Accounts	8.9	6.9
Total auditor's remuneration	8.9	6.9

The statutory audit fee was included within the Group audit fee and paid by the Group's main trading subsidiary, Clydesdale Bank PLC. The value of this service is £8.9k (12 months to 30 September 2023: £6.9k) and has been treated as a donation from Clydesdale Bank PLC. The amount of non-audit fees in the period was £Nil (12 months to 30 September 2023: £Nil).

5. Net income/(expenditure) for the period

Net income/(expenditure) for the period is stated after charging:

	18 months to 31 Mar 2025 £'000	12 months to 30 Sep 2023 £'000
Auditor's remuneration	8.9	6.9
Trustees' expenses	9.1	6.4
Bank charges	3.1	3.9

None of the Trustees (12 months to 30 September 2023: none) received any emoluments in respect of services to the Foundation. 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 period, Trustees expenses of £9.1k (12 months to 30 September 2023: £6.4k) were incurred in regards to nine (12 months to 30 September 2023: eight) Trustees. These expenses were funded by the Group and treated as a donation to the Foundation.

6. Employee information

The Foundation did not directly employ any staff during the period (12 months to 30 September 2023: none). The services of individuals were obtained from the Group 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 the Group.

	18 months to 31 Mar 2025 £'000	12 months to 30 Sep 2023 £'000
Wages and salaries	307.1	218.7
Social security costs	31.4	20.3
Other pension costs	59.0	48.3
Colleague recognition	0.2	0.2
Total staff costs	397.7	287.5

6. Employee information (continued)

£Nil (12 months to 30 September 2023: £5.0k) of the staff costs were funded by the Big Lottery and the National Lottery Community Funds.

The monthly average number of persons working for the Foundation but employed and paid by the Group during the 18 months ended 31 March 2025 was four (12 months to 30 September 2023: four).

The number of employees receiving total employee benefits (excluding employer pension costs) of greater than £60,000 are as follows.

	18 months to 31 Mar 2025 Number ⁽¹⁾	12 months to 30 Sep 2023 Number
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
Total	1	2

(1) The current period allocation is based on annual salary to ensure comparability with the prior period.

7. Programme related investments

As at	31 Mar 2025 £'000	30 Sep 2023 £'000
Non-current assets		
Social and Sustainable Housing Limited Partnership	222.3	208.5
Total	222.3	208.5

During 2021 the Foundation became a limited partner and awarded £250.0k as a programme related investment in the Social and Sustainable Housing Fund (SASH). Funds of £250.0k are designated for this purpose (note 13). The SASH pools resources from a number of social investors, including the Foundation, and lends money to Social Sector Organisations providing housing for vulnerable people in the United Kingdom.

As at 31 March 2025, £238.9k had been provided to the SASH, and recognised as a programme related investment, of which, £16.6k has been returned to the Foundation and recognised as a capital repayment. The three-year investment period has now come to a close and the SASH fund has reached a mature fully invested portfolio. Funds will continue to be returned during the 10 to 12 year portfolio period.

8. Debtors

As at	31 Mar 2025 £'000	30 Sep 2023 £'000
Accrued income due in less than 1 year	100.0	100.0
Total	100.0	100.0

9. Cash at bank and in hand

As at	31 Mar 2025 £'000	30 Sep 2023 £'000
Cash and bank balances	3,025.2	2,160.4
Total	3,025.2	2,160.4

10. Creditors

Amounts falling due within one year

As at	31 Mar 2025 £'000	30 Sep 2023 £'000
Accruals for grants payable	828.6	607.0
Other liabilities	-	0.3
Total	828.6	607.3

Amounts falling due within one year

As at	31 Mar 2025 £'000	30 Sep 2023 £'000
Accruals for grants payable	638.3	50.0
Total	638.3	50.0

10. Creditors (continued)

Reconciliation of grants payable

As at	31 Mar 2025 £'000	30 Sep 2023 £'000
Opening balances brought forward	657.0	666.9
Grants awarded	2,539.2	1,786.2
Grants paid	(1,729.3)	(1,796.1)
Grants payable carried forward	1,466.9	657.0

11. 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 March 2025 (30 September 2023: none).

12. Restricted income funds

The movements on the restricted funds are as follows:

	Fund balances as at 1 Oct 2023 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Fund balances as at 31 Mar 2025 £'000
National Lottery Community Fund #iwill fund Grant	1.1	-	(1.1)	-	-
Community Anchors' Fund - Glasgow	36.8	-	-	(36.8)	-
National Lottery Community Fund Partnerships England Wide	58.1	-	(58.5)	0.4	-
Building Digital Skills Glasgow – HFD Award	-	200.0	(151.7)	36.8	85.1
Total	96.0	200.0	(211.3)	0.4	85.1

	Fund balances as at 1 Oct 2022 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Fund balances as at 30 Sep 2023 £'000
National Lottery Community Fund #iwill fund Grant	9.9	-	(8.8)	-	1.1
Community Anchors' Fund - Glasgow	94.2	100.0	(157.4)	-	36.8
National Lottery Community Fund Partnerships England Wide	179.5	-	(121.4)	-	58.1
Total	283.6	100.0	(287.6)	-	96.0

13. Unrestricted income funds

The movements on the unrestricted funds are as follows:

	Fund balances as at 1 Oct 2023 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Fund balances as at 31 Mar 2025 £'000
General funds	1,162.8	3,069.6	(2,300.2)	(824.1)	1,108.1
Designated: Community Entrepreneurs Fellowship Programme	176.6	-	-	(176.6)	-
Designated: Social and Sustainable Capital Fund	244.3	-	5.7	-	250.0
Designated: Community Anchors Fund Glasgow – HFD Award Funding	73.9	-	-	(73.9)	-
Designated: Building Digital Skills Glasgow	-	-	(636.4)	1,073.8	437.4
Designated: National Lottery Community Fund Partnerships England Wide	58.0	-	(58.4)	0.4	-
Total	1,715.6	3,069.6	(2,989.3)	(0.4)	1,795.5

13. Unrestricted income funds (continued)

	Fund balances as at 1 Oct 2022 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Fund balances as at 30 Sep 2023 £'000
General funds	794.2	1,732.1	(1,402.1)	38.6	1,162.8
Designated: Community Entrepreneurs Fellowship Programme	268.0	-	(91.4)	-	176.6
Designated: Community Anchors NE	10.0	-	(19.5)	9.5	-
Designated: Social and Sustainable Capital Fund	245.9	-	(1.6)	-	244.3
Designated: Heart of Community Fund	206.8	-	-	(206.8)	-
Designated: Community Anchors Fund Glasgow – HFD Award Funding	188.7	-	(314.8)	200.0	73.9
Designated: National Lottery Community Fund #iwill fund Grant	26.7	-	(0.4)	(26.3)	-
Designated: National Lottery Community Fund Partnerships England Wide	189.4	-	(116.4)	(15.0)	58.0
Total	1,929.7	1,732.1	(1,946.2)	-	1,715.6

14. Analysis of net assets between funds

	Unrestricted		Restricted Fund	31 Mar 2025 Total
	General Fund	Designated Fund		
	£'000	£'000	£'000	£'000
Total assets	1,987.4	1,161.8	198.3	3,347.5
Total liabilities	(879.3)	(474.4)	(113.2)	(1,466.9)
Net assets	1,108.1	687.4	85.1	1,880.6

	Unrestricted		Restricted Fund	30 Sep 2023 Total
	General Fund	Designated Fund		
	£'000	£'000	£'000	£'000
Total assets	1,566.4	722.8	179.7	2,468.9
Total liabilities	(403.6)	(170.0)	(83.7)	(657.3)
Net assets	1,162.8	552.8	96.0	1,811.6

15. Related party transactions

	Transaction value for 18 months to 31 Mar 2025 £'000	Balance outstanding as at 31 Mar 2025 £'000	Transaction value for 12 months to 30 Sep 2023 £'000	Balance outstanding as at 30 Sep 2023 £'000
Donations received from Virgin Money subsidiary undertakings:				
Grant and additional donations	2,286.0	-	1,143.0	-
Donation of services	658.3	-	438.6	-
Recharges and trading balances with Virgin Money subsidiary undertakings	658.3	-	443.7	(0.3)
Interest received and cash deposit held with Virgin Money subsidiary undertakings	14.7	1,290.2	5.1	1,272.4

16. Grants Awarded

A full breakdown of grants awarded can be viewed on the Virgin Money Foundation website at: <http://www.virginmoneyfoundation.org.uk/grants-2025>

MONEY FOUNDATION