Virgin MONEY FOUNDATION

Registered Charity: 1161290 and SC050400
Registered Company: 09457101

Annual Report and Accounts for the year ended 31 March 2026

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Company Information

The Virgin Money Foundation (the 'Foundation') is a registered charity supported by Nationwide Building Society, which together with its subsidiaries and controlled entities is referred to as 'Nationwide' or the 'Group' in this Annual Report. For the year ended 31 March 2026, the sole member of the Foundation was Clydesdale Bank PLC[1] (Clydesdale Bank) whose immediate parent company is Virgin Money UK PLC[1] (Virgin Money) and ultimate parent company is Nationwide. On 2 April 2026, Clydesdale Bank's interest in the Foundation was transferred to Nationwide as part of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000. Nationwide is a building society incorporated and registered in England and Wales.

Following the acquisition of Virgin Money by Nationwide on 1 October 2024, the Foundation's accounting reference date was changed from 30 September to 31 March to align to Nationwide's accounting reference date. Accordingly, the comparative period financial statements are prepared for the 18-month period ended 31 March 2025 and are therefore not entirely comparable to the current 12-month period.

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.

[1]With effect from 28 July 2026 Clydesdale Bank PLC and Virgin Money UK PLC were re-registered as private limited companies and as such the companies' names were changed to Clydesdale Bank Limited and Virgin Money UK Limited respectively.

Reference and administrative information

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

Amanda Jordan (Chair)
Hannah Underwood (Vice Chair)
Keith Burge
Edward Younger
Keith Merrin
Mazin Alkirwi
Emma Isaac
Tamara Dewhirst (appointed 17 March 2026)
Lynsey Wilson (appointed 17 March 2026)
Lorna Bennie (resigned 30 June 2025)

Company Secretary:

Joanne Shuffleton (appointed 31 July 2025)
Lorna McMillan (resigned 31 July 2025)

Bankers:

Nationwide Building Society
Nationwide House
Pipers Way
Swindon
SN38 1NW

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Independent Auditor:

Ernst & Young LLP
12 Wellington Place
Leeds
LS1 4AP

Registered office:

Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

Registered Company No:

09457101 (Company limited by guarantee)

Charity No:

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

"Before Digital You, I thought computers were just for young people. Now I feel part of the world again. I can do things for myself, and I'm not afraid to ask questions or try new things."

Digital You participant, Cornforth Partnership

Chair's Statement

Welcome to the 2026 Annual Report and Accounts of the Virgin Money Foundation.

During the year we have made significant strides forward in delivering our strategy, working to tackle digital poverty at a neighbourhood level.

Within this report you will read about the activity that has taken place. From training colleagues across Virgin Money to volunteer as Digital Champions supporting people with everyday digital challenges, to providing digital inclusion funding for school children and their families; the reach of these programmes into communities across the UK is encouraging. As ever, our main grants programme has been focused on supporting vital community anchors based within neighbourhoods impacted by high levels of digital exclusion and deepened by poverty. Building upon the trusted relationships they have with local people, our community anchors have created bespoke projects to get people online and have supported community members task by task, conversation by conversation, until their digital confidence increases.

Funded organisations have identified some key barriers to digital inclusion that are informing our strategy going forwards. These barriers include a headspace paradox; the vicious cycle in which people facing crisis often lack the mental energy to focus on digital skills, even though digital access could help resolve their immediate problems; an inner rhetoric of 'digital isn't for me' due to negative experiences or low confidence; and the prevalence of partial digital inclusion, where people appear digitally confident but lack critical skills for essential tasks.

The work our funded charities are delivering has already taught us about the ways in which digital exclusion can begin to change. It is not rocket science, it is human. On both the part of the organisation providing the support, and the person seeking to increase their digital confidence, it takes flexibility, innovation, patience and trust. The investment is well worth the effort, as through the gateway of increased digital skills, a whole raft of improved life outcomes can follow.

At the Virgin Money Foundation, our focus is on supporting communities to thrive, and as such, it is these broader outcomes that matter most. Over a decade ago we launched our first grant programmes focused upon housing, employment and social innovation. We did so because we knew that regenerating communities requires people to have job prospects, a safe place to live and the opportunity to join in with positive community initiatives. Today, whether the goal is housing, employment or reduced isolation, digital access is key, and through our grants we see that when a person is supported to develop digital confidence, other tasks that felt impossible begin to be achievable.

The past year has been a time of deepening challenge for many communities. Poverty is on the rise, and the cost of living has continued to press household budgets hard. Ensuring those who are suffering most can benefit from the support that is available is vital and yet digital access is often unaffordable and the majority of avenues for support now start with a digital front door. Prizing this front door open and supporting people to gain the services they need and deserve can result in increased income, reduced expenditure, access to health information, employment and training, or housing repairs.

The impact that digital poverty is having on people's lives in the UK cannot be understated. As technological advances are made, the gap between people with access to digital technologies and skills, and those without, widens at pace. As a Foundation focused upon supporting communities to create sustainable positive change, we are convinced that continuing to build digital inclusion and close the digital divide is necessary and overdue.

As we continue this work, I would like to extend my thanks to the Virgin Money Foundation team for their hard work and expertise, and to the Trustees for their continued dedication, with particular thanks to Lorna Bennie who retired during the period. Finally, our greatest thanks is to the organisations we fund for their insights, care and skill. As ever, it is a privilege to partner with them.

DocuSigned by:
Amanda Jordan
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Amanda Jordan
Chair of the Board of Trustees
7 October 2026

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.

Our Heartbeat

We are all about communities. That's why we focus our efforts in neighbourhoods within the North East of England and Glasgow, working hand-in-hand with community anchor organisations who know their neighbourhoods best and have a track record of developing community-led solutions. Our approach is simple: provide the resources and support they need to make a real difference.

Our Headlines

Building digital skills fund

During the year we awarded grants totalling £1,304,266 to brilliant local community organisations, enabling them to develop bespoke initiatives to help people have increased access to technology and the skills and confidence to benefit from it. At the end of the year we had a portfolio of 37 live grants, expected to increase the digital confidence of over 36,000 people.

36,000 people supported

Digital champions

Through our Digital Champions Programme we trained 215 Virgin Money colleagues to become digital mentors, providing essential face to face digital support to people in their local communities. These incredible volunteers delivered 1,252 support sessions.

1,252 support sessions delivered

Volunteer and connect fund

During the year we awarded 96 grants to schools across the UK, helping them bridge the digital divide across their school community. The grants we awarded during the year are expected to increase the digital confidence of 19,000 children.

19,000 children supported

Our Learning

Our learning partner Brightpurpose has evaluated and drawn learning from the first full year of our digital inclusion programmes. Key findings include:

Trusted relationships are golden:

Support from a trusted person or organisation creates a safe environment for people to learn new skills and engage with digital opportunities. These relationships mean people who may otherwise have been hesitant get involved and receive support.

Deep community knowledge is vital:

We awarded 96 grants to schools across the UK, helping them bridge the digital divide across their school community.

Stealth approaches can be useful:

For those who find digital off putting, offering relevant and appealing activities that happen to use online technology, has proven to be an effective approach to engagement.

The headspace paradox:

Those who most need the support are often juggling multiple complex demands. Digital support must be directly relevant to an individual's life and requirements, prioritising digital assistance which helps them address urgent needs.

Trustees' Report

Objectives and activities

The Virgin Money Foundation is an independent charitable foundation. It is committed to bringing about positive change in communities, with a focus on the North East of England and Glasgow. We invest at a neighbourhood level, working with local organisations and people to address pressing social issues, and to build stronger, more resilient communities.

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 year.

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.

Strategy

Measures of success

In 2024 the Foundation launched a new strategy focused upon tackling digital poverty. The strategy was developed in recognition that digital inclusion has become a fundamental building block for almost all of life's opportunities – be it accessing education, employment, financial services, healthcare and for staying connected to the outside world. But for millions across the UK, digital poverty is still a significant barrier and in low-income communities this experience is particularly prevalent. Through the strategy we are working to increase digital inclusion and enable individuals and communities facing high levels of digital poverty to access online services and opportunities.

The Foundation has a Theory of Change which informs our programme design, grant decisions and key learning questions. The Theory of Change sets out our key aim: that people no longer experience digital poverty as a result (in part or in full) of activities funded by a Virgin Money Foundation grant. By this we mean that they are now able to access online services and opportunities when they weren't able to do so previously.

The Theory of Change details our key measures of success, the metrics by which we can know we are successfully working towards our key goal. These key measures are:

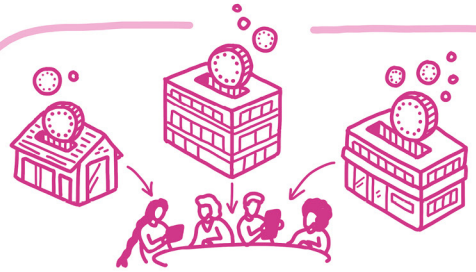
1. The number of people who have access to the digital kit and connectivity to get online as a result of our grant funded activity.

2. The number of people who have increased digital skills or confidence as a result of our grant funded activity.

For the Foundation, digital inclusion is not the end in itself. Digital inclusion is more fully understood as a step on the journey to an individual being able to make progress in areas of their lives and circumstances that matter to them. This may be enabling them to apply for work, secure benefits, register for housing, regain regular contact with friends and family, budget and buy cheaper groceries online, support their children with their homework or navigate the asylum system. Our motivation for tackling digital poverty is the desire to support people and communities to thrive, particularly those experiencing statistical disadvantage. Therefore, in addition to our primary measures of success detailed above, we are measuring the secondary outcomes of our grant funded activity. These measurements include the number of people who as a result of the digital inclusion intervention provided, have:

- increased household income;
- increased access to online healthcare services and public health information;
- improved employment prospects;
- become less socially isolated;
- benefitted from improved advocacy or support in the asylum system; and
- felt safer online and more able to distinguish between true from fake information

We recognise that progress is incremental and often not linear. Therefore, our measures of success sit alongside a commitment to learning about the topic more broadly, including a commitment to learn from the interventions that don't work or the contexts in which a different approach is required.



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

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

BRIDGING THE GAPS OF ACCESS TO TECHNOLOGY

ENABLING OPPORTUNITY TO DEAL WITH DIGITAL CHALLENGES TO SERVICES & ISOLATION

ACCESS TO EDUCATION

EMPLOYMENT PROSPECTS

SOCIAL OR SUPPORT NETWORKS

ACCESS TO HEALTHCARE & PUBLIC SERVICES

PEOPLE HAVE ACCESS TO THE KIT & CONNECTIVITY TO GET ONLINE

PEOPLE HAVE INCREASED DIGITAL SKILLS & CONFIDENCE

INCOME & ACCESS TO BENEFITS

IMPROVED ADVOCACY

IMPROVED SAFETY INCLUDING ONLINE

IMPROVED & BETTER HOUSING OPTIONS

IMPACT: PEOPLE NO LONGER EXPERIENCE DIGITAL POVERTY. THEY ARE ABLE TO ACCESS ONLINE SERVICES & OPPORTUNITIES, RESULTING IN EDUCATIONAL, FINANCIAL, SOCIAL OR HEALTH & WELLBEING BENEFITS

Achievements and Performance

Building digital skills fund

Building upon our hypothesis that hyper-localised, tailored approaches, delivered by trusted local organisations are what is needed to help people experiencing digital poverty to overcome it, through this fund we support neighbourhood-based charities that are well placed to or who already are responding to digital exclusion at a local level. These community anchors understand their local community, are trusted by them and work with local people to design and deliver activities that begin to build digital confidence. The community organisations we fund, whilst not primarily digital inclusion organisations, have an incredible track record in supporting local residents with a whole range of issues, which increasingly intersect with the digital world.

The funding provided by the Foundation supports these community anchors to weave digital skills training and digital access into the activities they already run, be it the provision of benefits advice, support for people going through the asylum system, projects focused on health and wellbeing, or in the planning and provision of community meals, arts and crafts sessions, or youth work.

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. The Fund initially awarded grants to organisations based in statistically disadvantaged neighbourhoods located in the North East of England, and the City of Glasgow. During the last 12 months we have expanded the geography of the fund to include Renfrewshire and Inverclyde, two localities in Greater Glasgow experiencing high levels of digital exclusion.

During the year we awarded 14 grants totalling £1,304,266. Of these, five grants totalling £465,994 were awarded to organisations in the North East of England and nine grants totalling £838,272 were awarded to organisations across Greater Glasgow. In Glasgow, the Fund is delivered in partnership with HFD Charitable Foundation.

As a result of these new grants, there is now a portfolio of 37 live Building Digital Skills Fund grants. The grants awarded to date through the Building Digital Skills Fund are expected to increase the digital access or confidence of over 36,000 people. Throughout our strategy we seek to target funds in communities with the highest levels of need. Digital poverty disproportionately impacts low-income households. 84% of the Building Digital Skills portfolio are organisations based in the top 20% of deprivation as detailed in the Index of Multiple Deprivation or Scottish Index of Deprivation. 35% are based in areas in the top 5% of the Index of Multiple Deprivation or Scottish Index of Deprivation.

While there is a strong connection between low income and digital poverty, certain demographics within a community are more likely to experience digital exclusion and may be best supported through bespoke or targeted interventions. Throughout the life of the strategy, we aim to learn more about how digital confidence is developed with different demographics within a community and the role that local organisations play in their process.

21.6%

of our Building Digital Skills portfolio specifically supports communities facing racial inequity including refugees and people seeking asylum.

13.5%

of our Building Digital Skills portfolio specifically supports women and girls.

5.4%

of our Building Digital Skills portfolio specifically supports people experiencing homelessness.

MONEY FOUNDATION

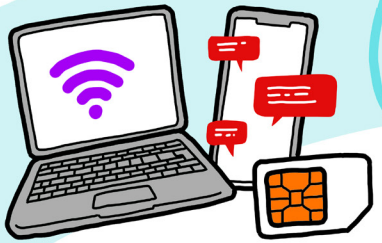
JUSTICE PRINCE

SAM'S JOURNEY

FROM DIGITAL EXCLUSION, TO DIGITAL CONFIDENCE

Sam first got involved with *Justice Prince* through their *Youth Forum* after becoming a father at 16. Determined to be a good dad he enrolled on the ***Working Roots programme***. He was set to progress into employment. Sadly, his mum died suddenly which left Sam feeling alone and struggling to cope. He became homeless, sofa surfing and unable to see his children as often as he would have liked. Sam trusted the team at *Justice Prince* and after support, he joined ***DISC***, its digital inclusion programme.

KIT AND CONNECTIVITY



FAMILIARITY

ESSENTIAL SERVICES (BENEFITS, NHS, HOUSING)

LEARN AND DEVELOP

IMPROVED FINANCES

SOCIAL CONNECTION (PEERS AND FRIENDS)

A HOME

A JOB

- STABLE FAMILY LIFE
- IMPROVED MENTAL HEALTH
- JOY
- SELF WORTH

Sam was given a SIM, data for his phone so he could contact his family and a laptop. He was supported to access a GP, set up a bank account, apply for benefits, register for home finder and as life became more stable, to update his CV, access training and apply for jobs. Sam is now in employment, living with his partner and children and they recently enjoyed a holiday abroad.

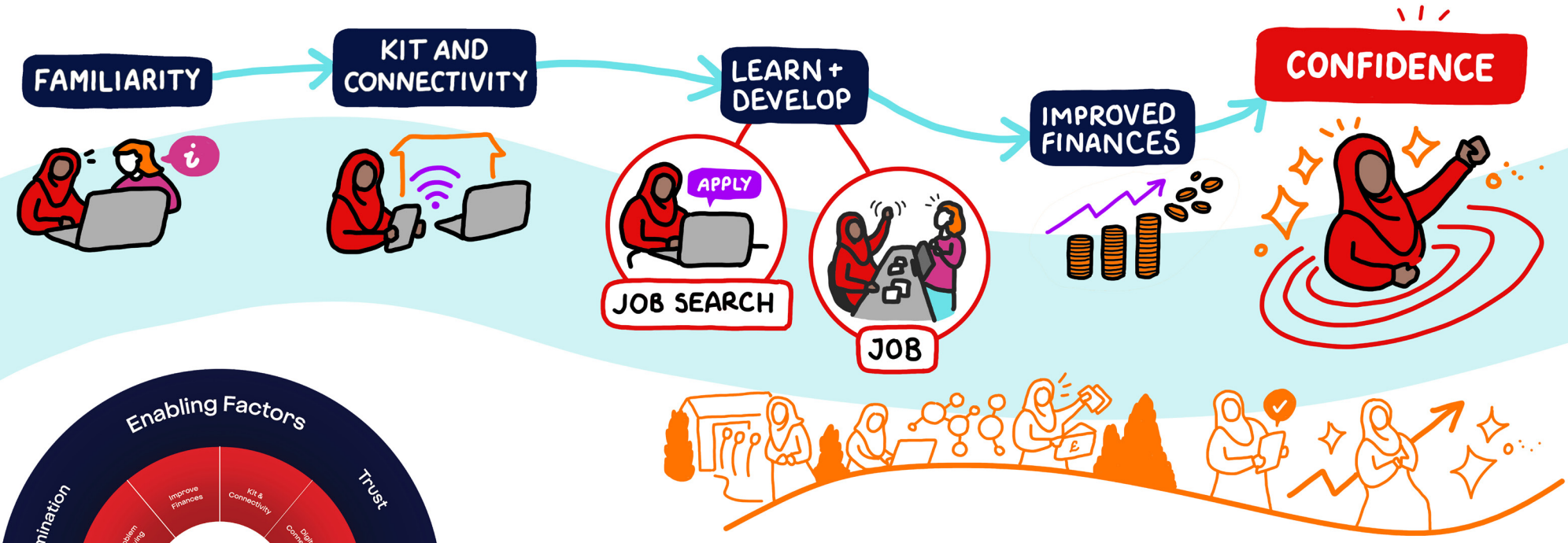
MONEY FOUNDATION

CRANHILL

JASMINE'S JOURNEY

FROM DIGITAL EXCLUSION, TO DIGITAL CONFIDENCE

Jasmine and her partner approached *Cranhill Development Trust* with the intention of improving their digital confidence. They attended the weekly digital skills classes and showed real determination to learn and develop. Over time, Jasmine's confidence grew significantly. She reached the point where she felt comfortable working independently on a computer and borrowed a laptop through Cranhill's device lending scheme. They stayed in touch to make sure she was still benefitting from the equipment and were pleased to hear that she was regularly using it to search for work.



A few months later, Jasmine had secured a job at a local supermarket. Her dedication and perseverance had paid off - she had secured employment. Seeing her achieve this was a powerful reminder of the impact that accessible digital support can have. It is testament to what can be achieved when people are given the tools, support and belief to push beyond their boundaries.

Volunteer and Connect Fund

Research published by the Digital Poverty Alliance finds that approximately 20% of children in the UK experience digital poverty. In response to this, in 2024 the Foundation developed the Volunteer and Connect Fund, a small grants fund that supports schools to increase digital access and skills within their school community. Through the Volunteer and Connect Fund, the Foundation works in tandem with colleagues from across the Nationwide Group who are already volunteering in local schools across the UK. Through the fund, colleagues apply for grants for the schools they volunteer in. The grants support digital inclusion initiatives, funding kit, connectivity, software or skills training to help children and their families become digitally connected and confident.

> “The difference we’ve seen in our young people has been immense, some of the pupils with additional support needs are much more confident in utilising the equipment to support their own learning needs. Without the support of the Virgin Money Foundation we would not have been able to provide that the accessibility for every young person that comes to our school”

Notre Dame High School. - Glasgow

During the financial year, we awarded 96 Volunteer and Connect Fund grants totalling

£247,263

Through the grants provided during the year, the number of children expected to increase their digital confidence is

19,000

Since the fund launched in 2024, through the Volunteer & Connect fund we have awarded

£612,072

Since the fund launched in 2024, the number of children expected to increase their digital confidence is

48,501

Notre Dame High School Case Study

Notre Dame High School in Glasgow supports 820 pupils, with almost half living in the highest areas of statistical deprivation. The school already knew that digital exclusion was affecting pupils' ability to complete homework, revise for exams and take part fully in lessons. For some families, the cost of home internet access and rising energy bills meant pupils were arriving in school with devices uncharged or were unable to continue learning online at home.

Through the Volunteer and Connect Fund the school invested in practical digital support: charging stations and cables across departments, replacement chargers and wires, headphones, keyboards, styluses and access to Achieve, an online resource focused on study skills and exam preparation for Higher and National 5 pupils. The funding has helped make sure pupils can use their iPads consistently, without asking families to absorb additional costs.

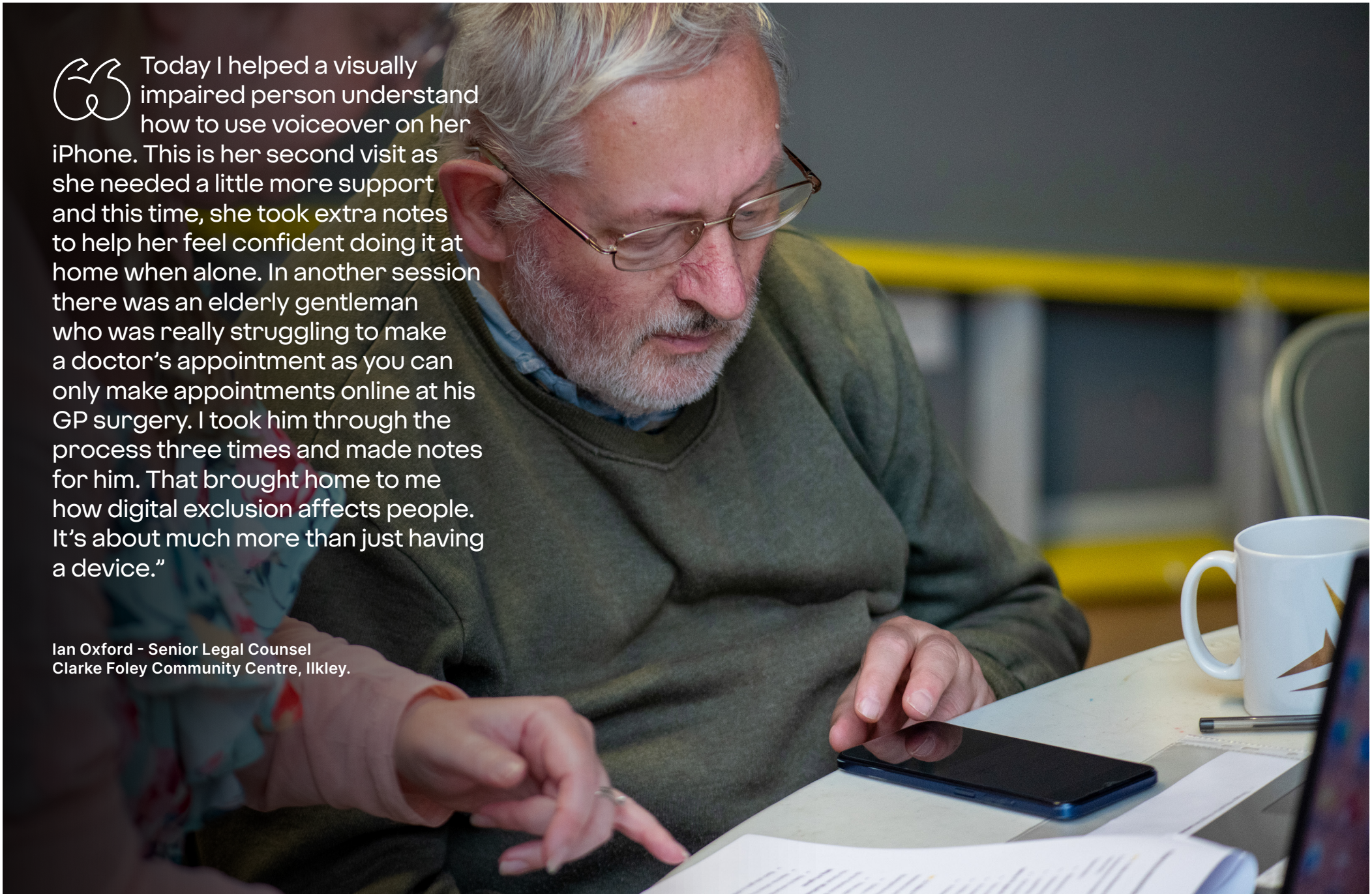
The impact has been immediate and visible. Teachers report increased engagement, better completion of tasks and noticeable improvements in attainment for pupils who had previously struggled. Pupils with additional support needs are also benefitting from equipment such as headphones, keyboards and styluses, which give them alternative ways to access digital tasks. By reducing lost learning time and making digital participation more reliable, the grant has helped Notre Dame move closer to its goal of digital equity for every learner.

Digital Champions Programme

We are in the privileged position as a corporate foundation, of having access to a large number of colleagues from across the Nationwide Group, many of whom have the skills and motivation to make a real difference to people experiencing digital exclusion. They are enabled through Nationwide's volunteering policy to spend two days per year volunteering in their local community. Harnessing this, the Digital Champions Programme was set up to train colleagues to become digital champions – people who can offer face-to-face support to people needing to complete digital tasks or gain digital access. Once trained, colleagues secure volunteering opportunities in local libraries, community centres and a range of community venues in their own neighbourhood and utilise the skills developed to help people coming into these venues to overcome obstacles and build confidence in completing digital tasks.
The tasks completed range from simply learning how to turn on a device and open an email account, through to the development of CVs, completion of job searches or downloading the NHS app in order to secure medical appointments.

241 colleagues were trained as Digital Champions during the year.

1,252 individual support sessions were provided to help people in their local community gain digital skills and confidence.


Today I helped a visually impaired person understand how to use voiceover on her iPhone. This is her second visit as she needed a little more support and this time, she took extra notes to help her feel confident doing it at home when alone. In another session there was an elderly gentleman who was really struggling to make a doctor's appointment as you can only make appointments online at his GP surgery. I took him through the process three times and made notes for him. That brought home to me how digital exclusion affects people. It's about much more than just having a device."
Ian Oxford - Senior Legal Counsel
Clarke Foley Community Centre, Ilkley.

Social and Sustainable Housing Fund

During 2021, the Foundation made a programme related investment into the Social and Sustainable Housing Fund (SASH). The SASH Fund pools resources from a number of social investors, including the Foundation, and lends money to Social Sector Organisations providing housing in the UK. The fund is now fully drawn down and invested and the Foundation is in receipt of distributions. By 31 March 2026, 2,736 people had been housed within properties purchased through the pooled fund.

Learning Together

Central to our strategy is a commitment to learning alongside our grantees. We want to understand more fully why digital exclusion occurs and how it is best addressed at a neighbourhood level. Much of the activity we are funding through our strategic programmes is new. The investments we are making are into well established, trusted organisations, but for many of these charities a focus upon tackling digital exclusion is recent or emerging. We encourage our charity partners to keep asking 'what is working and what is not?' and to pivot their initiatives as learning emerges. To ensure that we embed strong learning practices within our approach to grant making we have partnered with Brightpurpose as the learning partner across our strategy. During the year, they hosted learning events in Glasgow and the North East of England for grantees, Foundation staff and Trustees. They conducted deep dives into a number of our Building Digital Skills partnerships, spending time at the charity's premises, with staff leading the digital inclusion initiatives, learning from the work they are undertaking. They spent time with the Foundation team and Trustees exploring the impact of the strategy over its first year. They produced a report regarding the work in its first year and will continue to work alongside the Foundation in the year ahead.

In addition to the learning events hosted by Brightpurpose we have continued to make available to our Building Digital Skills grantees a learning circle. The learning circle is a forum for peer support and peer learning. Hosted independently of Foundation staff, the learning circles are designed to resource leaders as they tackle digital poverty in their community. The learning circle members inform the focus of the sessions to ensure the content is well targeted to address the real challenges faced by the participants.

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. 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.

Financial investment policy

The Foundation is in the fortunate position that its benefactor, Clydesdale Bank, and from 2 April 2026, Nationwide, 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 6 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.

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.

The Foundation did not make any new programme related social investments during the year.

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 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.

Financial review

Summary financial information for period ended	12 months to 31 Mar 2026 £'000	18 months to 31 Mar 2025 £'000
Grants and donations received	**1,789.9**	3,249.9
Other income	**17.5**	19.7
Expenditure on charitable activities	**(1,551.9)**	(2,539.2)
Other expenditure	**(468.0)**	(661.4)
Net (expenditure)/income	**(212.5)**	69.0
Restricted income funds	**41.4**	85.1
Unrestricted income funds	**1,626.7**	1,795.5
Total funds carried forward	**1,668.1**	1,880.6

Income

Income in the year totalled £1,807.4k (18 months to 31 March 2025: £3,269.6k). The Foundation received grants and donations of £1,143.0k (18 months to 31 March 2025: £2,286.0k) from Clydesdale Bank in the year, £100k (18 months to 31 March 2025: £200k) from HFD Charitable Foundation and other smaller donations totalling £80.8k (18 months to 31 March 2025: £105.6k). In addition, Clydesdale Bank donated services to the Foundation totalling £466.1k (18 months to 31 March 2025: £658.3k). 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 auditor.

Expenditure

Expenditure in the year totalled £2,019.9k (18 months to 31 March 2025: £3,200.6k). 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 year totalling £1,551.9k (18 months to 31 March 2025: £2,533.7k). No grants were rescinded in the year (18 months to 31 March 2025: two previously awarded grants of £1.0k). Grants were made for amounts between £0.2k and £100k. The Foundation made no payments towards programme costs (18 months to 31 March 2025: £12.2k).

The Foundation also incurred £468.0k (18 months to 31 March 2025: £661.4k) of operational costs, comprising £466.1k (18 months to 31 March 2025: £658.3k) of services donated by Clydesdale Bank, £1.9k (18 months to 31 March 2025: £3.1k) relating to bank charges.

Reserves

The Foundation's reserves at 31 March 2026 totalled £1,668.1k (2025: £1,880.6k), comprising restricted reserves of £41.4k (2025: £85.1k) and unrestricted reserves of £1,626.7k (2025: £1,795.5k).

The unrestricted reserves include £1,453.7k 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 was the sole member of the Foundation until 2 April 2026. On 2 April 2026, Clydesdale Bank's interest in the Foundation was transferred to Nationwide as part of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000. The Foundation however, 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 Nationwide detailing both the financial support and provision of services the Foundation can expect to receive from the building society. 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.

Trustees

The Trustees who served during the year and up to the date of signing the financial statements are listed on page 3. The Foundation's policies regarding Trustees are as follows:

- Nationwide appoints the Trustees, but Nationwide 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 Nationwide. 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 year the Foundation appointed two new Trustees both of which are employees of Nationwide. These trustees replace Lorna Bennie who resigned from the Board when she retired from the Nationwide Group in June 2025.
- The Board has appointed Funding Panels which consider all funding recommendations for amounts above £5,000. The Funding Panels make recommendations 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. 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 £5,000 are delegated to the Executive Director who reports these funding decisions to the Board on a regular basis.
- During the year, 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.

Since the date of publication of the last Annual Report, there have been no matters in respect of which a Trustee has recused themself 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 Programme Manager, a Grants and Learning Manager, a Grants Officer and two Administrators.

All Foundation colleagues are employed by Nationwide (having transferred employment from Clydesdale Bank on completion of the Part VII transfer on 2 April 2026) 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 year, the Foundation expended funds from Clydesdale Bank and HFD Charitable Foundation. Clydesdale Bank also covered the majority of the Foundation's operating costs via donations and provided additional operational support. Going forward, funding, operational costs and operational support previously provided by Clydesdale Bank will be provided by Nationwide.

The charity did not undertake any fundraising activities requiring disclosure under section 162A of the Charities Act 2011 and did not use the services of any professional fundraiser or commercial participator during the year.

Guarantees

In the event of the Foundation being wound up, the liability of the sole member of the Foundation, Nationwide, is limited to £1. The total number of such guarantees at 31 March 2026 was 1. The member is only entitled to voting rights in the Foundation and does not have a beneficial interest.

Disclosure of information to the auditor

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 auditor is 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 auditor is 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

On 2 April 2026, Clydesdale Bank's interest in the Foundation was transferred to Nationwide as part of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000.

There have been no other significant events between 31 March 2026 and the date of approval of the annual financial statements which would require a change to or additional disclosure in the financial statements.

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 year. 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 UK 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 7 October 2026 by:

DocuSigned by:
Amanda Jordan
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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 year ended 31 March 2026 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes 1 to 17, 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 2026 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report 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 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 prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have 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 they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 Foundation is complying with those frameworks by performing a combination of inquiries of senior management and those charged with governance as required by auditing standards, review of Trustees' meeting minutes, gaining an understanding of the Foundation's approach to governance.

- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur through discussions with management and those charged with governance, consideration of incentives and opportunities for fraud. Our procedures to address the risks identified also included incorporation of unpredictability into the nature, timing and/or extent of our testing.
- 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, management and those charged with governance, and performing a review of Trustees' meeting minutes.

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 member, 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 member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
Gemma Campbell
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Gemma Campbell (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
Leeds
7 October 2026

Statement of Financial Activities (Including income and expenditure account)

For the period ended

	Note	12 months to 31 Mar 2026 Unrestricted funds £'000	12 months to 31 Mar 2026 Restricted funds £'000	12 months to 31 Mar 2026 Total funds £'000	18 months to 31 Mar 2025 Unrestricted funds £'000	18 months to 31 Mar 2025 Restricted funds £'000	18 months to 31 Mar 2025 Total funds £'000
Income from:							
Donations and legacies	2	**1,689.9**	**100.0**	**1,789.9**	3,049.9	200.0	3,249.9
Other income	3	**17.5**	**-**	**17.5**	19.7	-	19.7
Total income		**1,707.4**	**100.0**	**1,807.4**	3,069.6	200.0	3,269.6
Expenditure on:							
Charitable activities	4	**(1,876.2)**	**(143.7)**	**(2,019.9)**	(2,989.3)	(211.3)	(3,200.6)
Total expenditure		**(1,876.2)**	**(143.7)**	**(2,019.9)**	(2,989.3)	(211.3)	(3,200.6)
Net (expenditure)/income for the period	5	**(168.8)**	**(43.7)**	**(212.5)**	80.3	(11.3)	69.0
Transfers between funds		**-**	**-**	**-**	(0.4)	0.4	-
Net movement in funds for the period		**(168.8)**	**(43.7)**	**(212.5)**	79.9	(10.9)	69.0
Reconciliation of funds:							
Total funds brought forward		**1,795.5**	**85.1**	**1,880.6**	1,715.6	96.0	1,811.6
Total funds carried forward		**1,626.7**	**41.4**	**1,668.1**	1,795.5	85.1	1,880.6

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 Mar 2026 £'000	31 Mar 2025 £'000
Non-current assets			
Programme related investments	7	**211.3**	222.3
Current assets			
Debtors	8	**100.0**	100.0
Cash at bank and in hand	9	**3,099.3**	3,025.2
Total current assets		**3,199.3**	3,125.2
Liabilities			
Creditors: Amounts falling due within the year	10	**(1,200.9)**	(828.6)
Net current assets		**1,998.4**	2,296.6
Total assets less current liabilities		**2,209.7**	2,518.9
Creditors: Amounts falling due after one year	10	**(541.6)**	(638.3)
Total net assets	14	**1,668.1**	1,880.6
The funds of the charity			
Restricted income funds	12	**41.4**	85.1
Unrestricted income funds	13	**1,626.7**	1,795.5
Total charity funds	14	**1,668.1**	1,880.6

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 7 October 2026:

DocuSigned by:
Amanda Jordan
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Amanda Jordan
Chair of the Board of Trustees

Cash Flow Statement

For the period

		12 months to 31 Mar 2026 £'000	18 months to 31 Mar 2025 £'000
Cash flows from operating activities			
Net cash provided by operating activities	(a)	**63.1**	878.6
Cash flows from investing activities			
Net cash provided by/(used in) investment activities		**11.0**	(13.8)
Change in cash and cash equivalents in the period		**74.1**	864.8
Cash and cash equivalents at the beginning of the period		**3,025.2**	2,160.4
Cash and cash equivalents at the end of the period	(b)	**3,099.3**	3,025.2

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

	12 months to 31 Mar 2026 £'000	18 months to 31 Mar 2025 £'000
Net movement in funds (as per the statement of financial activities)	**(212.5)**	69.0
Adjustments for:		
Increase in creditors	**275.6**	809.6
Net cash provided by operating activities	**63.1**	878.6

Cash flow statement (continued)

(b) Analysis of cash and cash equivalents

	12 months to 31 Mar 2026 £'000	18 months to 31 Mar 2025 £'000
Cash at bank and in hand	**3,099.3**	3,025.2
Total cash and cash equivalents	**3,099.3**	3,025.2

(c) Analysis of changes in net debt

	At 1 Oct 2023 £'000	Cash flows £'000	At 31 Mar 2025 £'000	**Cash flows £'000**	**At 31 Mar 2026 £'000**
Cash	2,160.4	864.8	3,025.2	**74.1**	**3,099.3**

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

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. For the year to 31 March 2026, the sole member of the Foundation was Clydesdale Bank which is a wholly owned subsidiary of Virgin Money. On 2 April 2026, Clydesdale Bank's interest in the Foundation was transferred to Nationwide as part of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000.

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 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. Accordingly, the comparative period financial statements are prepared for the 18-month period ended 31 March 2025 and are therefore not entirely comparable to the current 12-month period. 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 UK (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

Nationwide continues to adhere to the pledge, given by Clydesdale Bank, to provide up to £420,000 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 September 2027. 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 Nationwide 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 year. 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 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 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 year.

(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 year, 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 year 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.

Accruals 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.

Accruals for multi-year grants 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 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

	12 months to 31 Mar 2026			18 months to 31 Mar 2025		
	Unrestricted funds £'000	**Restricted funds £'000**	**Total funds £'000**	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Clydesdale Bank grant	**1,143.0**	**-**	**1,143.0**	2,286.0	-	2,286.0
Other donations	**80.8**	**100.0**	**180.8**	105.6	200.0	305.6
Clydesdale Bank donation of services	**466.1**	**-**	**466.1**	658.3	-	658.3
Total	**1,689.9**	**100.0**	**1,789.9**	3,049.9	200.0	3,249.9

Clydesdale Bank 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 Clydesdale Bank is shown in note 4.

3. Other income

	12 months to 31 Mar 2026			18 months to 31 Mar 2025		
	Unrestricted funds £'000	**Restricted funds £'000**	**Total funds £'000**	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Bank interest	**17.5**	**-**	**17.5**	19.7	-	19.7
Total	**17.5**	**-**	**17.5**	19.7	-	19.7

4. Expenditure on charitable activities

(a) Charitable activities by objective

	12 months to 31 Mar 2026						
	Grants			Support costs			
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Programmes:							
Ripple fund	**0.4**	**-**	**0.4**	**0.1**	**-**	**0.1**	**0.5**
Building Digital Skills Fund Glasgow – HFD Award Funding	**694.5**	**143.7**	**838.2**	**182.0**	**-**	**182.0**	**1,020.2**
Building Digital Skills Fund NE	**466.0**	**-**	**466.0**	**122.1**	**-**	**122.1**	**588.1**
Volunteer Connect	**247.3**	**-**	**247.3**	**64.8**	**-**	**64.8**	**312.1**
Governance	**-**	**-**	**-**	**99.0**	**-**	**99.0**	**99.0**
Total	**1,408.2**	**143.7**	**1,551.9**	**468.0**	**-**	**468.0**	**2,019.9**

4. Expenditure on charitable activities (continued)

(a) Charitable activities by objective

	18 months to 31 Mar 2025						
	Grants			Support costs			
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'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)

(b) Support costs

	12 months to 31 Mar 2026 £'000	18 months to 31 Mar 2025 £'000
Staff costs relating to charitable activities	**200.3**	301.0
Staff costs relating to governance	**63.5**	96.7
Governance costs	**35.5**	49.9
Other costs	**168.7**	213.8
Total support costs	**468.0**	661.4

Support costs comprise £466.1k (18 months to 31 March 2025: £658.3k) of services provided by Clydesdale Bank and £1.9k (18 months to 31 March 2025: £3.1k) relating to bank charges.

Clydesdale Bank 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.

Clydesdale Bank 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 Clydesdale Bank and donated to the Foundation.

4. Expenditure on charitable activities (continued)

(c) Auditor's remuneration

	12 months to 31 Mar 2026 £'000	18 months to 31 Mar 2025 £'000
Fees payable to the Foundation's auditor for the audit of the Foundation's Annual Report and Accounts	**8.1**	8.9
Total auditor's remuneration	**8.1**	8.9

The statutory audit fee was paid by Clydesdale Bank. The value of this service is £8.1k (18 months to 31 March 2025: £8.9k) and has been treated as a donation from Clydesdale Bank. No non-audit fees were incurred in the year (18 months to 31 March 2025: £Nil).

5. Net (expenditure)/income for the period

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

	12 months to 31 Mar 2026 £'000	18 months to 31 Mar 2025 £'000
Auditor's remuneration	**8.1**	8.9
Trustees' expenses	**9.8**	9.1
Bank charges	**1.9**	3.1

None of the Trustees (18 months to 31 March 2025: 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. Trustees' expenses of £9.8k (18 months to 31 March 2025: £9.1k) were incurred in regards to nine (18 months to 31 March 2025: nine) Trustees. These expenses were funded by Clydesdale Bank and treated as a donation to the Foundation.

6. Employee information

The Foundation did not directly employ any staff during the year (18 months to 31 March 2025: none). The services of individuals were obtained from Clydesdale Bank 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 Clydesdale Bank.

	12 months to 31 Mar 2026 £'000	18 months to 31 Mar 2025 £'000
Wages and salaries	**199.4**	307.1
Social security costs	**26.2**	31.4
Other pension costs	**38.1**	59.0
Colleague recognition	**0.1**	0.2
Total staff costs	**263.8**	397.7

6. Employee information (continued)

The monthly average number of persons working for the Foundation but employed and paid by Clydesdale Bank during the year was four (18 months to 31 March 2025: four).

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

	12 months to 31 Mar 2026 Number	18 months to 31 Mar 2025[1] Number
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	**1**	1
£100,001 - £110,000	-	-
Total	**1**	1

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

7. Programme related investments

As at	2026 £'000	2025 £'000
Non-current assets		
Social and Sustainable Housing Limited Partnership	**211.3**	222.3
Total	**211.3**	222.3

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 UK.

As at 31 March 2026, £238.9k had been provided to the SASH programme. Distributions of £27.6k have been received and accounted for as a reduction in the carrying amount of the investment, resulting in a closing book value of £211.3k as at March 2026.

8. Debtors

As at	2026 £'000	2025 £'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	2026 £'000	2025 £'000
Cash and bank balances	**3,099.3**	3,025.2
Total	**3,099.3**	3,025.2

10. Creditors

Amounts falling due within one year

As at	2026 £'000	2025 £'000
Accruals for grants payable	**1,200.9**	828.6
Total	**1,200.9**	828.6

Amounts falling due after one year

As at	2026 £'000	2025 £'000
Accruals for grants payable	**541.6**	638.3
Total	**541.6**	638.3

10. Creditors (continued)

Reconciliation of grants payable

	2026 £'000	2025 £'000
Opening balances brought forward	**1,466.9**	657.0
Grants awarded	**1,551.9**	2,539.2
Grants paid	**(1,276.3)**	(1,729.3)
Grants payable carried forward	**1,742.5**	1,466.9

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 2026 (2025: none).

12. Restricted income funds

The movements on the restricted funds are as follows:

	Fund balances as at 1 Apr 2025 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Fund balances as at 31 Mar 2026 £'000
Building Digital Skills Glasgow – HFD Award	**85.1**	**100.0**	**(143.7)**	**-**	**41.4**
Total	**85.1**	**100.0**	**(143.7)**	**-**	**41.4**

	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

13. Unrestricted income funds

The movements on the unrestricted funds are as follows:

	Fund balances as at 1 Apr 2025 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Fund balances as at 31 Mar 2026 £'000
General funds	**1,108.1**	**1,707.4**	**(1,181.7)**	**(361.3)**	**1,272.5**
Designated: Social and Sustainable Capital Fund	**250.0**	**-**	**-**	**(38.7)**	**211.3**
Designated: Building Digital Skills Glasgow	**437.4**	**-**	**(694.5)**	**400.0**	**142.9**
Total	**1,795.5**	**1,707.4**	**(1,876.2)**	**-**	**1,626.7**

The Trustees agreed the transfer of £400.0k from the general fund and the Social and Sustainable Capital fund to the Building Digital Skills Glasgow fund. The decision to transfer the funds arose in order to satisfy the requirements of the co-funding agreement with HFD Charitable Foundation.

13. Unrestricted income funds (continued)

	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

14. Analysis of net assets between funds

	Unrestricted			
	General Fund	**Designated Fund**	**Restricted Fund**	**2026 Total**
	£'000	**£'000**	**£'000**	**£'000**
Total assets	**2,075.2**	**1,123.0**	**212.4**	**3,410.6**
Total liabilities	**(802.7)**	**(768.8)**	**(171.0)**	**(1,742.5)**
Net assets	**1,272.5**	**354.2**	**41.4**	**1,668.1**

	Unrestricted			
	General Fund	Designated Fund	Restricted Fund	2025 Total
	£'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

15. Related party transactions

	Transaction value for 12 months to 31 Mar 2026 £'000	**Balance outstanding as at 31 Mar 2026 £'000**	Transaction value for 18 months to 31 Mar 2025 £'000	Balance outstanding as at 31 Mar 2025 £'000
Donations received from Clydesdale Bank				
Grant and additional donations	**1,143.0**	**-**	2,286.0	-
Donation of services	**466.1**	**-**	658.3	-
Recharges and trading balances with Clydesdale Bank	**(466.1)**	**-**	(658.3)	-
Interest received and cash deposit held with Clydesdale Bank	**16.6**	**1,306.9**	14.7	1,290.2

16. Grants awarded

A full breakdown of grants awarded can be viewed on the Virgin Money Foundation website at:
www.virginmoneyfoundation.org.uk/downloads/pdf/virgin-money-foundation-grants-2026.pdf

17. Events after the balance sheet date

On 2 April 2026, Clydesdale Bank's interest in the Foundation was transferred to Nationwide as part of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000. There were no other events after the balance sheet date that require disclosure.

MONEY FOUNDATION