

The Virgin Money Foundation

Annual Report and Accounts for the year ended 30 September 2022

The Virgin Money Foundation
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The Virgin Money Foundation

Company information

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

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 4 to 13 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)
Joanne Curry (Vice Chair)
Lorna Bennie
Keith Burge
Hannah Underwood
Edward Younger
Keith Merrin
Alison Kidd
Laura Christer (appointed 29 April 2022)
Abigail Walker (appointed 7 April 2022)

Company Secretary:

Lorna McMillan

Bankers:

Clydesdale Bank PLC 30 St Vincent Place Glasgow G1 2HL	Lloyds Bank plc 25 Gresham Street London EC2V 7HN	Nationwide Building Society Nationwide House Pipers Way Swindon SN38 1NW
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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)

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

The Virgin Money Foundation Chair's statement

Welcome to the 2022 Annual Report and Accounts of the Virgin Money Foundation.

This was my first full year as Chair of the Virgin Money Foundation and one in which we continued to support community entrepreneurs and community organisations working to drive local change. Our ambition is that local people are better able to lead social change, that local community organisations are strengthened and that resilient communities are able to tackle poverty at its roots.

Through our strategic 'Community Anchor' grants programme, we work with local organisations who play a vital, practical role in reducing the impact of poverty in the neighbourhoods in our target areas of the North East of England and Glasgow (in partnership with the HFD Foundation). Community anchors are home to food banks or community pantries, run furniture recycling schemes, provide guidance and training in cooking on a budget, support 'grow your own' schemes, act as a base for benefit maximisation projects and debt advice, link people to sources of lower cost credit, tackle fuel and data poverty and provide employment support and training. Others operate in the private rented sector providing a good standard of housing and practical support to their tenants - many working with young people as they leave local authority care. In other words those organisations that are the mainstays of neighbourhoods especially in difficult times.

We have also built on our proud track record of investing in young people as leaders of social action and social change. We recognise the need to give young people opportunities and continue the flow of social entrepreneurs into communities. In this final round of the #Iwill Take Action Fund we supported projects under three themes, all led by young people: Crisis, Poverty and Isolation; Arts and Heritage and Community Justice. We have been delighted to partner with the #IWill campaign and this helped us to launch our own Young Change Makers Programme in 2021 and over this last year we have supported the nine young people whose social change projects are tackling key issues in their local community across the North of England. We are grateful to the support of the National Lottery Community Fund who provided match funding for both programmes.

During the year we commissioned two external evaluations to learn more about the impact of our work with young people. When place is given central importance in youth social action we would like to better understand and share the impact this has both on the young person's sense of belonging to that place and the impact on others in that place. An evaluation of our Young Change Makers Fellowship Programme will help us learn about how best to support young people to create change.

During 2022 we also launched a new programme to support established leaders of social change in the North East and Yorkshire and Humber. 'Leading the Way', in partnership with Power to Change, aims to increase the confidence, resilience, skills and networks of people running community enterprises, including community businesses, organisations and trading charities, to enable them to develop their leadership and deepen the positive impact their organisation has in their community. We recruited our first cohort of 19 community leaders in June this year, each receiving a package of support worth approximately £25,000 in value.

The Foundation appointed two new Trustees for this year, both young people who had completed a one year term as Board Observers. I extend my thanks to all my fellow Trustees for their time, energy and commitment over the last 12 months and to the Foundation team, led by Nancy Doyle-Hall and her cover during family leave, Kate Bradley. They have been a tremendous support for me in my first year.

We must not forget that these are difficult times for many people. Like all funders, we are very concerned about the cost-of-living crisis and its impact on communities where cost of living challenges are not new but have become more acute. As we look ahead to 2023 and beyond, we want to build on our reputation, using sector knowledge, funds, brand power and our people to help drive the national agenda around the poverty premium and the root causes of poverty. I look forward to continuing this work.



Amanda Jordan
Chair of the Board of Trustees
14 December 2022

The Virgin Money Foundation 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 successfully applied for dual registration with the regulator for charities in Scotland - OSCR. The Foundation launched with an initial focus on the North East of England but has expanded its grant programmes to Glasgow and to other communities across the North of England.

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.

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

Measures of success

Since launch the Foundation has awarded almost £12 million in grants. The Trustees of the Foundation have approved a Theory of Change which details the activity the Foundation will undertake and how it will measure success. Measures currently include:

- the number of grants awarded;
- the value of grants;
- the level of Beyond the Grant activity offered by the Foundation; and
- the outcomes achieved by grant recipients.

Strategy

The Foundation develops funding programmes informed by its Theory of Change. During the year the Foundation's grant programmes continued to focus on:

- using the Virgin Money brand to bring people together to think through the key issues the Foundation seeks to address, find solutions and work for change;
- investing in solutions, backing entrepreneurs and organisations to drive positive change within communities; and
- providing non-financial support to beneficiaries and resourcing them to sustain, scale or replicate these initiatives in places where they are needed most.

In September 2022 the Trustees of the Foundation met to discuss its strategy and review the Theory of Change. Trustees were of the view that the Theory of Change should evolve in recognition of the commitment to young people and community leaders, leading social change alongside strengthening community organisations tackling the root causes of poverty. A more in-depth strategy review will take place in the first half of the next financial year to ensure the Foundation continues to learn through its activities and to consider and implement changes required to ensure effectiveness.

The Virgin Money Foundation

Trustees' report

Achievements and performance

Community Anchors' Fund

The Community Anchors Fund aims to build meaningful and enduring partnerships with innovative and committed local community organisations. These are vital local organisations that act as the 'bedrock' in a neighbourhood, providing a place where people feel welcome, problems solved and good ideas are helped to grow. There is a breadth of organisations supported but these are typically small charities deeply rooted in a specific place. The Community Anchors' Fund provides these organisations with grants to cover core costs or to support new or existing projects. The award can be spread over one, two or three years.

During the financial period the Foundation awarded 15 grants through the Community Anchors' Fund totalling £444.9k (FY21: £585.3k).

Of the grants awarded during the financial period, 54% were for core costs and 46% for specified activities or project costs.

Of the grants awarded, five were for a single year, seven were spread over two years and three were spread over three years.

Community Anchors' Fund Glasgow

Community Anchors expanded into Glasgow in 2020 with the support of both Virgin Money and the HFD Charitable Foundation. Community Anchors Glasgow is not an open grants programme at this time. The Foundation is grateful for the support of knowledgeable Glasgow-based funders and partners who help identify community anchor organisations who are invited to apply to the fund for up to £30,000 for project or running costs. Priority is given to organisations which help people impacted most by the rising cost of living and organisations supporting people to move people out of poverty and provide a longer-term sustainable solution.

During the financial period 7 grants were awarded through the Community Anchors' Fund Glasgow totalling £203.0k (FY21: £389.1k), taking the total awarded through the fund since launch to over £700k.

Of the grants awarded during the financial period, 42% were for core costs and 58% for specified activities or project costs.

Of the grants awarded, three were for a single year, three were spread over two years and one was spread over three years.

#iwill Take Action Fund

In early 2022 the Foundation made the final awards through the second round of the #iwill Take Action Fund utilising funding awarded to the Foundation through the National Lottery Community Fund #iwill fund grant. The #iwill Fund is made possible thanks to £50 million joint investment from The National Lottery Community Fund and the Department for Digital, Culture, Media and Sport (DCMS) to support young people to access high quality social action. The Foundation is a match-funder of the #iwill Fund⁽¹⁾.

The #iwill Fund brings together a group of organisations that all contribute funding to embed meaningful social action into the lives of young people. Social action involves activities such as campaigning, fundraising and volunteering. The #iwill Fund supports the aims of the #iwill campaign - to make involvement in social action a part of life for young people, by recognising the benefit for both young people and their communities.

The #iwill Take Action Fund, supports youth-led initiatives in which young people are taking the lead in creating positive change in their community. In the second round of this fund we specifically welcomed applications for activity in which young people are supporting their local community to recover from the effects of COVID-19. We invited applications under three themes:

- Crisis, Poverty and Isolation
- Arts and Heritage
- Community Justice

The Virgin Money Foundation Trustees' report

We awarded 9 grants through the fund during the FY22 financial period, totalling £250k (FY21: £320k).

Theme of work	Number of grants	Combined Grant Total
Crisis, Poverty and Isolation	2	£72,608
Community Justice	3	£68,370
Arts and Heritage	4	£109,040

(1) In the financial statements detailed in notes 4a, 12 and 13 funding provided by the National Lottery Community Fund for the #iwill Take Action Fund is listed under the title National Lottery Community Fund #iwill Fund grant. This is the name of the funding programme through which their funds were provided.

Young Change Makers Fellowship Programme

In FY21 the Foundation launched the Young Change Makers Fellowship Programme utilising funding provided by National Lottery Community Fund Partnerships England Wide⁽²⁾. The Young Change Makers Fellowship Programme supports young people aged between 18 and 25 from the North East, North West and Yorkshire and Humber who are working to create positive change in their local community. All 9 grant awards for Cohort 1 were made in FY21 but delivery of the programme continued in FY22.

(2) In the financial statements detailed in notes 4a, 12 and 13 funding provided by the National Lottery Community Fund for the Young Change Makers Programme is listed under the title National Lottery Community Fund Partnerships England Wide. This is the name of the funding programme through which their funds were provided.

Leading the Way

Leading the Way opened for applications in December 2021 in partnership with Power to Change who were awarded a grant towards programme management. A total of 19 leaders from community organisations and community businesses across the North East and Yorkshire and Humber were selected to join a 16 month programme which started in June 2022. The programme has been designed for leaders who have not benefitted from significant investment in their personal or organisational development. A second cohort will run from April 2023 to July 2024. NCVO were appointed as the learning partner following a tender process.

Colleagues in the Community Fund

Following the acquisition of Virgin Money by CYBG PLC in 2018 and the integration of the two businesses, the Yorkshire and Clydesdale Bank Foundation (YCBF) was wound down and closed. Funding previously directed by Clydesdale Bank PLC to YCBF was instead donated to the Foundation. With this additional funding the Foundation launched a new grants programme in FY20 supporting the charities with whom bank colleagues have a long-term volunteering relationship. Grants are for up to £500.

During the financial period the Foundation awarded 52 grants through the Colleagues in the Community Fund totalling £25,857 (FY21: £40,713).

Social and Sustainable Housing Fund

In FY21 the Foundation awarded £250,000 as a programme related investment in the Social and Sustainable Housing Fund (SASH). 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. At 30 September 2022, £147,366 had been provided to the SASH, with a remaining £102,634 still to be drawn. This is the Foundation's first social investment and through the investment we intend to learn about the usefulness and application of social investment in addressing housing need.

The Virgin Money Foundation Trustees' report

Beyond the Grant

The Foundation provides a range of additional support to funded organisations that we call 'beyond the grant'. Externally we delivered a series of five Masterclasses in partnership with GLT, the topics being; North East communities post Brexit, Women in Leadership, Equity, Diversity and Inclusion, Future Funding and Social impact. In total 676 community leaders attended these Masterclasses.

Beyond the Grant also includes harnessing the assets, people and wider opportunities from our relationship with Virgin Money. In total Virgin Money colleagues logged 348 volunteer hours for the Foundation.

This year a 'Being a Great Trustee' programme was delivered with Yes We Can Govern. A total of 22 Virgin Money colleagues took part with the aim of taking up trustee roles in their local community. Through a mentoring programme, six colleagues were matched with leaders from charities and community organisations. Virgin Money's Internal Audit team also delivered a workshop attended by nine organisations.

The Young Change Makers programme was enhanced by support from 30 Virgin Money colleagues acting as mentors and joining method groups for each young person. One of the Young Change Makers also secured a place on the Virgin StartUp programme.

The Virgin Money Learning and Development team delivered a 'Springboard' programme, to support women in their careers and offered three spaces to women from the Foundation's funded organisations. Working with the Leadership Development team, a pilot programme launched in September this year to provide strategic consultancy to our partner community organisations by members of the extended leadership team. The pilot will be evaluated to capture learning and inform the future strategy for colleague skills-based volunteering.

Plans for future periods

The Foundation continues to evolve its programmes in line with its strategy and needs. In the next financial period it is planning the following:

- Continue to concentrate grant-making in areas that need the money most. During the financial period 84% of the value of the Foundation's grants were spent in communities in the top 20% of the Index of Multiple Deprivation and 52% spent in the top 5% of the Index of Multiple Deprivation. We remain committed to ensuring our funds support people to create change where there is greatest need.
- Continue to support Community Anchors in the North East of England and in Glasgow to provide access to services, to increase skills and wellbeing and reduce isolation and provide emergency relief as the cost of living crisis grows.
- Explore additional geographies to deliver localised enduring impact.
- Recruit the second cohort of Young Change Makers and explore the future of this programme beyond its current funding term.
- Recruit the second cohort of community leaders through Leading the Way, supporting them to develop their leadership skills and increase the impact of their organisation.
- Engage more Virgin Money colleagues in skills-centred volunteering to increase the impact of our funded organisations.
- Share learning from evaluations of our programmes for young people and community leaders.

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 Virgin Money Foundation Trustees' report

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

During FY21 the Foundation developed a policy on social investment. In addition to its financial investment activity, the parameters of which 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 FY22 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.

The Virgin Money Foundation

Trustees' report

Financial review

Summary financial information for period ended	12 months to 30 Sep 2022 £'000	12 months to 30 Sep 2021 £'000
Grants and donations received	1,881.3	2,047.8
Other income	2.5	4.0
Expenditure on charitable activities	(1,276.1)	(1,455.8)
Other expenditure	(449.1)	(520.1)
Net income	158.6	75.9
Restricted income funds	283.6	427.7
Unrestricted income funds	1,929.7	1,627.0
Total funds carried forward	2,213.3	2,054.7

Income

Income in FY22 totalled £1,883.8k (FY21: £2,051.8k). The Foundation received grants and donations of £1,143.0k (FY21: £1,143.0k) from Virgin Money in the period, £nil (FY21: £270k) from National Lottery Community Fund and £100.0k (FY21: £100k) from HFD Charitable Foundation. The Foundation also received other smaller donations totalling £212.5k (FY21: £95.3k). In addition, Virgin Money donated services to the Foundation totalling £425.8k (FY21: £439.5k). 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 FY22 totalled £1,725.2k (FY21: £1,975.9k). 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 103 grants in FY22 totalling £1,076.4k (FY21 £1,445k) and received a refund of one previously awarded grant of £0.5k (FY21 £2.9k). Grants were made for amounts between £400 and £37,400. In addition, the Foundation paid £200.2k (FY21: £13.7k) towards programme costs.

The Foundation also incurred £449.1k (£520.1k) of operational costs, comprising £425.8k (FY21: £439.5k) of services donated by Virgin Money, £nil donated by Ridgeway Partners (FY21: £78.0k) and £3.0k (FY21: £2.6k) relating to bank charges.

Reserves

The Foundation's reserves at 30 September 2022 totalled £2,213.3k (FY21: £2,054.7k), comprising restricted reserves of £283.6k (FY21: £427.7k) and unrestricted reserves of £1,929.7k (FY21: £1,627.0k).

The unrestricted reserves include £1,754.7k for grant-making and £175.0k as a contingency for non grant-making expenditure in line with our reserves policy.

The Virgin Money Foundation

Trustees' report

Designated Funds

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

Designation	Amount £'000	Likely timing of expenditure
Funds that have been awarded as programme related investments	245.9	FY22-FY25
Heart of the Community Fund	206.8	FY22-FY23
Community Anchors' Fund Ubuntu	10.0	FY22
Community Anchors' Fund Glasgow	188.7	FY22-FY23
Funding matched with National Lottery Community Fund Partnerships England Wide	189.4	FY22-FY23
Funding matched with National Lottery Community Fund #iwill Fund grant	26.7	FY23
Community Entrepreneurs Fellowship Programme	268.0	FY23-FY24

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. In addition, the current COVID-19 pandemic and its implications upon the Foundation's operations and future plans are risks that the Board is mindful of. The Foundation has established clear processes and governance structures to address and monitor its key risks, including control actions to reduce the likelihood and impact of each of the aforementioned risks. 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.

The Virgin Money Foundation Trustees' report

Trustees

The Trustees who served during the period and up to the date of signing the financial statements are listed on page 2. Lorna Bennie and Alison Kidd are employees of Virgin Money. The Foundation's policies regarding Trustees are as follows:

- Virgin Money appoints the Trustees, but Virgin Money and the Trustees must use their reasonable endeavours to ensure that at least 50% of the Trustees at any one time 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 last financial period the Foundation recruited two new Trustees who were previously young Board Observers.
- During the financial period the Foundation undertook an open recruitment process for a new Trustee who will be appointed in December 2022 subject to Board approval and satisfactory completion of the pre-appointment checks.
- The Board has appointed a Funding Recommendations Panel which considers all funding recommendations for amounts of £60,000 or less. The Funding Recommendations Panel makes a recommendation regarding funding to the full Board of Trustees. All final decisions regarding the structure of the Foundation's funding programmes and the allocation of funds to individual projects are agreed by a majority vote of the Foundation's Trustees at a formal meeting of the Board. Trustees are required to excuse themselves from voting and influencing the discussion should any 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.
- During the period, the Foundation held a combination of in-person and virtual meetings. All meetings took place as scheduled. Continuing its COVID-19 protocol, the Trustees agreed that in between Board meetings, funding decisions that would usually be taken to the Funding Recommendations Panel could be delegated to any two Trustees. Decisions made by these Trustees were made on behalf of the full Board and were final. This extraordinary process was established in 2020 to enable the Foundation to expedite its funding decisions during the pandemic, ensuring funding was distributed to communities without undue delay.

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.

The Virgin Money Foundation Trustees' report

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. In the period, the Foundation appointed two new Trustees, Laura Christer (appointed 29th April 2022) and Abigail Walker (appointed 7th April 2022). Laura Christer is employed by West End Women and Girls and Abigail Walker is employed by Action Foundation. Both organisations received grant awards in FY21 (refer to note 15). In the period, the Foundation also made payments to Power to Change, GLT Partners Limited and Northern Soul, who are led by former Trustees of the Foundation who stepped down from the Board in previous financial years, details of which were disclosed in the 2020 and 2021 Annual Reports.

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 Programme Co-ordinator and an Administrator. During the period, the Executive Director and Programme Co-ordinator were on Family Leave and their respective roles were covered by an external appointment and 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 pay review process.

Key relationships

During the period the Foundation expended funds from Virgin Money, National Lottery Community Fund, HFD Charitable Foundation, and donations from Virgin Money staff. Leading the Way is delivered in partnership with Power to Change with each party contributing funds over a three year period. 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 30 September 2022 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 30 September 2022 and the date of approval of the annual financial statements which would require a change to or additional disclosure in the financial statements.

The Virgin Money Foundation Trustees' report

Statement of Trustees' responsibilities

The Trustees (who are also Directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

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

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approval

The Trustees have agreed these financial statements, which have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board of Trustees and signed on its behalf on 14 December 2022 by:



Amanda Jordan

Chair of the Board of Trustees

The Virgin Money Foundation
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 30 September 2022 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 30 September 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report 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

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

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

Other information

The 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.

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

We have nothing to report in this regard.

The Virgin Money Foundation
Independent auditor's report

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 has 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 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 Statement of Trustees' responsibilities set out on page 14, 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.

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.

The Virgin Money Foundation
Independent 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.

A handwritten signature in blue ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Blake Adlem (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor,
Edinburgh
14 December 2021

The Virgin Money Foundation
Statement of financial activities
(Including income and expenditure account)

For the year ended 30 September

	Note	2022			2021		
		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Donations and legacies	2	1,781.3	100.0	1,881.3	1,677.8	370.0	2,047.8
Other income	3	2.5	-	2.5	4.0	-	4.0
Total income		1,783.8	100.0	1,883.8	1,681.8	370.0	2,051.8
Expenditure on:							
Charitable activities	4	(1,481.1)	(244.1)	(1,725.2)	(1,660.2)	(315.7)	(1,975.9)
Total expenditure		(1,481.1)	(244.1)	(1,725.2)	(1,660.2)	(315.7)	(1,975.9)
Net income/(expenditure) in funds for the period	5	302.7	(144.1)	158.6	21.6	54.3	75.9
Transfers between funds		-	-	-	-	-	-
Net movement in funds for the period		302.7	(144.1)	158.6	21.6	54.3	75.9
Reconciliation of funds:							
Total funds brought forward		1,627.0	427.7	2,054.7	1,605.4	373.4	1,978.8
Total funds carried forward		1,929.7	283.6	2,213.3	1,627.0	427.7	2,054.7

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.

The Virgin Money Foundation
Balance sheet


As at 30 September

	Note	2022 £'000	2021 £'000
Non-current assets			
Programme related investments	7	143.3	82.6
Current assets			
Debtors	8	50.0	323.5
Cash at bank and in hand	9	2,702.4	2,291.8
Total current assets		2,752.4	2,615.3
Liabilities			
Creditors: Amounts falling due within the year	10	(645.4)	(604.2)
Net current assets		2,107.0	2,011.1
Total assets less current liabilities		2,250.3	2,093.7
Creditors: Amounts falling due after one year	10	(37.0)	(39.0)
Total net assets	14	2,213.3	2,054.7
The funds of the charity			
Restricted income funds	12	283.6	427.7
Unrestricted income funds	13	1,929.7	1,627.0
Total charity funds	14	2,213.3	2,054.7

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 14 December 2022:



Amanda Jordan
Chair of the Board of Trustees

The Virgin Money Foundation
Cash flow statement

For the year ended 30 September

		2022 £'000	2021 £'000
Cash flows from operating activities			
Net cash provided by operating activities	(a)	471.3	256.6
Cash flows from investing activities			
Net cash used in investment activities		(60.7)	(82.6)
Change in cash and cash equivalents in the period		410.6	174.0
Cash and cash equivalents at the beginning of the period		2,291.8	2,117.8
Cash and cash equivalents at the end of the period	(b)	2,702.4	2,291.8

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

	2022 £'000	2021 £'000
Net movement in funds (as per the statement of financial activities)	158.6	75.9
Adjustments for:		
Decrease in debtors	273.5	21.6
Increase in creditors	39.2	159.1
Net cash provided by/(used in) operating activities	471.3	256.6

(b) Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	2,702.4	2,291.8
Total cash and cash equivalents	2,702.4	2,291.8

(c) Analysis of changes in net debt

	At 30 September 2020 £'000	Cash flows £'000	At 30 September 2021 £'000	Cash flows £'000	At 30 September 2022 £'000
Cash	2,117.8	174.0	2,291.8	410.6	2,702.4

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

The Virgin Money Foundation
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 within the Virgin Money UK PLC Group. In the event of being wound up, the liability of the member in respect of the guarantee is limited to £1. The financial statements of Virgin Money UK PLC may be obtained from Virgin Money UK PLC's registered office at Jubilee House, Gosforth, Newcastle upon Tyne, NE3 4PL.

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 UK PLC 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 2023. 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 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.

The Virgin Money Foundation
Notes to the financial statements

1. Accounting policies (continued)

(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. Any income received on programme related investments is recognised as other income.

(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 year in which the grant award is made.

The Virgin Money Foundation
Notes to the financial statements

1. Accounting policies (continued)

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.

The Virgin Money Foundation
Notes to the financial statements

2. Donations and legacies

	2022	2022	2022	2021	2021	2021
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Virgin Money grant	1,143.0	-	1,143.0	1,143.0	-	1,143.0
Donations from National Lottery Community Fund #iwill fund Grant	-	-	-	-	270.0	270.0
Other donations	212.5	100.0	312.5	95.3	100.0	195.3
Virgin Money donation of services	425.8	-	425.8	439.5	-	439.5
Total	1,781.3	100.0	1,881.3	1,677.8	370.0	2,047.8

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

	2022	2022	2022	2021	2021	2021
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Bank interest	2.5	-	2.5	4.0	-	4.0
Total	2.5	-	2.5	4.0	-	4.0

The Virgin Money Foundation
Notes to the financial statements

4. Expenditure on charitable activities

(a) Charitable activities by objective

	2022						
	Grants			Support costs			Total £'000
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000	
Programmes:							
Community Anchors' Fund – North East	444.9	-	444.9	141.2	-	141.2	586.1
Colleagues in the Community Fund	25.9	-	25.9	8.2	-	8.2	34.1
Social and Sustainable Capital Fund	1.2	-	1.2	0.4	-	0.4	1.6
Community Anchors' Fund - Glasgow	135.3	67.7	203.0	43.0	-	43.0	246.0
National Lottery Community Fund #iwill Fund Grant	157.6	100.9	258.5	50.2	10.2	60.4	318.9
National Lottery Community Fund Partnerships England Wide	55.3	55.3	110.6	17.6	10.0	27.6	138.2
Community Entrepreneur Fellowships Leading the Way	232.0	-	232.0	73.6	-	73.6	305.6
Governance	-	-	-	94.7	-	94.7	94.7
Total	1,052.2	223.9	1,276.1	428.9	20.2	449.1	1,725.2

	2021						
	Grants			Support costs			Total £'000
	Unrestricted ⁽¹⁾ £'000	Restricted ⁽¹⁾ £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000	
Programmes:							
Community Anchors' Fund – North East	585.3	-	585.3	181.3	-	181.3	766.6
Colleagues in the Community Fund	40.7	-	40.7	12.6	-	12.6	53.3
Community Resilience Fund	20.0	-	20.0	6.2	-	6.2	26.2
Heart of the Community Fund	2.9	-	2.9	0.9	-	0.9	3.8
Ripple Fund	282.3	106.8	389.1	87.4	-	87.4	476.5
Community Anchors' Fund - Glasgow	158.5	158.5	317.0	49.1	-	49.1	366.1
National Lottery Community Fund #iwill Fund Grant	50.4	50.4	100.8	15.6	-	15.6	116.4
Governance	-	-	-	167.0	-	167.0	167.0
Total	1,140.1	315.7	1,455.8	520.1	-	520.1	1,975.9

The Virgin Money Foundation
Notes to the financial statements

4. Expenditure on charitable activities (continued)

(b) Support costs

	2022	2021
	£'000	£'000
Staff costs relating to charitable activities	228.7	196.4
Staff costs relating to governance	66.0	60.1
Governance costs	25.2	106.9
Other costs	129.2	156.7
Total support costs	449.1	520.1

Support costs comprise £446.1k (2021: £439.5k) of services provided by the Group, £nil (2021: £78.0k) of services provided by Ridgeway Partners and £3.0k (2021: £2.6k) relating to bank charges. £425.8k (2021: £439.5k) of services were donated by the Group, £Nil donated by Ridgeway Partners (2021: £78.0k) and £20.3k (2021: £Nil) 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.

(c) Auditor's remuneration

	2022	2021
	£'000	£'000
Fees payable to the Foundation's auditors for the audit of the Foundation's Annual Report and Accounts	6.6	6.2
Total auditor's remuneration	6.6	6.2

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 £6.6k (2021: £6.2k) and has been treated as a donation from Clydesdale Bank PLC. The amount of non-audit fees in 2022 was £Nil (2021: £Nil).

The Virgin Money Foundation
Notes to the financial statements

5. Net income/(expenditure) for the period

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

	2021	2020
	£'000	£'000
Auditor's remuneration	6.6	6.2
Trustees' expenses	5.0	1.7
Bank charges	3.0	2.6

None of the Trustees (2021: 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 year, Trustees expenses of £5.0k (2021: £1.7k) were incurred in regards to eight (2021: four) 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 year (2021: 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.

	2022	2021
	£'000	£'000
Wages and salaries	191.9	216.1
Social security costs	21.5	16.1
Other pension costs	81.3	24.2
Colleague recognition	-	0.1
Total staff costs	294.7	256.5

£20.2k of the staff costs were funded by the Big Lottery and the National Lottery Community Funds with the balance being a donated service from the Group.

The monthly average number of persons working for the Foundation but employed and paid by the Group during the 12 months ended 30 September 2022 was five (2021: six).

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

	2022	2021
	No	No
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1
Total	2	2

The Virgin Money Foundation
Notes to the financial statements

7. Programme related investments

As at	2022	2021
	£'000	£'000
Non-current assets		
Social and Sustainable Housing Limited Partnership	143.3	82.6
Total	143.3	82.6

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). 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 30 September 2022, £147.4k had been provided to the SASH, of which £143.3k is recognised as a programme related investment, £4.0k is recognised as expenditure attributable to Management Fees and General Expenses, with a remaining £102.6k still to be drawn. Funds of £250.0k are designated for this purpose, see note 13. These funds are due to be returned to the Foundation at the end of 10-12 years following receipt.

8. Debtors

As at	2022	2021
	£'000	£'000
Accrued income due in less than 1 year	50.0	323.5
Total	50.0	323.5

9. Cash at bank and in hand

As at	2022	2021
	£'000	£'000
Cash and bank balances	2,702.4	2,291.8
Total	2,702.4	2,291.8

The Virgin Money Foundation
Notes to the financial statements

10. Creditors

Amounts falling due within one year

As at	2022	2021
	£'000	£'000
Accruals for grants payable	629.9	604.2
Other liabilities	15.5	-
Total	645.4	604.2

Amounts falling due after one year

	2022	2021
	£'000	£'000
Accruals for grants payable	37.0	39.0
Total	37.0	39.0

Reconciliation of grants payable

	2022	2021
	£'000	£'000
Opening balances brought forward	643.2	479.3
Grants awarded	1,276.1	1,455.8
Grants paid	(1,252.4)	(1,291.9)
Grants payable carried forward	666.9	643.2

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 30 September 2022 (30 September 2021: none).

The Virgin Money Foundation
Notes to the financial statements

12. Restricted income funds

The movements on the restricted funds are as follows:

	Fund balances brought forward at 1 October 2021 £'000	Income £'000	Expenditure £'000	Fund balances carried forward at 30 September 2022 £'000
National Lottery Community Fund #iwill fund Grant	121.0	-	(111.1)	9.9
Community Anchors' Fund - Glasgow	61.9	100.0	(67.7)	94.2
National Lottery Community Fund Partnerships England Wide	244.8	-	(65.3)	179.5
Total	427.7	100.0	(244.1)	283.6

	Fund balances brought forward at 1 October 2020 £'000	Income £'000	Expenditure £'000	Fund balances carried forward at 30 September 2021 £'000
National Lottery Community Fund #iwill fund Grant	9.5	270.0	(158.5)	121.0
Community Anchors' Fund - Glasgow	68.7	100.0	(106.8)	61.9
National Lottery Community Fund Partnerships England Wide	295.2	-	(50.4)	244.8
Total	373.4	370.0	(315.7)	427.7

The Virgin Money Foundation
Notes to the financial statements

13. Unrestricted income funds

The movements on the unrestricted funds are as follows:

	Opening balances brought forward at 1 October 2021 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Fund balances carried forward at 30 September 2022 £'000
General funds	300.9	1,783.8	(899.7)	(390.8)	794.2
Designated: Community Entrepreneurs Fellowship Programme	500.0	-	(232.0)	-	268.0
Designated: Community Anchors NE	10.0	-	-	-	10.0
Designated: Social and Sustainable Capital Fund	247.1	-	(1.2)	-	245.9
Designated: Heart of Community Fund	88.5	-	-	118.3	206.8
Designated: Community Anchors Fund Glasgow – HFD Award Funding	124.0	-	(135.3)	200.0	188.7
Designated: National Lottery Community Fund #iwill fund Grant	111.8	-	(157.6)	72.5	26.7
Designated: National Lottery Community Fund Partnerships England Wide	244.7	-	(55.3)	-	189.4
Total	1,627.0	1,783.8	(1,481.1)	-	1,929.7

	Opening balances brought forward at 1 October 2020 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Fund balances carried forward at 30 September 2021 £'000
General funds	682.7	1,211.8	(1,166.1)	(427.5)	300.9
Designated: Community Entrepreneurs Fellowship Programme	-	-	-	500.0	500.0
Designated: Community Anchors NE	-	-	-	10.0	10.0
Designated: Social and Sustainable Capital Fund	250.0	-	(2.9)	-	247.1
Designated: Heart of Community Fund	88.5	-	-	-	88.5
Designated: Community Anchors Fund Glasgow – HFD Award Funding	206.3	200.0	(282.3)	-	124.0
Designated: National Lottery Community Fund #iwill fund Grant	82.8	270.0	(158.5)	(82.5)	111.8
Designated: National Lottery Community Fund Partnerships England Wide	295.1	-	(50.4)	-	244.7
Total	1,605.4	1,681.8	(1,660.2)	-	1,627.0

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14. Analysis of net assets between funds

	Unrestricted		Restricted Fund	30 Sep 2022 Total
	General Fund	Designated Fund		
	£'000	£'000	£'000	£'000
Total assets	1,215.2	1,327.9	352.6	2,895.7
Total liabilities	(421.0)	(192.4)	(69.0)	(682.4)
Net assets	794.2	1,135.5	283.6	2,213.3

	Unrestricted		Restricted Fund	30 Sep 2021 Total
	General Fund	Designated Fund		
	£'000	£'000	£'000	£'000
Total assets	706.5	1,467.5	523.9	2,697.9
Total liabilities	(405.6)	(141.4)	(96.2)	(643.2)
Net assets	300.9	1,326.1	427.7	2,054.7

15. Related party transactions

	Transaction value for 12 months to 30 Sep 2022 £'000	Balance outstanding as at 30 September 2022 £'000	Transaction value for 12 months to 30 Sep 2021 £'000	Balance outstanding as at 30 September 2021 £'000
Donations received from Virgin Money UK PLC subsidiary undertakings:				
Grant and additional donations	1,143.0	-	1,143.0	-
Donation of services	425.8	-	439.5	-
Recharges and trading balances with Virgin Money UK PLC subsidiary undertakings	449.1	(15.5)	442.1	-
Interest received from Virgin Money UK PLC subsidiary undertakings	2.4	-	4.0	-

Laura Christer was appointed as a Trustee of the Foundation on 29 April 2022 and is employed by West End Women and Girls. During 2021, prior to her being appointed as a trustee, the Foundation awarded a grant of £50k to West End Women and Girls and paid £37.5k. The remaining £12.5k of the grant was still outstanding as at 30 September 2022.

Abigail Walker was appointed as a Trustee of the Foundation on 7 April 2022 and is employed by Action Foundation. During 2021, prior to her being appointed a trustee, the Foundation awarded a grant of £30k to Action Foundation and paid £15k. The remaining £15k was paid during the current financial year with £nil outstanding as at 30 September 2022.

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Notes to the financial statements

16. Grants awarded

	2022
Name of institution	£'000
11th Hamilton Brownies	0.5
11th St Andrews Scout Group	0.5
1st Thurstaston Scout Group	0.5
242nd City of Glasgow Rainbow Unit	0.5
48th Glasgow Scouts	0.5
5th Milngavie Guides	0.5
Action Station South Tyneside LTD	8.0
Annexe Communities	26.0
Ardgowan Thistle Football Club	0.5
Argo Boxing Club	0.5
Back on the Map	8.0
Balfron High School Parent Council	0.5
BALTIC Centre for Contemporary Art	34.0
Bangor Football & Athletic Club Ltd	0.5
Big Ideas	27.5
Bradford Organic Communities Service	8.0
Bridgeton Community Learning Campus	30.0
Bright Minds , Big Futures	11.9
Building Futures East	30.0
Capital of Cycling	8.0
Clydebank Athletic	0.5
Companions Real Bread CIC	0.5
Company of Others	8.0
Cornforth Partnership	30.0
Cowpen Quay Community Association	30.0
Cranhill Development Trust	30.0
CREST	30.0
Crookston Community Group	27.0
Crossroads Youth & Community Association	30.0
Dynamite Gymnastics Club	0.5
East Cleveland Youth Housing Trust	8.0
Falkirk Vineyard Church	0.5
Family Voice Sheffield C.I.C.	8.0
Friends of Monklands Canal	0.5
Glasgow Care Foundation	0.5
Glasgow Tigers Academy	0.5
Glencairn Primary Parents Council	0.5
Govanhill Community Development Trust	30.0
Grace House North East	29.0
Home-Start Telford & Wrekin	0.5
Hospitality and Hope	0.5
Jewish Community Council of Gateshead	30.0
Johnstone Burgh Community Football Club	0.5
Justice Prince	30.0
Killingworth Young People's Club	0.5
Kilmarnock Road Children and Young People's Family Resource Centre	30.0
Kilpatrick FC - 2009	0.5
Kilpatrick FC - 2012's	0.5

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Name of institution	2022 £'000
Kindness Homeless Street Team Glasgow SCIO	0.5
Leeds Autism	0.5
Leeds Community Spaces	8.0
Lenzie Youth Club	0.5
Live Well North East C.I.C	8.0
Local Services 2 You Ltd.	8.0
Loudoun Montgomery Parent Council	0.5
Martha and Mary Association	0.5
Meadow well connected	30.0
Means Kirk Helping Hands	0.5
Mill United	0.5
Moving on Durham	30.0
Neilston FC Youth Academy	0.5
New Writing North	10.0
Northbourne Youth Initiative	37.4
Northern Roots	30.0
Our Lady of the Missions Football Club	0.5
Oxgang Primary School Parent Teacher Association	0.5
Patchwork Project	35.2
Port Glasgow Juniors Club 2001	0.5
REFUSE C.I.C.	8.0
Riverside Stage Company	0.5
Rotary Club of York Vikings Trust Fund	0.5
Rotherham Hawks Basketball Club	0.5
Scholemoor Beacon	8.0
Scottish Handball Association	0.5
Shotton Partnership 2000 Ltd.	30.0
Silsden AFC Juniors & Ladies	0.5
SKY Positive Minds	8.0
Spartans Football Club (Youth)	0.5
Spartans Football Club (Youth)	0.5
St Annes Football Club	0.5
St John the Baptist VP School Home School Association	0.5
St Mary's Primary School Parent Council	0.5
Strathaven Dynamos	0.5
Sunderland Bangladeshi International Centre	30.0
Syngenta Juveniles Football Club	0.5
The Big League CIC	25.0
The Big League CIC	8.0
The British Octopush Association	0.5
The Cornforth Partnership	8.0
The Customs House	35.0
The Kirkgate Centre	8.0
The Super Power Agency	0.5
The Tilly Ladies	0.5
The Well Multi-Cultural Resource Centre	30.0
Ubuntu Multicultural Centre CIC	8.0
Wearside Women In Need	8.0

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	2022
Name of institution	£'000
West End Refugee Service	30.0
West Park United Football Club	0.5
West View Advice & Resource Centre Ltd	8.0
Whitelees Primary School Parent Council	0.5
Whitley Bay Juniors FC	0.4
Women's Health in South Tyneside	30.0
YMCA Newcastle	30.0
Programme Costs Paid Direct	200.2
Returned Grant	(0.5)
Total grants awarded in the 12 months to 30 September 2022 (note 4)	1,276.1

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Notes to the financial statements

16. Grants awarded

Name of institution	2021 £'000
11th Hamilton Brownies	0.5
1st Brunton Park Guides	0.5
1st Ponteland Scouts	0.5
24th Woodend Scouts	0.5
2nd Churwell Brownies	0.5
3D Drumchapel	20.0
3D Drumchapel	30.0
4th Helensburgh Scout Group	0.5
4th/85th Dunblane Scout Group	0.2
5th Scarborough (Wreyfield Drive) Brownie Unit	0.5
700 Club	30.0
A Way Out	27.0
Action for Children	29.8
Action Foundation	30.0
Arbroath Rugby Rhinos	0.5
Auckland Youth & Community Centre	30.0
Bangor Football & Athletic Club Ltd	0.5
Barnesbury Cycling Club	0.5
Bedlington United Sporting Club	0.5
Blacktoft Beacon District Scouts	0.5
Blyth Town Juniors	0.5
Bridging the Gap (Gorbals Ecumenical Project)	3.6
Bright Futures NE	48.0
Bright Minds Big Futures	1.0
British Octopush Association	0.5
Campbeltown Junior Agricultural Club	0.5
Care and Repair North East Wales	0.5
Cassiltoun Housing Association Limited	10.0
Castle Semple Rowing Club	0.5
CFC Singers (Clydebank Mercury)	0.5
Chopwell Regeneration CIO	30.0
Citizens Advice Newcastle	0.5
Clifton Rangers JFC	0.5
Clyde Amateur Rowing Club	0.5
Colony Park Football Club	0.5
Community Campus 87 Ltd	30.0
Community Central Hall	10.7
Community Ventures (Middlesbrough) Ltd	30.0
Connect Community Trust	30.0
Craigneuk Community Sports Trust	0.5
Crossroads Youth & Community Association	17.2
Curious Arts LTD	0.5
Drumchapel Amateurs	0.5
Dumbarton and District Women's Aid	0.5
Easington Lane Community Access Point	30.0
East Cleveland Youth Housing Trust	30.0
Edberts House	30.0
Ella-Grace Gregoire	10.0
Elloughton Blackburn Football Club	0.5
Equi-Power Central Scotland RDA SCIO	0.5

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FARE Scotland Ltd	20.0
	2021
Name of institution	£'000
Fir Park Corner FC	0.5
Forfar Farmington FC	0.5
Friends of Chirk Bank Playing Fields	0.5
Friends of St Joseph's Catholic Primary School	0.5
Friends of St Stephen's Primary School	0.5
Future Regeneration of Grangetown	30.0
Gage Oxley	10.0
Glan Aber Tennis Club	0.5
Glasgow Children's Holiday scheme	0.5
Glenvale 2011	0.5
Glenvale FC	0.5
Govan Community Project	30.0
Govanhill Baths Community Trust	30.0
Grange First School Parents Teachers and Friends Association	0.5
Gullane Athletic Amateur Football Club	0.5
Hospitality and Hope	29.3
Irvine Running Club	0.5
Jack Drum Arts	49.9
Jaiden Corfield	10.0
Justice Prince CIC	30.0
Kilbarchan AAC	0.5
Kilbarchan PS Parent Council	0.5
Kilbarchan Scout Group	0.5
Killingworth Young People's Club	0.5
Kobie Eyo-Huson	10.0
Lambhill Stables Ltd	40.0
Limehurst Lions ARLFC	0.5
LINKES (SCIO)	40.0
Louisa-Rose Macklestone	10.0
Macduff School Fund	0.5
Martha and Mary Association	0.5
Maryhill Integration Network SCIO	10.0
Meadowhead Community Learning Trust	0.5
Milton 2011s	0.5
Milton Primary School Parent Council and PTA	0.5
Mohamed Maxomed	10.0
Mortal Fools	0.5
Moving on (Durham) Ltd	30.0
Neilston FC Youth Academy	0.5
New Farnley Cricket Club	0.5
Newcastle upon Tyne Y.M.C.A	40.1
North Leeds Leopards Rugby League Club	0.5
North Tyneside Voluntary Organisations Development Agency	42.5
North Tyneside YMCA	30.0
North United Communities Limited	10.0
Open Door (North East)	20.0
Patchwork Project	1.0
Peace of Mind CIO	24.9
Percy Park Pirates Touch Club	0.5
Perth Green Community Association CIO	24.5

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Name of institution	2021 £'000
Portree & Braes Community Trust	0.5
Rosemount Lifelong Learning	27.5
Rossvale Community Football Club	0.5
Rothwell Town AFC	0.5
Roukagia Afaan	10.0
Sarah Ashley	10.0
Savannah Thompson	10.0
South Ayrshire Toy Bank	0.5
South West Arts & Music Project	30.0
St Josephs Parent Council	0.5
St Stephens Primary Parent Council	0.5
Stonelaw High Parent Council	0.5
Stow Parent Council	0.5
Summerhill Trust	0.5
The Big Bad Wolf Children's Theatre Company	0.5
The Big League CIC	19.8
The Buddy Beat	0.5
The Junction Foundation	46.6
Ubuntu Multicultural Centre CIC	10.0
United Keith	0.5
Volunteer Glasgow	1.0
Water of Leith Conservation Trust	0.5
West End Refugee Service (WERS)	30.0
West End Women and Girls Centre	50.0
West Lothian County Cricket Association	0.5
West of Scotland Cricket Club	0.5
West Scotland Deaf Children's Society	0.5
Whiteleys Retreat	1.0
Wickersley Youth Junior Football Club	0.5
Wideopen & District Juniors Football Club	0.5
Wilnecote Sports and Recreation Association	0.5
Woodlands Community Development Trust	30.0
Wrexham Rugby Union Football Club	0.5
Wrexham Swimming Club	0.5
Young Enterprise	0.5
Youth Focus: North East	40.9
Grant returned – Darlington Mind	(2.9)
Programme costs paid direct	13.7
Total grants awarded in the 12 months to 30 September 2021 (note 4)	1,455.8