



Peabody Community Foundation

Annual Report and Accounts 2020



PCF highlights 2020

£8.5m
 invested to support residents through the Peabody Community Foundation
 (2019: £7.0m)

1,160 people
 helped in jobs and apprenticeships
 (2019: 1,200)

1,100
 volunteers gave their time to make a difference to our communities
 (2019: 1,600)

£310,000
 £310,000 funding awarded to businesses through our social investment programme
 (2019: N/A)

225
 residents gained childcare qualifications through our programmes
 (2019: 160)

500
 More than 500 people received enterprise support from us directly, or through our partners
 (2019: 416)

78,300
 Over 78,300 hours of free and low-cost community activities offered
 (2019: 77,500)

2,000
 More than 2,000 young people took part in our youth services programmes
 (2019: 2,300)

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Our homes at a glance

The Peabody Group is responsible for 66,000 homes in London and the South East. Most of our 133,000 residents live in London, predominantly in the inner boroughs such as Islington, Southwark and Hackney, which have diverse and growing populations. Our portfolio, however, is spread across 29 of the capital's boroughs.

Outside of London, we have a significant number of homes in Essex. This includes many sheltered and supported properties which sit within our subsidiary, Peabody South East.

In May 2019 we welcomed Town and Country Housing into our Group as a subsidiary. Joining our Group will accelerate its growth and delivery of new affordable homes. It also extends Peabody's geographical reach into Kent and Sussex.

We have over 60 community centres across the capital, with 11 key hubs from which our Employment and Training service and other core community programmes are delivered.

Our key community hubs

Hackney – Pembury Centre

Hammersmith & Fulham – Old Oak Centre

Islington – Hugh Cubitt Centre

Lewisham – Parkside Centre

Southwark – Darwin Court

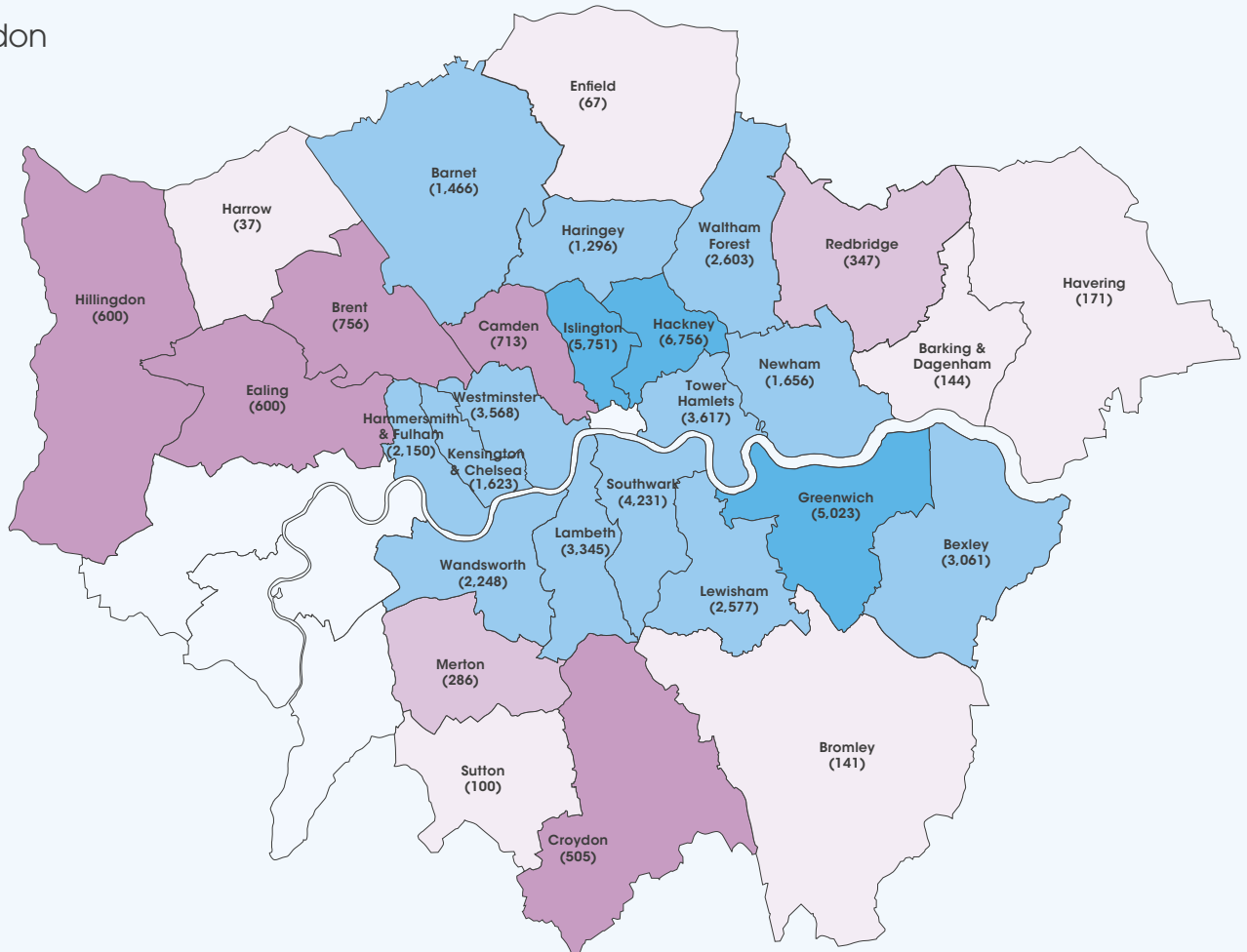
Thamesmead – The Link – Joyce Dawson Way

Waltham Forest – Paradox Centre – DLC – Leyton

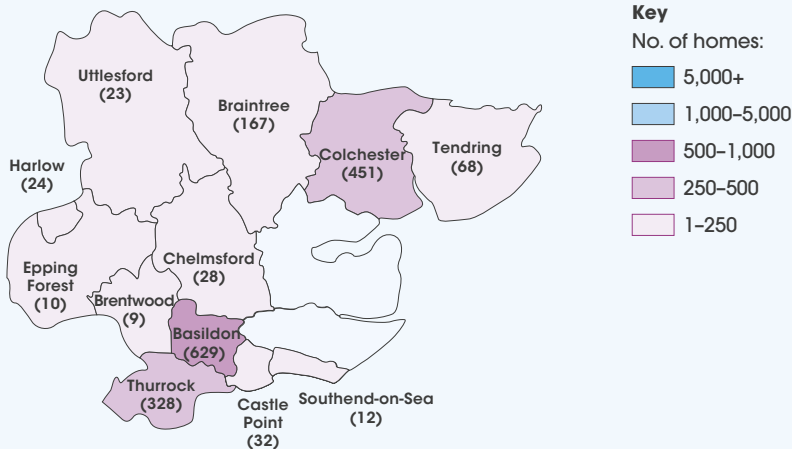
Westminster – Bruce House



London



Essex





Chair's letter

Deirdre Moss
Chair

The past year has been significant for the Peabody Community Foundation ("PCF"). Our mission in Peabody remains to help people make the most of their lives and through our work, we aim to build communities that are healthier, wealthier and happier. We have been, and will continue to be, an anchor in the community with long-term commitments to our residents and the wider community. Our vision is delivered through services focusing on four key pillars; building engaged and active communities; boosting incomes; developing skills and aspirations and; improving mental and physical health.

This report highlights the outcomes from our community investment activities over the last year as we move to a place-based approach, focused on issues facing communities with services delivered in a sustainable way that builds resilience and independence.

In April 2019 we were proud to launch our new strategy based on a deep understanding of what works best for our communities and which reflects our place-based approach. To increase our impact we are delivering more services through partnerships with local authorities, voluntary sector organisations, funders, think tanks, corporate bodies and housing associations, driving lasting, positive social change.

Building on the way we work in Thamesmead, Hackney and Waltham Forest, we are now designing and implementing a place-based approach in Islington, Lambeth and Southwark and working with partners in these boroughs to achieve systemic change. Our grants programme, the Peabody Community Fund, also

continues to support grassroots community groups across London by giving them tools and resources to help themselves.

We have continued to create positive change by shining a light on issues affecting the most vulnerable people. Our 'Peabody Index' tracks the employment and financial experience of low-income Londoners and provides the evidence that continues to shape our services and allows us to engage with policy makers to make sure our community's voices are heard.

As we look to the future, we all face uncertain and challenging times ahead and the work of the Foundation has never been more important. The outbreak of Covid-19 has demonstrated more than ever the importance of local connections and partnerships as we come together in a collective effort to support the most vulnerable communities.

Our focus is human and local. In the months ahead we will continue to work in partnership, innovate and adapt our services to ensure that residents, especially the most vulnerable, receive the support they need and will continue to thrive both now and in the future.



Deirdre Moss
Chair
24 September 2020

Executive Director's review

Stephen Burns
Executive Director,
Care and Communities



Each year we strive to increase the impact the Foundation has on communities. We do this in a number of ways including support for employment and enterprise, community development, use of community buildings, youth activities and providing grants to local groups. By working closely with local authorities, community groups, supply chain partners and other key stakeholders, we can make better use of our skills and resources, as well as foster innovation.

We believe that people have the power to create the change they want to see – in their lives, in their communities and in society. We have had significant success in supporting residents to make the most of their lives, while helping to build thriving communities. We are passionate about community mobilisation because we know that is the way to sustainable change and strong partnerships.

Over the past year, we invested £8.5 million into our community programmes and delivered over 78,000 hours of free and low cost community activities through our community assets. We provided opportunities for people to develop new skills and raise their aspirations and supported over 1,100 people into jobs and apprenticeships. We also provided enterprise support to over 500 people.

Through our community fund we awarded over £294,500 to 17 organisations across London and pledged an additional £100,000 to Covid-19 appeals across the capital to mobilise essential funds to grassroots charities and community groups. We increased our impact by working together with local communities and building long term partnerships with key stakeholders, investing jointly with local authorities and other strategic partners.

The Covid-19 pandemic has seen our teams, partners and communities pulling together in the most extraordinary way, to support the most vulnerable. The pandemic brought with it unprecedented change and challenge. As an organisation, we quickly responded by keeping critical services running and putting in place a range of emergency measures and adapting services to ensure the most vulnerable received the support they needed. We know the impact of the virus will continue to be felt for some time. As we move from emergency to recovery, residents and communities will continue to be at the heart of everything we do.

Stephen Burns
Executive Director, Care and Communities
24 September 2020

Trustees and advisors

Trustees

Effective leadership with strong governance

Directors/ Trustees
(the Trustees are also the Directors of the Company)

- Deirdre Moss (Chair)
- Helen Edwards (Vice Chair)
- Peter Baffoe
- Keith Clancy
- Michael Cleaver
- Catherine O'Kelly
- Janice Tucker

Executive Director, Care and Communities

Stephen Burns

Director of Community Programmes

Veronica Kirwan

Secretary

Sarah Cameron

Company No

01267728 (Registered in England and Wales)

Charity No

271731 (Registered in England and Wales)

Registered Office

45 Westminster Bridge Road, London, SE1 7JB

Bankers

Coultts & Co., St Martins Office, 440 Strand, London, WC2R 0QS.

National Westminster Bank PLC, Woolwich Branch, 1-7 Powis Street, London SE18 6LE

Auditors

KPMG LLP, 15 Canada Square, Canary Wharf, London E14 5GL

Solicitors

Trowers & Hamlins, 3 Bunhill Row, London, EC1Y 8YZ



1. Deirdre Moss (Chair)

Deirdre joined the Peabody Community Foundation ("PCF" or the "Charity") Board in November 2017 having been appointed to the Peabody Trust Board in June 2017 following the merger with Family Mosaic, where she was on the Board from September 2014. Deirdre has worked in the insurance industry for over 25 years with FTSE 100 companies. Specialising in HR, she has led major changes involving large, diverse workforces. She has her own HR consultancy company, and also sits on the advisory group of a London-based training company. Deirdre has championed diversity issues throughout her career and continues to work in a voluntary capacity in this area.

2. Helen Edwards, (Vice Chair)

Peabody Trust Board Member since July 2016 and a PCF Board member since September 2016. Helen served as Deputy Permanent Secretary and Director General at The Ministry of Housing, Communities and Local Government's (formerly the Department for Communities and Local Government). Previous roles included Director General of Justice Policy at the Ministry of Justice and Chief Executive positions at the National Offender Management Service and Nacro, a national social justice charity. Helen is a non-executive Director at South London and the Maudsley Foundation Trust (SLaM), she also chairs Recovery Focus and is on the Social Finance board.

3. Peter Baffoe

Peter joined the Peabody Trust Board as a resident Board member in May 2018 and the PCF Board in September 2018. He has been a community development worker for eight years and is a Faith and Community Development Officer for the South London Mission. He is also a member of the British Transport Police Advisory Group and a School Governor, acting as the Link Governor for disadvantaged pupils.

4. Keith Clancy

Clancy is a tenant of Peabody and became a Board member of Family Mosaic Community Foundation in October 2009 and a Family Mosaic Board Member in September 2010, serving until the merger with Peabody in June 2017. He joined the PCF Board in November 2017. He is a founding member of the Earl's Court Community Trust. He sits on the boards of Charlton Triangle Homes (a Peabody subsidiary) and Great Women Speak Out. Between 2015 and 2018 he was an advisor to a United Nations Development Programme project for empowering women in Myanmar.

5. Michael Cleaver

Michael has over twenty years' experience working within the housing sector. He served as the Chair of Trust Thamesmead (the predecessor body to PCF) before it joined the Peabody Group, having joined the Trust Thamesmead Board in February 2012, and was subsequently Chair of PCF until 2016. He has held senior management positions in leasehold management, corporate management and regeneration in property for more than 15 years. Michael also served as Director at the Housing Forum, a cross-sector representative body in housing and is now a Director at 4i Solutions Ltd.

6. Catherine O'Kelly

Catherine became a Family Mosaic Community Foundation Board member in February 2016 and she joined the PCF Board in November 2017. She is the Managing Director of Bord Gáis Energy and has held senior positions at Centrica since 2011. Catherine's previous role was Director of Industry Development at British Gas. Her background is in energy strategy, initially as a management consultant with Booz & Company advising companies in Europe, Asia and Africa. She has also worked on energy policy design at the UK's Carbon Trust.

7. Jan Tucker

Jan joined the Peabody Board as a resident member in July 2011 and served until the point of merger in June 2017. She joined the PCF Board in November 2017. Jan is Chair of the Palmer Tenants' Association. She is an executive member of Islington Safer Neighbourhood and formerly chaired the Islington Community Safety Board. She is a bookkeeper for a local independent printers and stationery shop and is Chair of Archway Town Centre Group, a local business group which works alongside the local authority to improve the high street and help local businesses and residents.

Our vision and key goals

Our vision is that our residents and communities are healthier, wealthier and happier, with the opportunity to realise their ambitions.

To achieve our vision, we are working towards four goals:

- Building engaged and active communities – helping people make the most out of their lives through active citizenship, volunteering and community involvement;
- Boosting incomes – helping people gain well paid, secure work, progress within employment and reduce their debts;
- Developing skills and aspirations – supporting access to, and achievements within, education and training, as well as giving people more knowledge about options and opportunities;
- Improving mental and physical health – enabling people to be active and fit, develop their resilience and improve their overall sense of wellbeing.

We work at four levels: direct delivery, indirectly through partnership with others, mobilising the community and working to achieve change at a strategic level through our influencing activities.



The Pembury Children’s Community in Hackney is a good model of working with the local authority and other strategic partners to achieve change in an area.

Our model for delivering services in the community



Building engaged and active communities

We are passionate about communities being in the driving seat, and we provide grassroot support which helps communities thrive. This includes residents managing many of our community buildings and accessing grants to design and deliver their own projects.

People powered buildings

Through our extensive network of community centres across London, we work with residents and partners to host a wide range of services which bring the community together.

We have 23 community buildings managed by Resident Management Committees and partners, who provided over 78,000 hours of free and low-cost activities in 2019/20. These include:

- Employment support;
- Children's activities including youth clubs and play schemes;
- Health and wellbeing sessions; and
- Fitness classes.

Resident involvement is really important to us, and we encourage local people to get involved to help design and deliver services.

The Williams Gibbs Centre is a unique community space on Old Pye Street, Victoria, run by a management committee. What sets the group apart is how they make the most of the centre by using social media to reach local people and generate a steady income stream. Their proactive approach has generated a healthy income to fund activities and trips for local residents.

Volunteering opportunities

Last year, 1,166 volunteers gave their time to make a difference in our communities. This was the equivalent of over £1 million in economic value of volunteering hours, based on the average weekly volunteering hours and the current minimum wage.

Volunteers supported us with a range of projects, from community gardens, to running activities in our centres, helping out with our hamper appeals and providing support across different teams.

Resident-led projects

We distributed over £48,000 in micro grants in 2019/20. This includes small grants of less than £500 given directly to individuals, or local groups to make a difference in their community. In Thamesmead, our Thamesmead Community Fund awarded almost £15,000 to three organisations and five local people to deliver a range of cultural and community activities in the area.

Young Leaders Programme

We're supporting young people across London to become leaders, by empowering them to deliver projects that benefit their communities. This year, 311 young people took part in our Young Leaders programme, funded by #iWill, a country-wide joint investment managed by The National Lottery Community Fund.

Tackling violence affecting young people

We're working to provide young people with better opportunities, as an alternative to the life choices and circumstances that lead to involvement in, and being affected by, violent activity. We are particularly focusing on local youth and community-led initiatives and worked with young people aged 11-25 across London to develop the Young People's Fund. This will give grants of up to £10,000 to grassroots organisations working with young people to design and deliver responses to youth violence.

We have also been working with a group of creative young leaders who have developed a podcast series which draws on their lived experiences and seeks to deliver insights into some of the challenges young people face.



"Now that we can create a safe atmosphere, the people we work with are not in a rush to leave. We had over 15 people in the centre playing cards, and singing happy birthday with a cake we bought for one of the guys. It brought an overwhelming sense of joy"

Ilse Onuwaje

Lead Volunteer, Street Café

Street Café is a local volunteer-led programme for rough sleepers at our Bruce House Centre. The centre provides a free, safe space for rough sleepers and volunteers for social activities and group sessions. Critically, it's also a place to talk about their situation, health and improve their social skills and the confidence to get back on their feet.

Boosting income

We're committed to boosting incomes by supporting people into better-paid, higher quality jobs, increasing access to affordable childcare and helping to reduce debts.

Employment and Training

We supported 1,168 people into jobs and apprenticeships in 2019/20, and partnership working has been key to this. We have a strong relationship with the Department for Work and Pensions (DWP) and delivered 15 retail workshops, which helped almost 40 people into jobs. We continue to partner with Corporate Law firms, Clifford Chance and Winckworth Sherwood to provide practice interviews for our customers. Over 75% of people who attended the interview training went on to find a job.

Our new partnership with the London Deaf Information Service is delivering a unique employment support service to people who are deaf or hard of hearing. This partnership has helped over 30 people into long-term employment so far.

We are also working on a project with developer, Durkan and charity, Groundwork, to support residents with mental health issues, drug or alcohol addictions into construction jobs. The programme offers 6 months of tailored support to help recovering addicts stay in work. This has now been rolled out to subcontractors following its success.

We created 100 apprenticeships through our supply chain, working with development and asset management contractors to recruit locally. This includes working with contractor Mount Anvil to recruit new apprentices at our Three Waters site in Tower Hamlets.



"We're delighted to have been able to work so closely with Peabody in creating a number of opportunities for young people. Apprenticeships such as these are vital for young people in giving them the skills and experiences they need to start building their own careers in the industry".

Bryn Parker

Head of Skills & Employment, Mount Anvil

Childcare

Two-thirds of Peabody residents face challenges in finding affordable childcare. Our childcare training programmes helped 225 residents achieve qualifications, including 47 who trained and qualified as childminders. 19 went on to provide almost 150 creche sessions at three of our community centres. 90 learners were supported into work or better paid jobs during 2019/20.

Tackling debt

The Group financial inclusion team helps people to manage their money better and access advice and financial services. This includes offering home visits, drop-in sessions in our community centres and advice over the phone and by email. Our local teams at Pembury and in Waltham Forest helped 144 households to reduce debt and maximise their income, partly by making sure they received their full benefits entitlement.



"The course has opened up a new career path for me, and I'm now working full-time as a teaching assistant. The on-site crèche made it possible for me to take the next steps back into employment. This gave me peace of mind when I dropped my daughter off and allowed me to focus on my own learning."

Mileeka Lawrence
Peabody resident

Mileeka completed a 4-month Teaching Assistant course at our Broadwater Village Hall centre in Thamesmead.

Developing skills and aspirations

Our programmes give people of all ages better access to education and training opportunities. We help people to broaden their horizons and achieve their goals.

Developing enterprise

Our aim is to support local enterprises so that when starting or growing a business, they have the best possible chance of success. This year we provided enterprise support to over 500 people, either directly or through specialist partners. Through our social investment programme, three businesses received support and were awarded funding of £310,000.

We're part of the Community Impact Partnership (CIP), a joint initiative between four housing associations providing social investment in the form of blended grants and loans to help charitable organisations, social enterprises and community businesses to grow and innovate.

We support businesses to actively engage in our enterprise programmes by providing specialist training and help to formally register a business, as well as facilitating monthly business forums, small grants and opportunities to trade at events. We also provide access to procurement opportunities on our developments across London.

This year, eight Thamesmead food businesses joined the Peabody Supplier Framework and had the opportunity to cater for a number of events. We help our entrepreneurs grow so that they can access existing and newly built commercial properties within the Peabody portfolio.

Access to training

We helped over 1,000 people gain a range of qualifications including Emergency or Paediatric First Aid, Health and Safety, Customer Service and Accounting. We also delivered training in other areas such as communication skills and self-confidence to improve employability.

This year, 170 young people completed work experience or workplace visits. We have developed bespoke placements for health and social care students that provide them with the relevant skills and professional contacts to help them succeed. We also supported 280 young people to complete accreditations.



“Peabody’s Thamesmead team have been a great support system and helped me to grow my business profile and be sustainable. With their encouragement and support I entered the awards and I can proudly say that we won!! The finalists we were up against were established businesses in the borough and it shows that no matter what size your business is, you can achieve amazing goals.”

Caron Schersmith-Meikle

Founder, First Choice Caribbean Hut



First Choice Caribbean Hut (FCCH) was founded by local resident Caron Schersmith-Meikle, with support from our 'Made in Thamesmead' enterprise programme. The success of the venture saw FCCH win the Food and Hospitality category at the 2020 Best of Royal Greenwich Business Awards, following a public vote.

Improving mental and physical health

We champion healthy, active and well communities. We work with a range of strategic and local partners to help people to improve their wellbeing by being more active, resilient and confident.

We offer a range of programmes that indirectly supports wellbeing as well as dedicated health initiatives.

Sports Development

Delivered in partnership with schools, community and sports clubs, our Thamesmead Sports Development programme has encouraged over 4,000 people to take part in sport or physical activity over the year.

We have developed a number of exciting partnerships with national governing bodies for sport, such as the British Triathlon Trust and England Cricket Board. We are now looking at ways to encourage more people to take up cycling as well as developing new sports facilities.

As part of the Community Sporting Activity Programme, we have supported people to improve their health and wellbeing through a series of localised activities delivered in the heart of Thamesmead. Over 300 people have engaged in this programme, which works with local stakeholders such as children centres, health centres, community groups and our Lakeview Court Centre, to encourage people to play sport and exercise more.

Community and Maternity Champions

At our Old Oak centre in Hammersmith and Fulham, we deliver Community and Maternity Champion programmes, where volunteers provide coaching, signposting, group classes and activities to improve health and wellbeing. 11 volunteers reached over 2,500 people in 2019/20 and we supported hubs across the borough to achieve their health and wellbeing targets.

Tackling Holiday Hunger

Over the last two years we have been working with partners in Thamesmead to tackle holiday hunger. This year, over 2,000 holiday meals were served through holiday hunger initiatives led or supported by PCF. With support from the Royal Borough of Greenwich Public Health teams and Greenwich Cooperative Development Agency, seven local parents gained an Open College Network ("OCN") qualification in 'Healthy Eating' and attended 'Running a Cookery Club' training. As well as teaching other parents to make healthier choices, participants have been working with us to run community cafés during the school holidays.



"The popular 'Seated Pilates' sessions held at our surgery helped us to increase physical activity levels in our patients. Our partnership has helped us achieve 'Active Practice Status'. Classes have also encouraged friendships amongst patients and improved staff patient relationships."

Zoe Bartlett

Advanced Health Practitioner, Lakeside Medical Centre



Our Thamesmead Community Exercise Programme is delivered in partnership with local children's centres, health centres and older people's homes. The programme provides welcoming and low cost/ free activities to almost 200 vulnerable participants.

Our grants programme

We believe that communities hold the answers to the challenges they face, and a key part of our strategy is to give them the tools and resources to help themselves. This is why we distribute grants to grassroots community groups across London.

Now in its 6th year, the Peabody Community Fund supports local projects and activities which align with our 'healthier, wealthier, happier' vision. The fund is managed on our behalf by the London Community Foundation. In 2019/20, we provided individual grants of up to £30,000 to directly support activities that respond to community need, bring communities together and promote wellbeing.

Over £1 million in grants have been awarded since its launch. Projects include a weekly after-school club programme at Newark Youth Club in Tower Hamlets, free weekly dance classes for our older residents at the Thamesbank Centre in Pimlico, and healthy cooking and physical activities for families in Waltham Forest.

This year the fund was increased to £700,000 to be distributed across two funding rounds. In our first round in September 2019, we awarded £294,547 to 17 small community groups across London and planned for the remaining grant due be awarded in March 2020. However, due to the impact of the Covid-19 funding decisions were deferred to the summer whilst we monitored the situation.

We donated £50,000 from the fund to help small charities and grassroots organisations provide critical support to vulnerable residents. This forms part of a £1 million community grants programme this year and was pledged to the London Community Fund's 'London Communities Covid-19 Appeal!'. In addition to this, PCF also donated £50,000 to Islington Giving's 'Islington Giving Crisis Fund'.

In 2020/21, the remaining balance from this year's fund of £355,453 will be added to next year's grant of £700,000 bringing the total fund available to just over £1 million.

Thamesmead Community Fund

This year the Thamesmead Community Fund distributed eight grants of up to £2,000 each to grassroots cultural, enterprise and community projects.

Tackling violence affecting young people

In December 2019, we launched The Young People's Fund, a pilot youth led fund to support grassroots community groups who are putting youth voice at the centre of their work to tackle violence affecting young people.

We will be awarding £100,000 through grants of up to £10,000, to organisations working with our young residents and the wider community across Westminster, Southwark, Waltham Forest, Lambeth and Hackney. Young people must be meaningfully involved in the creation of any project and their voice will be heard throughout.



Islington Bangladesh Association Lunch Club

Islington Bangladesh Association used their grant to pilot a lunch club at our Hugh Cubitt centre, providing residents with a hot nutritious meal and a place to socialise. The group also runs a series of health themed workshops and has supported 57 residents with 80% of participants feeling the club has helped them improve their physical and mental health. Following the success of the pilot project, the group were awarded an additional grant to run a community health and wellbeing project.

Our place-based approach

Hackney

The ten-year Pembury Children's Community programme is now in its 5th year. We're working in partnership with residents, Hackney Council, schools, health services and local charities to improve the lives of 1,000 children and young people and families living at Pembury.

The Pembury Board, which includes residents and a range of key local stakeholders, continue to work together to co-ordinate services for families and to respond to their needs. In 2019/20, 23 Pembury residents led and organised activities, workshops and events for their community. Over 600 people took part, and 16 volunteers are currently supporting activities in the Pembury Community Centre. We have three formal community groups at Pembury who we are now supporting to develop strategies and fundraising plans.

We engaged with 400 young people and over 150 parents in the last year and the majority of our participants feel Pembury is becoming a better place to live. Highlights include:

- 37 families have been supported to access help with their household finances, 20 of whom have reduced their debt or increased their income. In some cases this figure exceeded £10,000;
- 36 young people achieved accreditations as part of our youth programmes, we provide both popular group sessions with 1:1 support for the most vulnerable young people who are struggling to progress.

Other successes this year include:

- The launch of the Cool Down Café, a space for young people to seek early help for their mental health, funded by the City and Hackney Clinical Commissioning Group;
- Connecting neighbourhood initiatives across Hackney to share learning and resources to achieve more together.

Sheffield Hallam University is evaluating the Children's Community Programme and has reported that Pembury is making strong progress towards improving local systems for children and young people.

“The partnership between LB Hackney and the Foundation demonstrates how long-term focus and strong partnerships can strengthen local communities, transform the outcomes for children and their families and offer a model that attracts the attention of policy makers and practitioners across the UK”

Tim Shields

Chief Executive, London Borough of Hackney



Building on our four key goals, in recent years we have moved towards a place-based approach where we partner creatively with residents and other local stakeholders to bring about positive long-term change. We began piloting this approach in Hackney in 2014 and are now working in six areas.

Thamesmead

We have developed a local strategy for Thamesmead that ties into Peabody's long-term regeneration plans for the area. This strategy has four aims:

- A thriving local economy inclusive of the local community;
- Children, families and young people achieving their potential;
- An active, well community; and
- Exceptional services for all, including the most vulnerable.

Through a successful strategic relationship with Royal Borough of Greenwich, we launched 'Life in Thamesmead', an ethnographic research report undertaken by the Young Foundation, which will shape our work going forward.

Through our work on the Children's Community initiative, we engaged with over 1,600 children and 220 parents. Our Young People's team has supported 15 young people into employment and training, provided 33 work experience placements and supported 500 people through a variety of opportunities such as a Young Producer's Programme, and extensive engagement through schools.

Our partnership with Charlton Athletic, Royal Borough of Greenwich and the Greater London Authority ("GLA") through the 'Young Londoners' Programme is providing 1:1 support to 17 local young people, many of whom have been involved in gangs, county lines and serious youth violence.



Positive Steps Thamesmead, our social prescribing programme funded by VINCI Facilities, has helped 517 households to access support from a range of providers including Citizen's Advice Bureau, Metro GAD and Lewisham Refugee and Migrant Network.



Waltham Forest

We have been working with residents and key local stakeholders on three long-term priorities:

- Getting things right early;
- Providing routes out of poverty and into financial independence; and
- Helping people to help themselves.

In September 2019, we completed the refurbishment of our Chingford Hall Community Centre, enabling us to host a much-needed nursery delivered by Ofsted outstanding provider, Lloyd Park Children's Centre. We have partnered with the centre team and the local school to deliver a Ready for School project for 4-6 year olds. The team also delivered our early years literacy project 'Reading from the Start' funded by VINCI Facilities. Over the year, 47 children took part in these initiatives, which has increased their attainment as a result.

We supported 134 people to find work and helped 107 people to reduce their debt or increase their income by providing advice on benefits and managing their money better. We have worked to strengthen local networks and help residents lead their own projects. This year, over 150 people benefited from community-led projects, led by 11 community champions. These projects helped people develop new skills and improve their confidence. We worked with almost 370 children, young people and families on a regular basis through our initiatives.



Islington, Lambeth and Southwark

Taking a place-based approach, PCF is designing and implementing Local Area Plans in Islington, Lambeth and Southwark, working with partners to achieve systemic change.

In Islington, we are a member of 'Fairer Together', a partnership of organisations committed to tackling inequality and promoting fairness, to achieve better outcomes for residents.

In Lambeth we are working with the Local Authority and a range of partners to develop and deliver the Borough's strategy for tackling violence against young people. As part of this, we are jointly investing in a local response across our homes at Tulse Hill, Peabody Hill and Rosendale.

We are exploring a partnership with the London Borough of Southwark to develop their planned Children's Zone for the Old Kent Road area.

We are working with partners in these three areas on how to make the best use of our community spaces, expertise, and resources.

Our approach

Taking an evidence-based approach, we are carrying out qualitative research to help us create lasting change and ensure our services respond to residents' lived experiences. In Islington, we have been mapping the life histories of 30 residents, focusing on social connections and youth employment. In Lambeth, we are exploring the causes of youth violence through a range of methods, to inform our work going forward.

In response to Covid-19, our volunteer Wellbeing Area Coordinators are connecting residents to our support, local services, as well as working with partners to deliver more. We will embed the learning from these roles in our longer-term approach in Islington, Lambeth and Southwark.



Our future priorities

Continuing to deliver during challenging times

The Covid-19 pandemic has increased the level of need of all Peabody residents, as well as limiting the traditional support and services that we can offer.

To respond to this, we designed and integrated a suite of emergency measures and services into one Resident Wellbeing Support Plan. This ensures all residents:

- Get the right level of support based on their needs;
- Feel as secure as they can during this difficult time; and
- Are able to support their communities if they want to.

Our teams directly delivered thousands of emergency food parcels to our most vulnerable residents and care and support customers. Working closely with local authority partners on a co-ordinated response, we helped mutual aid groups through our partnership with the London Food Alliance. Some of our community centres acted as distribution hubs, delivering crucial food supplies, medicine and care packages with other essential items to help keep people safe and healthy.

Our Tenant and Family Support and Financial Inclusion teams reached out to residents and continue to offer support for people who are struggling financially as a result of the pandemic.

More than 260 Peabody employees signed up to our volunteering programme and continue to make befriending calls, collect medication from pharmacies, and other activities to support people living in our homes. In addition, 177 people from our communities signed up to our befriending scheme, supporting isolated people.

As we move to recovery and beyond, we will assess the immediate and longer-term needs of our residents and refine our strategy to:

- Review emerging trends and customer needs;
- Work in a way that supports our key organisational priorities;
- Continue a partnership approach to support residents;
- Work with residents to design and deliver services; and
- Continue to innovate.

Increasing our local presence

Our place-based approach provides us with a deep understanding of what works for our communities. This is guided by the following principles:

- Place-based;
- Responding to local need;
- Working in partnership; and
- Investing with partners in local areas.

Our local connections and partnerships with local authorities and other stakeholders have helped us respond effectively to the pandemic and we will continue to focus our efforts in key locations where we have a high concentration of Peabody homes.

Universal and online offer

As well as taking a place-based approach, we will continue to provide a range of core services for all our residents. We do this through our Peabody Community Fund, and through our digital offer, which includes providing employment and training support as well as volunteering opportunities. We also offer free and low-cost activities through our community buildings and support for active residents and community groups.

Speaking up for our communities

In 2019/20 we worked with partners to highlight the challenges facing our communities and to engage with policy makers to make sure our residents' voices are heard. For example, given the poor health outcomes for many residents in Greenwich and Bexley, we held workshops with both boroughs, bringing together the Clinical Commissioning Groups, Council Public Health and Planning teams and local NHS services to explore plans for primary health care. This laid the foundations for cross-borough Healthy New Towns workshops and shaped the response to the GLA Opportunity Area Planning Framework consultation.

Childcare has been another priority area for us. In March 2020 we launched the 4th edition of the Peabody Index research, highlighting the lack of affordable childcare for Peabody residents and the impact this has on their lives. We will shortly begin research with the G15 to explore what housing associations are already doing in partnership with others to help solve this childcare challenge, and what more can be done. Our aim is to continue to speak up on behalf of residents and our communities.



Our teams packing emergency food parcels for vulnerable residents during the start of the Covid-19 pandemic

Partners

The work of the Foundation would not be possible without the collaboration of a wide range of partners including local authorities, local community partners, companies, stakeholders and specialist delivery organisations.

By working in partnership we are able to make our resources go further, utilise the resources of other organisations and work with those who are embedded in our communities and understand the issues that face them as well as we do.

We would like to thank the following for their valuable support in 2019/20.

Ardmore
 Arts Council
 Axis
 BNP Paribas
 Big Lottery Fund
 Charlton Athletic Community Foundation (CACT)
 City Bridge Trust
 City of Westminster
 Clarion Housing Group
 Clifford Chance
 Cycle Grants London
 Department of Work and Pensions (DWP)
 The Draper's Charitable Fund
 Durkan Limited
 East London Business Alliance (ELBA)
 EEM
 Employment Related Services (ERSA)
 Engie
 European Social Fund
 FareShare
 Ginkgo Gardens
 Good Things Foundation
 Greater London Authority (GLA)
 Greenwich Cooperative Development Agency
 ID Verde
 Lift and Engineering Services
 Lloyd Park Children's Centre
 London Borough of Bexley
 London Borough of Hackney
 London Borough of Hammersmith and Fulham
 London Borough of Islington
 London Borough of Lambeth
 London Borough of Southwark
 London Borough of Tower Hamlets
 London Borough of Waltham Forest
 London Borough of Wandsworth
 London Funders
 London South East Colleges

Mayor's Fund for London
 National Lottery Community Fund
 New Economics Foundation
 Orbit
 Purdy Contracts Ltd
 Ravensbourne University
 Robert Heath Heating
 Royal Borough of Greenwich
 Royal Borough of Kensington and Chelsea
 Save the Children
 Sheffield Hallam University
 Smart Works
 Sport England
 Stop Loan Sharks
 T Brown Group
 The Felix Project
 The South East London Chamber of Commerce
 Trowers & Hamlins
 TSG Building Services
 United Living
 VINCI Facilities
 Waterways Children's Centre
 Wates
 Wates Family Enterprise Trust
 Winckworth Sherwood LLP
 Youthbuild Ventures UK

Financial review

Financial performance

The Charity has reported an overall surplus of £57k for the year ending 31 March 2020 (2019: £473k deficit). This is compared to the budgeted deficit of £331k. The main driver of the difference when compared to the budget was lower operating costs. Staff costs were the main driver as strategic decisions were made to not fill budgeted posts.

The Charity adapts its operations to ensure that outcomes can be maintained, within a balanced budget. At 31 March 2020, the Charity had reserves of £28.9m (2019: £28.8m).

Section 172 Statement

The Trustees are aware of and acknowledge their responsibilities to promote the success of the Charity in accordance with s172 of the Companies Act 2006. When fulfilling responsibilities in accordance with s172 the Trustees have regard to what is in the best interests of the Charity and what is in the best interests of the Peabody Group (the "Group") including the matters set out in section 172(1)(a) to (f).

The Charity's key stakeholders are set out in the earlier sections of this report, including other charities, Local Authorities, community groups, residents and other beneficiaries of the Charity's services, and private sector partners. The Group Annual Report and Financial Statements (the "Group Accounts") provides further details of the Group's key stakeholders. The Trustees have engaged with all the Charity's partners in service delivery and beneficiaries as the key stakeholders of the Charity when acting in a way they consider to be most likely to promote the success of the Charity. The Trustees manage the principal risks facing the Charity by engaging with and fostering a successful relationship with these key stakeholders. This engagement has affected decision making by influencing the PCF Board's (the "Board") decision to move to a place based approach in collaboration with partners, as the most effective approach to deliver the Charity's goals and effect change, with a focus on areas where the Charity can have most impact (- initially Thamesmead, Waltham Forest and Hackney). It has also affected the PCF Board's decision to look at alternatives to direct delivery where others are better placed to provide services or support.

The Trustees consider the likely consequence of any decision in the long term in accordance with the strategic objectives of the Group as set out in the Group Accounts and in line with the Charity's goals to build engaged and active communities, boost incomes, develop skills and aspirations, and improve mental and physical health, within the budget and risk capacity agreed by the PCF Board.

The Trustees also adopt the Group's approach to Environmental, Social and Governance matters.

By adopting the values and culture of the Group in the decision making process the Trustees are confident that the Charity demonstrates positive engagement with stakeholders, a reputation for high standards of business conduct and its commitment to long term, sustainable success and accordingly Trustees' compliance with s172.

Sustainability Statement

The Charity, as a wholly owned subsidiary of the Group, aligns its activities and strategic priorities with those adopted by Peabody, including the Sustainability Strategy 2020-23. All Peabody subsidiaries continue to work towards meeting energy efficiency targets despite the challenges presented by an older property portfolio.

Peabody is committed to the best environmental, social and governance (ESG) practice, and have played an important role in developing a new robust ESG criteria for the sector, working with other leading housing associations, service providers, investors and other organisations to help publish the "ESG and Social Housing" White Paper. The Charity will continue to play a role in the development of appropriate reporting criteria to best demonstrate Peabody's positive impact on its communities.

Further information about Peabody's sustainability practices can be found in the Group Annual Report and Financial Statements, available online at the Peabody Group's website (www.peabody.org.uk).

Principal risks and uncertainties

The risks specific to the Charity are monitored regularly by the Board and take into account the environment in which the Charity operates as well the Peabody Group's risk appetite. They are not unexpected and are typical of the sector:

- Failure to maintain an effective health and safety environment to protect people, processes and the buildings we operate in.
- Non-compliance with regulations for protecting information and people.
- Not safeguarding vulnerable people using our services.
- Failure to maintain a financially stable organisation. Not properly managing contracts and controlling expenditure.
- Expansion of the Peabody Community Fund is not effective at delivering intended impacts.
- Not effectively delivering strategic change to local area plans. This could result in financial challenges and poor service delivery.

If not managed effectively all of these risks can result in negative financial, reputational, or operational performance impacts, regulatory intervention, and significantly harm people. Risks are managed continually, and actions are identified and implemented to mitigate risks. The Charity Board provides regular oversight of the risks and mitigating actions. Key actions this year include:

- Staff training on procedures of the Group and specific training for services. Training includes Health & Safety, Data Protection and Safeguarding. Internal Health & Safety spot checks are conducted regularly and a full review of Safeguarding policies and procedures including new reporting arrangements has been undertaken

- Reporting of incidents of non-compliance to Health & Safety committee for corrective action
- A framework is in place to ensure the Community Fund expansion is effective and supports fair distribution of grants, due diligence on grantees and value for money is delivered
- Implementing local area plans as part of new strategy will enable services to be catered to local needs and support local partnerships. Service user feedback and robust planning will help ensure a successful implementation. The financial impact will be monitored regularly.

The Charity benefits from the Group's frameworks and processes for overall risk and safety of facilities.

Governance

The Trustees' Report pages 24 to 26 and the Group Annual Report for the year ended 31 March 2020 provide details on compliance with regulations and the NHF Code of Governance Code (2015) and cover the regulatory framework, internal controls and risk management.

By Order of the Board



Deirdre Moss

Chair

24 September 2020



We work with local community groups to provide social activities and outings for older people to socialise and to meet new friends in a supportive environment.

Trustees' Annual Report

Corporate Governance

The Directors of Peabody Community Foundation are also the Trustees of the Charity. The Trustees present their report, together with the audited financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102"), the Charities SORP (FRS 102): Accounting and Reporting by Charities Statement of Recommended Practice ("the SORP"), the Companies Act 2006 and the Charities Act 2011.

Objectives and principal activities

The Charity is a community development organisation located in London. It's focus on sector-leading community programmes, which make a real difference to Peabody's residents and their communities, is set to continue with the Charity's area of operation expanding across Greater London and the South East. Peabody is committed to continued investment in community programmes and plans are included within the Group Strategy 2019-2022 which will aim to benefit an increasing number of Londoners. The Strategic Report pages 10 to 23, which forms part of the Annual Report, outlines the Charity's objectives, activities and also cover performance for the year ended 31 March 2020. In setting our objectives, planning our activities and monitoring our services, the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit and the Trustees can confirm that the Charity has met this criterion.

On 15 August 2020 the Charity's objects were changed to alter the Charity's area of benefit from Greater London to Greater London and its environs (comprising the local authority areas within or transected by a radius of 50 miles from London EC3). The purpose of this change was to align the Charity's area of benefit to that defined in the Peabody Rules (amended with effect from 1 April 2019), for which the Charity provides a community investment vehicle. The Charity's particular emphasis on Thamesmead and the surrounding areas, which reflect the Charity's original purpose, was unaffected by the change.

Trustees

Particulars of the Trustees who served on the Board during the year and subsequently are set out on page 8.

The Trustees are covered by the Peabody Group's directors' and officers' indemnity insurance policy.

Regulatory Framework

The Charity is a wholly owned subsidiary of Peabody Trust ("Peabody"). Peabody and its principal subsidiaries have adopted the principles and provisions of the National Housing Federation ("NHF") Code of Governance - promoting board excellence for housing associations (2015 edition) and comply with its provisions. Peabody has also committed to meet the principles of the NHF Code of Conduct (2012 edition) through adherence to the Peabody Code of Conduct.

During the year, the Peabody Board on behalf of the Group has been kept updated on, and provided oversight and challenge in relation to, the Group's compliance with the Regulator of Social Housing ("RSH") Regulatory Framework (the "Regulatory Framework"), including the Governance and Financial Viability Standard. The Board has been briefed on requirements and guidance from the Charity Commission and relevant charity law. The Peabody Board and the Board take their responsibilities under regulation and relevant good practice guidance very seriously and have taken appropriate steps to help ensure compliance.

Roles of the Trustee Board and Committees

The Peabody Board has overall responsibility for Group strategy and management. During the financial year ended 31 March 2020, there were six Group committees: Audit and Risk Committee; Nominations and Remuneration Committee; Development Committee; Thamesmead Committee; Finance and Treasury Committee; and Communities Committee. These Committees have supported the Peabody Board following merger and were accountable to and reported to the Peabody Board. Descriptions of the work of these Committees can be found in the Group Accounts.

The Communities Committee has the same membership as the Board and meets alongside it. Further information in relation to governance framework for the Group is set out in the Group Accounts. The Communities Committee exercises delegated authority in relation to the following:

- Provision of strategic oversight of community investment and community development activities across the Group whilst supporting Peabody's strategic objective of encouraging thriving communities.
- The monitoring of the performance of the Group's community investment and community development activities, including direct impact on beneficiaries and on wider communities.
- Consideration of major proposals relating to community investment prior to recommendation to the Peabody Board.
- The monitoring of the effectiveness of internal controls, risk management and matters with significant implications for the beneficiaries of the Group's community work.

Board Recruitment, Induction & Training

Jan Tucker and Keith Clancy will be retiring from the Board and the Communities Committee later in 2020. The Peabody Group Board Recruitment and Succession Policy will be followed, with a broad range of advertising used to seek to attract a wide range of diverse and able candidates.

New Board members benefit from an induction programme which ensures that they have the necessary knowledge and understanding of the Group's key policies and the Charity's community investment and community development activities.

Board Effectiveness - Self Assessment

The Board undertakes regular formal evaluation of its own performance. In May 2020, an internal self-assessment of Board and Communities Committee effectiveness was conducted via evaluation

questionnaires. The following areas of focus were identified for continuous improvement:

- Data-gathering processes to better understand the views of beneficiaries and other stakeholders.
- Mental health awareness training.
- Specialist financial knowledge on the Board.

Trustees' /Directors' Interests

None of the Trustees held any beneficial interest in the Charity, its parent undertaking or any of its fellow subsidiaries during the year, except in the case of the tenant Trustees, Keith Clancy and Jan Tucker, in their capacity as tenants of the parent undertaking. Some Trustees sit on other boards and committees in the Group, as disclosed below.

Remuneration of non-executive Communities Committee Members

The non-executive members of the Communities Committee receive remuneration in accordance with the Peabody Board and Committee Member pay policy. Full disclosure for that role for the financial year 2019/20 is provided in the table below:

*	Peabody Board level of pay	Committee only level of pay
Peter Baffoe**	£12,000 p/a	
Keith Clancy		£7,000 p/a
Michael Cleaver		£7,000 p/a
Helen Edwards**	£12,000 p/a	
Deirdre Moss***	£15,000 p/a	
Jan Tucker		£7,000 p/a

* Committee members who perform multiple roles receive remuneration for the highest paid role only.

** Peter Baffoe and Helen Edwards also served as a members of the Peabody Board and members of Communities Committee. The remuneration shown in the table represents their Board membership.

*** Deirdre Moss is a Peabody Board member and also serves on the Nominations and Remuneration Committee and, Thamesmead Committee and the Town and Country Housing Board. The remuneration shown in the table reflects her role as Chair of the Communities Committee.

Not all Communities Committee members decided to accept pay and non-executives mentioned in the table above were all paid by Peabody Trust and receive no remuneration from the Charity for serving as trustees. Catherine O'Kelly elected not to receive pay as a Communities Committee member.

The levels of payment per annum for the committee members named above who are legally entitled under the Rules of Peabody Trust, are as follows:

For a Committee Chair	£15,000 p/a
For a Peabody Board Member	£12,000 p/a
For a Committee Member	£7,000 p/a

Stakeholders, sustainability and transparency

Peabody Group (including the Charity) continues to exercise a strategic approach to influencing by building relationships with a range of stakeholders and policymakers. These include representatives of local, regional and national government; Peabody's funders and regulators; and delivery partners from a number of sectors. This engagement also feeds into the work of representative bodies such as the G15 Group, the National Housing Federation and the Chartered Institute of Housing, to influence policy decisions in the sector. This approach has helped Peabody to deliver on its strategic goals and achieve the social purpose expressed through its mission statement. An example of this is in Thamesmead, where the strength of Peabody's relationships with stakeholders and its partnerships with the London Borough of Bexley, the Royal Borough of Greenwich, the Greater London Authority ("GLA") and Transport for London ("TfL") among others will underpin the success of the Thamesmead regeneration programme over the years to come.

Peabody is committed to being open and transparent in the way we conduct our business and interact with the Charity's beneficiaries. Peabody believes in being accountable for its actions, spending and performance, by demonstrating how it delivers value for money. The Group publishes information about its priorities, strategic goals and performance and how it utilises resources on its website. Specific information about the Charity's work is available on request, except, for example, for legal reasons or on the grounds of data protection, personal confidentiality, commercial confidentiality or practicality.

Future Plans

The Covid-19 pandemic will continue to have an impact on the operations of the Charity and the Charity will continue to adapt to the situation as it develops, as a wholly owned subsidiary of the Group. The Covid-19 pandemic began to impact the Group's operations in March 2020, with the Health Protection (Coronavirus, restrictions) (England) Regulations 2020 coming into force on 26 March 2020. The restrictions resulted in a number of impacts on the Group and its customers:

- Operational issues such as the need to implement steps to protect residents and staff from the risk of infection, necessary disruption to the delivery of repairs and planned maintenance.
- Developments on site were largely paused for a period, although all are now underway again.
- Sales of new homes were impacted; although Peabody continued with virtual viewings and reservations and have continued to see sales progress from reservation to completion.
- Collection of residential rents have been affected, but arrears remain at manageable levels.
- The Peabody Board and Committees are meeting more frequently, remotely.

In response to the uncertainty, the Group increased the level of cash held to ensure immediately available liquidity and have maintained communications with funders throughout the Pandemic. Prudent steps were taken to reduce costs, where this could be achieved without impacting on service delivery. The impact on the Group's finances has been carefully monitored and considered, and is referred to in

Trustees' Annual Report **continued**

note 1.2 - going concern. Whilst the effect of the pandemic will have an adverse impact on 2020/21 financial performance, the Peabody Board is confident it can meet its responsibilities to residents whilst also meeting financial covenants.

Notwithstanding the impact of the Covid-19 pandemic, the Charity will continue to invest in community programmes.

Statement of going concern

Notwithstanding the impact of the Covid-19 pandemic on the operations of the Charity and the Group, as referred to in the Future Plans section of the Trustees Report, the Board have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Consideration of going concern is further documented in note 1.2 of these financial statements.

Reserves policy

The reserves policy is adopted by the Board and sets out designated reserves including Deferred Consideration and Fixed Assets together with the Operating Reserve. The Charity's Reserves Policy is to maintain sufficient level of reserves to enable normal operating activities to continue over a period of up to 2 months (the equivalent of approximately £1.4 million) should a shortfall in income occur and to take account of potential risks and contingencies that may arise from time to time. The Charity's free operating reserves, which are defined as those reserves which are not committed, restricted or designated, totalled £2.6 million at the year end, higher than the minimum level set by Trustees.

Internal control and risk management

Statement on internal controls and risk management

The Peabody Board is accountable for its system of risk management and the internal control framework and for reviewing their effectiveness. The system of risk management and internal control is designed to monitor, manage and mitigate the risk of failing to achieve business objectives. It can only provide reasonable, not absolute assurance against material misstatement or loss. The system of risk management and internal control also exists to give reasonable assurance about the reliability of financial and operational information and the safeguarding of Peabody's assets and interests.

The Group Audit and Risk Committee ('the "Committee"') provides oversight of the Group's system of risk management and internal control on behalf of the Peabody Board (as the parent company for the Peabody Group) and the Board and regularly reviews its effectiveness. The Group's arrangements in respect of the system of risk management and internal control cover the Charity.

The risk review process

During the year, the Peabody Board and the Audit and Risk Committee focused on ensuring that a robust risk management

framework was in place across the Group. There is a programme to keep all risks and the mitigating controls under regular review via cyclical reports to the Audit and Risk Committee and reports at least twice yearly to the Peabody Board. The Group has 10 key risks outlined in its risk register which was approved by the Peabody Board on 14 May 2020. These risks are set out in the Risk and Uncertainties section of the Strategic Report in the Group's Accounts.

Further information on risk, internal audit, monitoring and controls is set out in the Group Accounts.

The external auditors advise the Audit and Risk Committee in writing of any weaknesses in internal control identified through the course of their work, along with recommendations for improvement. This information was considered by the Audit and Risk Committee at its meeting on 13 July 2020 along with a detailed action plan to address any issues. No significant weaknesses have been noted.

Statement on Internal Controls Assurance – Peabody Group

The Group's arrangements in respect of the system of risk management and internal control cover the Charity and are set out in detail in the Group Accounts.

The Peabody Board has delegated to the Audit and Risk Committee the regular review of the effectiveness of the Group system of internal control, whilst maintaining ultimate responsibility for the system of internal control. The Audit and Risk Committee reviewed the effectiveness of the system of internal control in existence in the Group for the period commencing 1 April 2019 up to the date of approval of the financial statements, and the annual report of the internal auditor and reported to the Peabody Board that it found no significant weaknesses in the system of internal control.

External Auditor

KPMG LLP will pursuant of section 487 of the Companies Act 2006, be deemed to be reappointed and will therefore, continue in office.

Disclosure of Information to Auditor

The Trustees who held office at the date of approval of this annual report confirm that, in so far as each of the Trustees is aware:

- there is no relevant audit information of which the Charity'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 Charity's auditor is aware of that information.

By Order of the Board



Deirdre Moss

Chair

24 September 2020

Statement of trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees 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 they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By Order of the Board



Deirdre Moss

Chair

24 September 2020

Independent auditor's report to the members of Peabody Community Foundation

Opinion

We have audited the financial statements of Peabody Community Foundation ("the charitable company") for the year ended 31 March 2020 which comprise the statement of financial activities, statement of financial position, and related notes, including the accounting policies in note 1.

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 2020 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 UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report, strategic report, financial review, and corporate governance report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Victoria Sewell (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
United Kingdom
24 September 2020

Statement of financial activities (including income and expenditure account) for the year ended 31 March 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Incoming resources					
Donations and legacies	3a	5,717	148	5,865	4,740
Incoming resources from charitable activities	3b	786	1,038	1,824	1,182
Total incoming resources		6,503	1,186	7,689	5,922
Resources expended					
Cost of charitable activities		(7,571)	(916)	(8,487)	(7,417)
Total resources expended	7a	(7,571)	(916)	(8,487)	(7,417)
Investment income	4	869	-	869	929
Interest payable	5	(7)	-	(7)	(8)
Net income/(expenditure) for the year before gains & losses		(206)	270	64	(574)
Actuarial (loss)/gain on defined benefit schemes		(7)	-	(7)	101
Net income/(expenditure) for the year		(213)	270	57	(473)
Net movements in funds		(213)	270	57	(473)
Fund balances brought forward	13	28,451	389	28,840	29,313
Fund balances carried forward		28,238	659	28,897	28,840

The accompanying notes form part of these Financial Statements.

All amounts relate to continuing activities.

There were no recognised gains or losses other than those stated above.

No corporation tax was payable by the Charity for the year ended 31 March 2020 (2019: £nil).

Statement of financial position as at 31 March 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	10	9,107	9,295
		9,107	9,295
Current assets			
Stock		5	12
Pension scheme assets	16	75	99
Debtors (including £19,662 (2019: £16,540) due after more than one year)	11	20,769	17,596
Cash at bank and in hand		1,013	5,380
		21,862	23,087
Creditors: amounts falling due within one year	12	(1,672)	(3,087)
		20,190	20,000
Defined benefit pension scheme	16	(400)	(455)
		28,897	28,840
Net assets			
Restricted funds	13	659	389
Unrestricted funds	13	28,238	28,451
		28,897	28,840

The accompanying notes form part of these Financial Statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 24 September 2020, and signed on its behalf by:



Deirdre Moss

Chair

Notes to the financial statements

1. Accounting policies

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.1 Basis of Preparation

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice, comprising Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102') and the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2019 ('the SORP'), together with the reporting requirements of the Companies Act 2006, the Charities Act 2011. It also requires Group management to exercise judgement in applying the Group's accounting policies.

The Charity is a public benefit entity.

1.2 Going concern

Peabody Community Foundation's business activities, together with factors likely to affect its future development and position, are set out in the Trustees Report. As a member of the Peabody Group, Peabody Community Foundation's success is linked to that of the Group's.

The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, and generate operational cash flows sufficient to finance the Group's day-to-day operations. The Group also has a long-term business plan which shows that it is able to service its debt facilities while continuing to comply with lenders' covenants. In the light of Covid-19, the Group has undertaken robust stress testing including a combination of severe but plausible downsides, offset by realistic mitigations. The stress testing demonstrates that even in the severe circumstances tested, it has appropriate headroom against its financial covenants.

The Group Board has considered carefully the impact of Covid-19 on the operations of the Group's entities, and continues to monitor this closely. It has determined that it is appropriate to prepare its Financial Statements on a Going Concern basis.

The Peabody Community Foundation's Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. The Board therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

1.3 Cash Flow Statement

The Charity is exempt from the requirements of FRS 102, to prepare a Cash Flow Statement as its results are included in the consolidated financial statements of the Peabody Group which includes a Cash Flow Statement.

1.4 Tangible and Other Fixed Assets and Depreciation

Freehold land and buildings represent properties acquired from Thamesmead Town on its demerger in April 2000, which were professionally valued by Chartered Surveyors on an existing use open market value basis at this date. The assets were subsequently transferred to Trust Thamesmead from its subsidiary during 2009 at their net book value. The Trustees have adopted the policy of holding freehold buildings at cost less accumulated depreciation and any accumulated impairment losses under FRS 102.

Tangible and other fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is charged on the below assets from the month of purchase until the month of disposal. The estimated useful lives range as follows:

IT equipment	3 years
Office equipment	5-10 years
Freehold land and buildings	50 years
Leasehold land and buildings	Over the length of the lease

1.5 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

1.6 Basic financial instruments

a) Trade and other debtors

Trade and other debtors are measured at transaction price, less any impairment. A provision for bad debt arises when the debtor balance is 90 days or greater. The initial provision is a charge against the statement of financial activities but is then carried forward to a subsequent period. The debtors figure in the statement of financial position is adjusted to be presented 'net of the provision'. Any increase or decrease in the provision in a subsequent period is debited or credited to the Statement of Financial Activities. The write off of a specific bad debt is made in accordance with the Group Financial Regulations.

b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits.

c) Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.7 Incoming Resources

All incoming resources are accounted for in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable certainty. Income from charitable activities is accounted for on a receivable basis.

In accordance with the Charities SORP 2019, grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the Charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

1.8 Revenue Grant

Grants receivable income, where related to performance and specific deliverables, is accounted for as the Charity earns the right to consideration by its performance.

Where income is received in advance of performance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued.

1.9 Resources Expended

Expenditure is accounted for on an accruals basis, and classified under headings in the accounts that aggregate all costs related to the category. Irrecoverable VAT is included in the expense item to which it relates.

Charitable activities - some resources expended, including staff costs, are apportioned across different categories of expenses, where appropriate, on the basis of time incurred on the projects.

Grants payable are charged in the year when the offer is conveyed to the recipient, except in cases where the offer is conditional, such grants being recognised as expenditure when the conditions are fulfilled. Provisions are only provided for on contractual liabilities which exist at the balance sheet date.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease substantially transfer all the risks and rewards of ownership of the leased asset to the Charity. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term.

1.11 Fund Accounting

Unrestricted funds - these are accumulated surpluses and deficits on general funds which can be used in furtherance of the general objectives of the Charity at the discretion of the trustees.

Designated funds - these are unrestricted funds which have been set aside by trustees for specific future purposes or projects.

Restricted funds - these are funds that have restrictions imposed by donors and can only be applied for the particular purposes specified by donors. The construction and purchase of fixed assets with restricted funds are deemed to be satisfied once the construction or purchase has taken place and therefore these restricted fund balances are released to unrestricted general funds once the construction or purchase is complete unless the restriction is deemed to be on a permanent basis.

1.12 Employee Benefits

a) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

b) Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Charity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

Notes to the financial statements **continued**

c) Defined Benefit Pension Scheme

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Charity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

Regular valuations are prepared by independent professionally qualified actuaries. These determine the level of contributions required to fund the benefits set out in the rules of the fund and allow for the periodic increase of pensions in payment. The current service cost of providing retirement benefits to employees during the year, together with the cost of any benefits relating to past service, cost of curtailments and settlements are charged against the operating surplus in the year. Actuarial gains and losses are recognised in the SOFA.

d) Termination Benefits

Termination benefits are recognised as an expense when the entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

1.13 Related Party Transactions

Related party transactions include the Charity's transactions with the Parent entity, with fellow subsidiaries, associates, joint ventures and compensation paid to key management personnel. Key management personnel are senior management team, board members and their close family.

Compensation includes all employee benefits in exchange for services and consideration paid on behalf of Peabody in respect of goods or services provided to the entity.

1.14 Value Added Tax

Value Added Tax is accounted for on an accruals basis. For business supplies chargeable to tax, or where special dispensations have been agreed, input tax directly relating to goods and services that have enabled the supply, and relating to a fair proportion of the cost of central services in support of these, are recovered from HM Revenue & Customs.

1.15 Taxation

As a registered charity, the Charity is exempt from income and corporation tax to the extent that its income and gains are applicable for charitable purposes only.

2. Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

3. Incoming resources

(a) Donations and Legacies

	2020 £'000	2019 £'000
Intra group donations – Peabody	5,586	4,515
Other donations	279	225
	5,865	4,740

3. Incoming resources continued

(b) Charitable activities

	Unrestricted £'000	Restricted £'000	Total £'000	2019 £'000
City Bridge Trust	-	-	-	30
Community Champions	-	41	41	-
Community Fund (iWill)	-	100	100	24
Connecting Young Hackney	-	50	50	-
FSS Family Support grant	-	250	250	-
GLA 2Work (Ref: P1.2/TL2W)	-	-	-	(49)
Love London Working	-	452	452	254
Maternity Champions	-	48	48	-
Sport England - Tackling Inactivity	-	53	53	-
Other grant income	-	44	44	130
Trading Income	786	-	786	793
	786	1,038	1,824	1,182
Total incoming resources from charitable activities - 2019	793	389	1,182	

4. Investment income

	2020 £'000	2019 £'000
Interest from parent undertaking	869	929

5. Interest payable

	2020 £'000	2019 £'000
Interest cost on pension scheme	7	8

6. Net incoming resources for the year are after charging:

	2020 £'000	2019 £'000
Net incoming resources for the year are after charging:		
Auditor's remuneration: current year audit fee	9	9
Pension costs	275	220
Depreciation of owned fixed assets	257	264

The audit fee is paid by the Parent entity, Peabody Trust, as part of an SLA agreement between the two entities.

Notes to the financial statements **continued****7. Analysis of total resources expended****(a) Resources expended**

	Direct costs £'000	Support costs £'000	Total £'000	2019 £'000
Charitable activities				
Building capacity of group and individuals	1,508	241	1,749	1,838
Children, young people & families	1,980	316	2,296	2,155
Employment and employability	1,307	209	1,516	1,484
Improving sports	422	67	489	618
Community cohesion	914	146	1,060	998
Other charitable activities	1,125	180	1,305	292
	7,256	1,159	8,415	7,385
Governance				
Staff costs	-	8	8	8
External audit and legal fees	-	64	64	24
	-	72	72	32
Total resources expended	7,256	1,231	8,487	7,417
Total resources expended - 2019	6,347	1,070	7,417	

(b) Support costs

	2020 £'000	2019 £'000
Administration costs	713	419
Staff costs	518	651
	1,231	1,070

Costs directly attributable to charitable activities are allocated to direct costs. Those costs not directly attributable are included in support costs. Support costs are then apportioned based on the staff time incurred on each charitable activity.

8. Staff costs and emoluments

	2020 £'000	2019 £'000
Wages and salaries	4,212	3,597
Social security costs	398	385
Pension contributions	275	220
Other staff costs	84	32
	4,969	4,234

8. Staff costs and emoluments continued

	2020 No.	2019 No.
The average number of employees during the year was as follows:		
Charitable activities	111	103
Management, administration and support services	4	3
	115	106

The Charity's staff are employed under Peabody Group contracts and the salary costs are recharged under an intra group service level agreement.

The numbers of employees who received remuneration (excluding pension contributions) in excess of £60,000 per annum are stated below in bandings of £10,000:

	2020 £'000	2019 £'000
Emoluments of higher paid staff within the following scales were:		
£60,001 - £70,000	1	4
£70,001 - £80,000	1	1
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	5	7

The earnings for the Charity's key management personnel (including the Executive Director) for the year were £257k (2019: £251k), with pension contributions of £21k (2019: £30k), and benefits in kind totalling £nil (2019: £nil).

9. Trustees remuneration and expenses

During the last financial year, non-executive members of the Communities Committee received remuneration. Full disclosure for the financial year 2019/20 is provided in the Corporate Governance section of the Trustees' Annual Report (Remuneration of non-executive Communities Committee Members).

During the year Trustees claimed expenses £nil for travel, subsistence and incidentals (2019: £nil).

During the year the Charity paid £67 (2019: £40) for Trustees' indemnity insurance via a Group Insurance policy.

Notes to the financial statements **continued****10. Tangible fixed assets**

	Freehold land and buildings £'000	IT and office equipment £'000	Total £'000
Cost or Market Value			
At 1 April 2019	11,182	511	11,693
Additions	137	9	146
Disposal	-	(285)	(285)
At 31 March 2020	11,319	235	11,554
Depreciation			
At 1 April 2019	2,158	240	2,398
Charge for the year	227	30	257
Disposals	-	(208)	(208)
At 31 March 2020	2,385	62	2,447
Net Book Value			
At 31 March 2020	8,934	173	9,107
At 31 March 2019	9,024	271	9,295

All assets are held for charitable purposes.

There is a charge held with the Big Lottery Fund for £5 million over Harrow Manor Way, and a second charge with The Football Foundation for £1 million over the land at Thamesmead Football Club.

11. Debtors

	2020 £'000	2019 £'000
Amounts due within one year		
Trade debtors	144	479
Other debtors	576	216
Deferred consideration	378	331
Prepayments	9	30
	1,107	1,056
Amounts falling due after more than one year		
Deferred consideration	16,162	16,540
Loan to parent company	3,500	-
	19,662	16,540

The deferred consideration has arisen on the sale of the Fixed Asset investment in Tilfen Land Limited, which was sold to the Charity's parent company, Peabody Trust on 1 April 2014. The deferred consideration is payable in quarterly instalments over 30 years. The monies loaned to the parent company have been invested in an interest bearing notice account on PCF's behalf.

12. Creditors

	2020 £'000	2019 £'000
Trade creditors	399	583
Amounts owed to parent undertaking	408	1,125
Other creditors	87	23
Accruals and deferred income	778	1,356
	1,672	3,087

The movements in deferred income are as follows:

	2020 £'000	2019 £'000
Deferred income at 1 April	84	21
Amounts released from previous years	(74)	(21)
Incoming resources deferred in the year	85	84
Deferred income at 31 March	95	84

13. Movement on reserves

	1 April 2019 £'000	Incoming Resources £'000	Outgoing Resources £'000	Gains & (Losses) £'000	Fund Transfers £'000	31 March 2020 £'000
Funds:						
Restricted funds	389	1,186	(916)	-	-	659
Unrestricted funds	28,451	7,372	(7,578)	(7)	-	28,238
	28,840	8,558	(8,494)	(7)	-	28,897

Included within unrestricted funds are designated funds of:

Designated Funds:						
Pitch resurfacing	235	-	-	-	-	235
Fixed asset	9,060	(139)	(49)	-	-	8,872
Deferred consideration	16,871	869	(1,200)	-	-	16,540
Total Designated	26,166	730	(1,249)	-	-	25,647

	1 April 2018 £'000	Incoming Resources £'000	Outgoing Resources £'000	Gains & (Losses) £'000	Fund Transfers £'000	31 March 2019 £'000
Funds:						
Restricted funds	368	482	(461)	-	-	389
Unrestricted funds	28,945	6,369	(6,964)	101	-	28,451
	29,313	6,851	(7,425)	101	-	28,840

Included within unrestricted funds are designated funds of:

Designated Funds:						
Pitch resurfacing	31	-	-	-	204	235
Fixed asset	9,194	334	(264)	-	(204)	9,060
Deferred consideration	18,024	929	(2,082)	-	-	16,871
Total Designated	27,249	1,263	(2,346)	-	-	26,166

Notes to the financial statements **continued**

13. Movement on reserves continued

Restricted Funds

Restricted funds represent grants where the expenditure is yet to be incurred, and will therefore be spent in future periods. A more detailed breakdown of these grants can be seen in Note 3 (b).

Designated Funds

The Fixed Asset Reserve represents funds tied up in fixed assets. During 2017 the Trustees agreed to set up a separate designated fund to cover the potential cost of resurfacing the pitches at the Sporting Club.

The Deferred Consideration Reserve represents funds tied up in the long term Deferred Consideration Debtor. The Deferred Consideration Asset arose on the sale of the Charity's Fixed Asset investment in Tilfen Land Limited, which was sold to the Charity's parent company, Peabody Trust on 1 April 2014.

14. Analysis of net assets between funds at 31 March 2020

	Unrestricted £'000	Designated Funds £'000	Restricted Funds £'000	2020 Funds £'000	2019 Funds £'000
Fixed assets	-	9,107	-	9,107	9,295
Current assets	4,567	16,540	755	21,862	23,088
Current liabilities	(1,576)	-	(96)	(1,672)	(3,088)
Provisions	(400)	-	-	(400)	(455)
	2,591	25,647	659	28,897	28,840

15. Related party transactions

During the year the following transactions took place between the Charity and its parent company, Peabody Trust and subsidiary entities within the Group

- Peabody Trust provided support services, finance, governance, IT and HR totalling £339k (2019: £339k), plus recharged £4,969k (2019: £4,234k) of salary costs relating to Peabody staff working directly for the Charity. At the year end £408k was payable to PCF (note 12) (2019: £1,125k).
- Peabody Trust paid the Charity £1,200,026 (2019: £2,082,000) as the year 6 payment in respect of the sale of Tilfen Land Limited. £330,844 (2019: £1,153,421) was charged against the deferred consideration debtor (note 11) with £869,182 (2019: £928,589) being recognised as interest (note 4).

16. Pension commitments

The pensions of employees of the Charity are administered through four schemes, one which provides defined benefits relating to pay and service (LPFA) and one scheme which provides a defined contribution scheme (Friends Life). A further defined benefit scheme (Career Average Revalued Earnings) was closed to new entrants on 30 June 2015. A defined contribution scheme (Career Average Revalued Earnings) was opened to entrants on 1 July 2015 and closed to new entrants 31 October 2015.

In October 2018 the High Court published its judgement on the case of Lloyds Banking Group and the equalisation of Guaranteed Minimum Pensions ('GMP') between genders. The impact of GMP Equalisation in respect of the LPFA, SHPS and CARE schemes has been recognised.

16. Pension commitments continued

In December 2018 the Court of Appeal ruled that 'transitional arrangements' protection in respect of benefit changes to the Judicial and Fire Fighter Pension scheme amounted to unlawful discrimination ('McCloud case'). This is relevant to LPFA and has been allowed for. The Government has announced a consultation on this matter. At the time of completion of the accounts, it is likely there will be a change to the pension liability following the completion of the consultation. There is currently insufficient information available to base any calculations of the impact upon, and a reliable estimate cannot therefore be made. The timing of the consultation means that any resulting changes will be reflected in the pension liability at 31 March 2021.

	2020 £'000	2019 £'000
LPFA - Pension scheme asset	75	99
CARE - Pension scheme liability	400	455

The London Pensions Fund Authority

Some employees of the Charity who are former employees of Thamesmead Town participate in the LPFA Pension Fund, part of the Local Government Pension Scheme. The fund is administered in accordance with the Local Government Pensions Scheme Regulations 1997, as amended.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 31 March 2019.

These figures are prepared in accordance with our understanding of Financial Reporting Standard 102 (FRS102). The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2019 is estimated to be 11%. The actual return on Fund assets over the year may be different.

The estimated asset allocation for the Scheme as at 31 March is as follows:

	2020 £'000	2019 £'000
Equities	808	863
Target return Portfolio	386	423
Infrastructure	109	96
Property	149	149
Cash	46	56
	1,498	1,587

The demographic assumptions are consistent with those used for the formal funding valuation as at 31 March 2019. The post retirement mortality tables adopted were based on the Club Vita mortality analysis.

The assumed life expectations are	2020 £'000	2019 £'000
Retiring today - male	87.3	86.4
Retiring today - female	89.7	88.3
Retiring in 20 years - male	87.4	88.1
Retiring in 20 years - female	89.5	90.0

Notes to the financial statements **continued****16. Pension commitments continued**

The major assumptions used by the actuary to value the liabilities of the scheme at 31 March 2020 under FRS 102 are:

	2020 % per annum	2019 % per annum
RPI increases	2.70	3.40
CPI increases	1.90	2.40
Salary increases	2.90	3.90
Pension increases	1.90	2.40
Discount rate	2.35	2.40

Statement of Financial Position as at 31 March:	2020 £'000	2019 £'000
Net pension asset as at		
Present value of the defined benefit obligation	1,423	1,488
Fair value of Fund assets (bid value)	(1,498)	(1,587)
Net defined benefit asset	(75)	(99)

The amounts recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Service cost	-	-
Net interest on the defined liability	(2)	-
Administration expenses	2	2
Total loss	-	2

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	2020 £'000	2019 £'000
Opening defined benefit obligation	1,488	1,493
Current Service cost	-	-
Interest on obligation	35	38
Change in financial assumptions	(93)	56
Change in demographic assumption	(49)	(47)
Experience gain on defined benefit obligation	104	-
Estimated benefits paid net of transfers in	(62)	(52)
Contribution by Scheme participants and other employers	-	-
Closing defined benefit obligation	1,423	1,488

Notes to the financial statements **continued**

16. Pension commitments continued

Career Average Revalued Earnings Pension Scheme

Career Average Revalued Earnings Pension Scheme The Charity participated in The Career Average Revalued Earnings (CARE) Pension Scheme (the 'Scheme'), which is a funded multi-employer defined benefit scheme. This scheme was closed on 31 March 2016. All Charity staff were transferred to the Peabody Group Personal Pension scheme.

The main benefits provided by the Scheme are:

- A pension of one-eightieth of the member's CARE for each year (and months proportionately) of pensionable service if contracted-out of the state scheme; or
- A pension of one-hundredth of the member's CARE for each year (and months proportionately) of pensionable service if contracted-in to the state scheme.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

A full actuarial valuation for the scheme was carried out at 30 September 2013. This valuation showed assets of £35.56m, liabilities of £51.94m and a deficit of £16.38m.

A full actuarial valuation for the scheme was carried out at 30 September 2016. This valuation showed assets of £60.45m, liabilities of £85.30m and a deficit of £24.86m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2018 to 30 November 2028:	£1,400,000 per annum
--	----------------------

(payable monthly and increasing by 3.0% each year on 1st April)

Following consideration of the results of the actuarial valuation, it was agreed that the shortfall of £16.4 million would be dealt with by the payment of deficit contributions. The existing Recovery Plan, put into place following the 2010 valuation, has been replaced by a new Recovery Plan, effective from 1 July 2015.

1 April 2012 - 30 June 2015

An amount of £208,000 per annum, increasing each year by 3% is required. The Charity's share of these deficit contributions is £4,137.48 per annum, payable in monthly instalments of £344.79.

1 July 2015 - 30 April 2027

An amount of £1,152,000 per annum, increasing on 1 July each year by 3% is required. The Charity's share of these deficit contributions is £27,290 per annum, payable in monthly instalments of £2,274.17.

In addition to the above, an amount of £176,586 per annum, increasing on 1 July each year by 3% is required for Scheme expenses. The Charity's share of these Scheme expenses is £4,183 per annum, payable in monthly instalments of £348.58.

Employer Debt on Withdrawal

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The amount of employer debt on withdrawal has been calculated as £1,451,641 at 30 September 2018. The employer debt figures are calculated on the solvency - or buy out - funding basis.

Potential employer debt is treated as a contingent liability.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	2020 £'000	2019 £'000
Provision at start of period	455	482
Unwinding of the discount factor (interest expense)	7	8
Deficit contribution paid	(45)	(43)
Remeasurement - impact of any changes in assumptions	(17)	8
Remeasurement - amendments to the contribution schedule	-	-
Provision at end of period	400	455

Income and expenditure impact

	2020 £'000	2019 £'000
Interest expense	7	8
Remeasurement - impact of any change in assumptions	17	8
Remeasurement - amendments to the contribution schedule	-	-

Assumptions

	2019 % per annum	2019 % per annum
Rate of discount	2.58	1.58

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Notes to the financial statements **continued**

17. Ultimate parent company

Peabody Community Foundation is a wholly owned subsidiary of Peabody Trust ("Peabody"), which is the ultimate parent and ultimate controlling entity. Peabody is a charitable Community Benefit Society formed under the Co-operative and Community Benefit Societies Act 2014.

Consolidated financial statements of Peabody can be obtained from the Company Secretary at 45 Westminster Bridge Road, London, SE1 7JB. www.peabody.org.uk

18. Subsequent events

The Covid-19 pandemic began to impact the Peabody Group's operations, including those of Peabody Community Foundation in March 2020, with the Health Protection (Coronavirus, restrictions) (England) Regulations 2020 coming into force on 26 March 2020. The restrictions have resulted in a number of impacts on the Group and its customers: G7

- Operational issues such as infection control within Care and Support, disruption to the delivery of repairs, and the need to support vulnerable residents
- Developments on site were paused for a period (although all are now underway again)
- Sales of new homes were impacted, although we continued with virtual viewings, and received reservations on this basis which have subsequently proceeded to exchange and completion
- Collection of residential and commercial rents have been affected, but remain within manageable limits
- The majority of office based staff are working remotely

The Group Board, and the Board of Peabody Community Foundation continue to adapt to the situation as it develops. Prudent steps were taken by the Group to reduce costs, where this could be achieved without impacting on service delivery. The impact on the finances of Peabody Community Foundation and the Group has been carefully monitored and considered. Whilst we expect there to be a financial impact, the Board of Peabody Community Foundation and the Group Board are confident we can meet our responsibilities to residents whilst also meeting financial covenants.



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Peabody is a charitable Community Benefit Society registered under the Cooperative and Community Benefit Societies Act 2014 and Registered with the Financial Conduct Authority's Mutuals Public Register (registration number 7741)

