

# Peabody Community Foundation

ANNUAL REPORT AND ACCOUNTS 2021



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PCF HIGHLIGHTS

**Invested to support residents through the Peabody Community Foundation**

£8m  
(2020: £8.5m)

**Community and Peabody employee volunteers gave their time to make a difference to our communities**

850  
(2020: 1,100)

**People into jobs and apprenticeships**

536  
(2020: 1,160)

**Grants to support community organisations**

£1.25m  
(2020: £700k)

**Welfare calls made to residents**

21,000+  
(2020: n/a)

**Businesses helped to access enterprise support and resources**

460  
(2020: 500)

**Emergency food parcels delivered to vulnerable residents**

7,000+  
(2020: n/a)

**Residents gained childcare qualifications through our programmes**

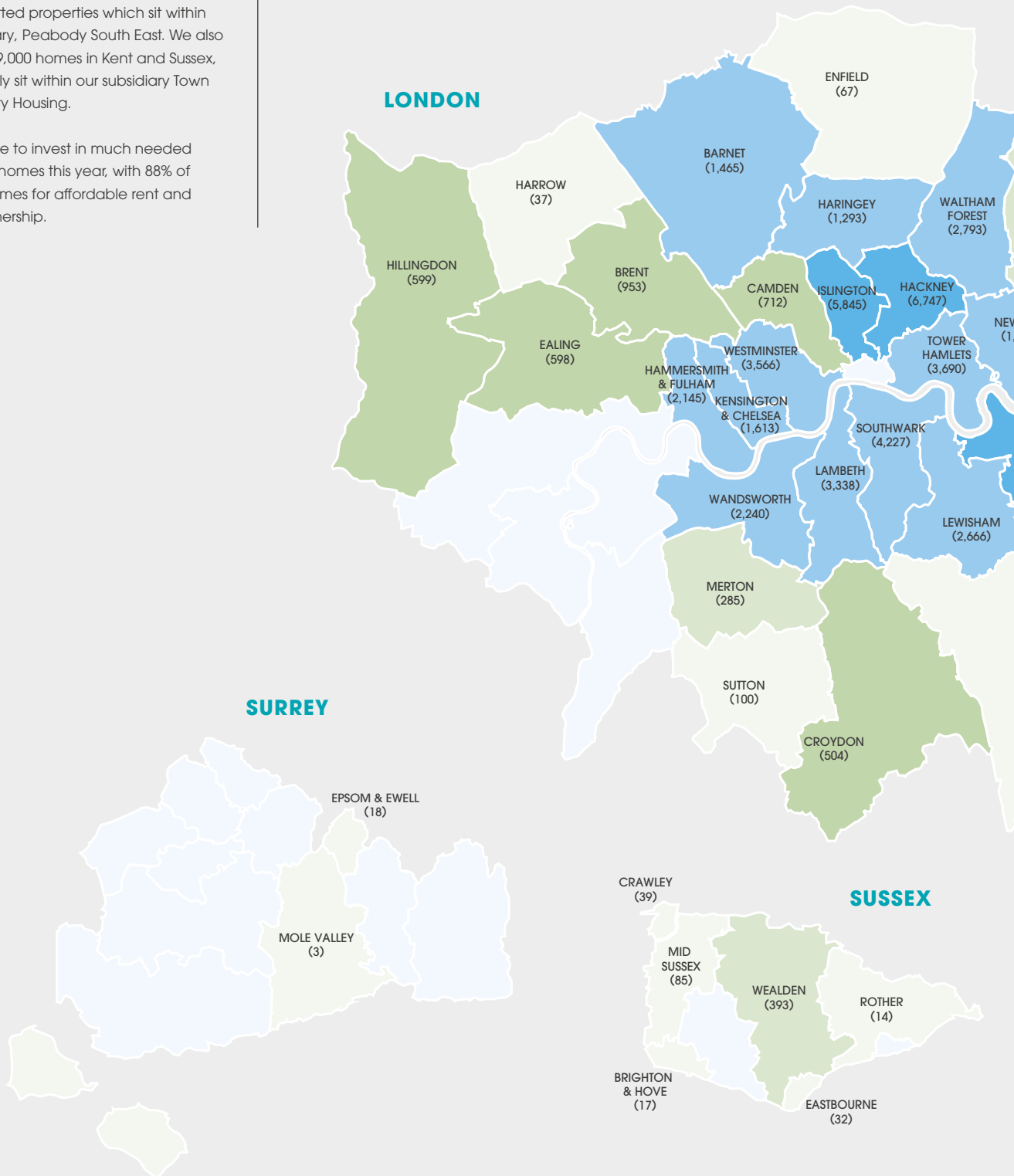
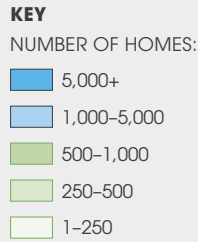
240  
(2020: 225)

## OUR HOMES AT A GLANCE

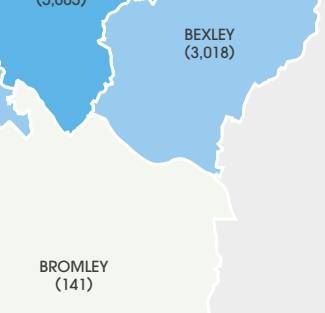
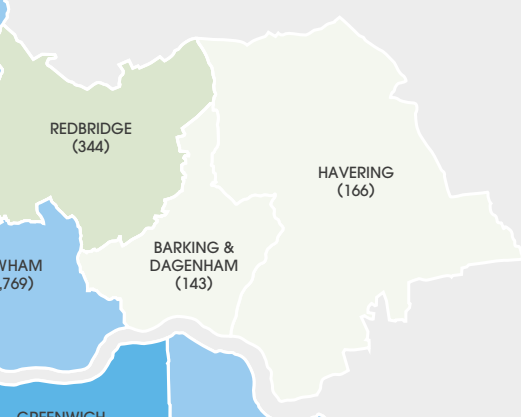
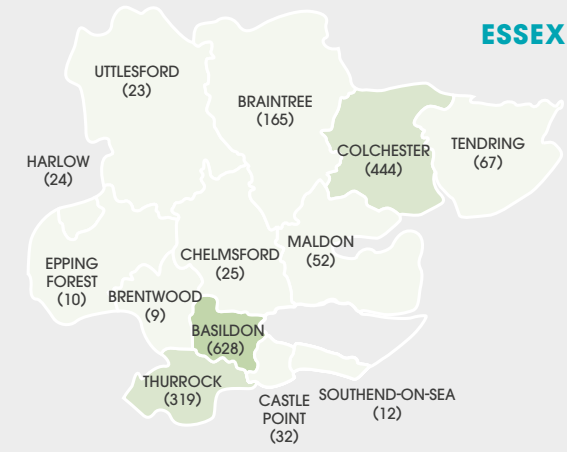
The Peabody Group is responsible for 67,000 homes in London and the South East. Most of our 155,000 residents live in London, predominantly in the inner boroughs such as Islington, Southwark and Hackney, which have diverse and growing populations.

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. We also have over 9,000 homes in Kent and Sussex, which mostly sit within our subsidiary Town and Country Housing.

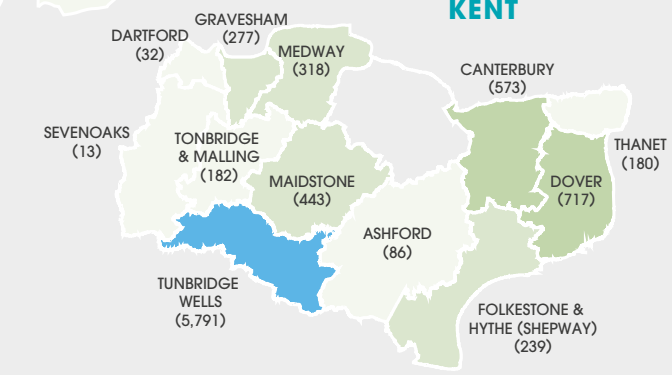
We continue to invest in much needed affordable homes this year, with 88% of our new homes for affordable rent and shared ownership.



## ESSEX



## KENT



### 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

### PARKSIDE COMMUNITY CENTRE



### PEMBURY COMMUNITY CENTRE



### HUGH CUBITT COMMUNITY CENTRE



**DEIRDRE MOSS**

Chair



The past year has changed all our lives in ways we never could have imagined and home has never been more important. As Chair of the Peabody Community Foundation (PCF), I am extremely proud of the effective and compassionate way the organisation has responded to the pandemic, continuing to put the most vulnerable people first in everything we did. Our Resident Wellbeing Programme saw teams from across Peabody working together to provide essential support to residents during lockdown.

Our teams have been working harder than ever throughout the Covid-19 crisis, adapting and mobilising our efforts so we were able to support our communities. We moved many of our programmes and activities online to help people stay connected and tackle isolation as community centres closed due to lockdown restrictions. Our locally focused partnership approach to community activities went from strength to strength, and provided a lifeline for many in a time of great uncertainty.

Our Resident Wellbeing Programme saw teams from across Peabody working together to provide essential support to residents during lockdown.

We have continued to work with our partners to identify and respond to local priorities. Building on the way we work in Thamesmead, Hackney and

Waltham Forest, we are designing and implementing a place based approach in Islington, Lambeth and Southwark.

This report reflects on the past 12 months and highlights the outcomes of our community investment activities as we have adapted to the pandemic. This included:

- Supporting 240 people to achieve qualifications through our childcare learning programme
- Developing our youth social action programmes further to enable young people to take the lead as well as take part in activities
- £1.25m in grants to support the impact of Covid-19 and grassroots community groups, giving them the tools and resources to help themselves

- Continuing to support households to boost their incomes. We helped 536 people into jobs and apprenticeships
- Helping 460 local enterprises access support and resources to help them start or grow their business
- Mobilising over 850 community and employee volunteers.

This year, the University of Manchester became our evaluation partner, providing academic oversight and challenge of our work. As part of our evidenced-based approach, our Peabody Index bulletins tracked the experience of low-income Londoners throughout the pandemic, revealing how low paid Londoners were hit hardest with almost 38% of our residents either losing their job, working fewer hours or being furloughed throughout lockdown, and 28% reported being in a desperate financial situation. The bulletins not only demonstrate the importance of our services but also call for public policy solutions to reverse the rising poverty crisis.

During the year, Michael Cleaver, Keith Clancy and Janice Tucker came to the end of their tenure as PCF Board members. I would like to thank them for their valuable contribution to the work of the Foundation and welcome our new Resident Board members, Karima Mbarak, Shreya Hewett and Katharina Winbeck.

We'll never be complacent. As we look to the future, the work of the Foundation has never been more important.

We will continue to work in partnership, innovate and adapt our services and look for new ways to build on our long relationships with our communities and do more. We will always ensure that residents and customers voices are at the heart of all that we do.



DEIRDRE MOSS

Chair

15 September 2021



Our teams have been working harder than ever throughout the Covid-19 crisis, adapting and mobilising our efforts so we were able to support our communities.



# Care and Communities Executive Director, Stephen Burns, answers our questions

**STEPHEN BURNS**

Executive Director, Care and Communities



I am extremely proud and humbled by the effective and compassionate way the Foundation responded to the challenges faced.

**Q HOW WOULD YOU SUMMARISE THIS YEAR?**

**A** In one word; Remarkable. Covid-19 brought with it unprecedented change and challenge, and we saw our teams, partners and communities pull together in the most extraordinary way in a collective effort to support people when they needed us most.

While the country slowly came to terms with lockdowns and Covid-19 restrictions, our teams were thrown into a period of intense action to try to keep residents safe and to meet any support needs. We quickly mobilised and adapted our efforts to support those aims.

We worked with teams across Peabody to keep critical services running and put in place a range of emergency measures through our newly created Resident Wellbeing Programme. We worked more closely with local authority partners and commissioners than we ever have, ensuring we had coordinated responses. We helped many mutual aid groups through our partnership with the London Food Alliance and they, in turn, supported many of our communities.

Our community centres acted as distribution hubs, delivering food supplies, medicine, and care packages with other essential items to help keep people safe and healthy. We found new ways of working, seeing a shift from face-to-face services to remote where possible with services moving online and embracing the potential of engaging with people in a new way.



**Q WHAT ACHIEVEMENT ARE YOU MOST PROUD OF?**

**A** Our teams didn't miss a beat in providing vital services to our customers. The pandemic demonstrated the value of working with colleagues and our partners to maximise opportunities and develop expertise, setting unnecessary bureaucracy aside in the process.

I am extremely proud and humbled by the effective and compassionate way the Foundation responded to the challenges faced.

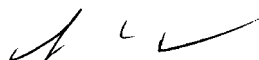
**Q WHAT ARE THE KEY PRIORITIES FOR THE FOUNDATION IN THE YEAR AHEAD?**

**A** Our key priority will be to continue to support our residents and communities as we move to recovery and beyond.

While the pandemic has created a lot of uncertainty, our Strategy with its four key pillars: building engaged and active communities; boosting income; developing skills and aspirations; and improving mental and physical health, provides a solid foundation upon which we will continue to base our activities and focus.

This year, we will continue to deliver our Strategy and plan for the future, striving to increase the impact the Foundation has on communities and ensuring that the needs of our residents and communities remain at the heart of all that we do. The work of the Foundation has never been more important and we will continue to give our communities greater agency, voice and power.

There will be many challenges ahead socially, economically and environmentally and our responses to these will remain human and local. In the months ahead, we will continue to keep local people firmly in the spotlight, working in partnership, innovating and adapting our services to ensure that residents receive the support they need when they need it. As a sustainable Foundation, we have an important role in supporting communities, places and building strong partnerships. We intend to use our enduring role to help residents and others to continue to thrive both now and in the future.



**STEPHEN BURNS**  
Executive Director,  
Care and Communities  
15 September 2021



Our key priority will be to continue to support our residents and communities as we move to recovery and beyond.

# 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 (resigned 14 September 2020)
- Michael Cleaver (resigned 24 February 2021)
- Catherine O’Kelly
- Janice Tucker (resigned 20 January 2021)
- Karima Mbarak (appointed 18 November 2020)
- Shreya Hewett (appointed 20 January 2021)
- Samantha Dias (appointed 24 February 2021 - resigned 1 March 2021)
- Katharina Winbeck (appointed 20 May 2021)

## 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

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

## Auditors

KPMG LLP, Botanic House, 100 Hills Road, Cambridge, CB2 1AR

## Solicitors

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



### 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.



### KARIMA MBARAK

Karima joined the PCF Board as resident Board member in November 2020. Karima is a trainee public finance accountant (CPFA) for Richmond and Wandsworth Councils. She has experience of strengthening youth engagement and established an award-winning mental health community project called ‘Keepitking’. Part of the project encouraged young people from a BAME background to challenge taboos surrounding mental health.



**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.



**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 nine 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.



**SHREYA HEWETT**

Shreya joined the PCF Board as resident Board member in January 2021. Shreya is a freelance communications consultant with a background in economic policy output and financial technology. Shreya is a member of Pembury Community Centre Steering Group and Pembury Children's Community Board, working to achieve Peabody's strategic goals for the area. Shreya founded and managed a tech start-up which provided her with insight into financial and risk management and an opportunity to demonstrate strategic thinking.



**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.



**KATHARINA WINBECK**

Katharina joined the PCF Board as resident Board member in May 2021. Katharina is the strategic lead for transport, environment and infrastructure policy at London Councils. Katharina has held positions with Transport for London, the Audit Commission and the London Borough of Tower Hamlets, working on local transport strategy and sustainability projects. She also worked for a large-scale community regeneration project in Lambeth and as an adviser on sustainability matters to an NHS Trust.

# OUR VISION AND KEY GOALS

**For almost 160 years, Peabody has been focused on making things better for people and communities. We have responded to society's most deep-rooted challenges, by delivering a range of services through our Community Foundation to tackle key issues such as child poverty, homelessness; underemployment and violence affecting young people.**

Although we have achieved positive outcomes for many, we know that we need to address these root causes to make a meaningful, long-lasting impact on the communities that we serve. So, we developed a community strategy that not only places people at the centre of everything we do, but also seeks to better understand how we all live and work. This will enable us to better address and respond to the root causes of inequality.

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 of their lives through active citizenship, catalysing supportive networks and community-led projects
- Boosting income; helping people to 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, giving people more knowledge about opportunities and boosting their confidence
- Improving mental and physical health; enabling people to be active and fit, develop their resilience and improve their overall wellbeing.



We work at four levels: direct delivery, indirectly through partnership with others, mobilising the community and working to achieve change at strategic level through our influencing activities. Our operational delivery model consists of two key strands:

- Local Area Plans – strategic partnerships with Local Authorities to provide focused and targeted delivery in boroughs where we have the most homes and involvement
- Pan-London Offer – a network of services and support utilising the resources of partners and accessible to any resident or member of the community.

We use an evidence-based approach to develop knowledge and insight and deliver our strategy. This includes a focus on listening, understanding and responding to our residents and communities.

These principles are at the heart of all that we do and enable us to agree where and how to focus our resources (people, community buildings and money) and make them go further. Most importantly, it creates more sustainable solutions to the challenges we face, and contributes to the development of new approaches and policy changes across the sector, with our residents and customers front and centre.



# A YEAR UNLIKE ANY OTHER

**For all of us, 2020 was a year defined by the pandemic. Covid-19 not only increased the level of need of all our residents, it had a major impact on the traditional offers of support and interventions that we could offer.**

When the Government announced an indefinite lockdown in March 2020, we realised that we would need to find new ways to support the most vulnerable in our communities. Teams from across Peabody quickly mobilised to establish our Resident Wellbeing Programme (RWP) to respond to the critical needs of our residents. This focused on four key strands of support:

- Emergency Support including food supplies, medication and fuel
- Mental Wellbeing
- Financial Inclusion
- Digital Inclusion

Our teams delivered over 7,000 emergency food parcels to our most vulnerable residents who were self-isolating or experiencing isolation across London. Working closely with local authority partners on a coordinated response, we helped mutual aid groups through our partnership with the London Food Alliance. Our community centres acted as distribution hubs, with staff redeployed to deliver food supplies, medicine and care packages with other essential items to help keep people safe and healthy.

We made more than 21,000 welfare calls to residents to find out what support they needed. Our Tenant and Family Support and Financial Inclusion teams proactively reached out to residents to offer support to almost 2,500 people whose finances suffered as a result of the pandemic through unemployment or furlough.

We distributed more than 950,000 items of personal protective equipment to ensure the safety of our Care and Support customers and staff working in our communities. More than 260 Peabody employees signed up to our Volunteering Programme 'Peabody Promise' to make befriending calls supporting isolated people or those suffering from poor mental wellbeing and support our broader critical response.

There were more than 19,500 hits to the Covid-19 support pages on the Peabody website, providing vital information about services that could support people's wellbeing. In partnership with Housing Associations' Metropolitan Thames Valley, and Southern Housing, and co-produced with residents, we developed the online platform 'PeerUp' to help people easily access support and local services and also receive advice and guidance to increase their financial resilience.

In response to the challenges to mental health faced by our employees, we also worked in partnership with the National Lottery Community Fund, The Centre of Acceleration of Social Technology (CAST) and designers Tectonic, to create supportive online environments for frontline staff who in turn help residents with their mental wellbeing.

Reporting tools created by the RWP are now being integrated with other areas across Peabody to embed resident wellbeing as a priority across all service areas.

## Welfare calls to residents

# 21,000



At the start of the pandemic, our Waltham Forest team made more than 500 welfare calls to residents, offering support with accessing food aid, medication and befriending. We opened our community centre on the Chingford Hall estate to host a local charity, Diabetes Action CIC providing 175 healthy hot meals and food parcels distributed by volunteers across the estate.



I wouldn't have been able to survive without this support, this has been a lifeline. Due to ill health I am self-shielding and have no family or friends locally to support me

**Waltham Forest resident**

# BOOSTING INCOME

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

People helped to sustain employment

301

People supported into work

536

## EMPLOYMENT AND TRAINING

With many people affected by furlough and recruitment freezes across London, we have continued to support customers to prepare for interviews, search for jobs and access work related training, despite moving to online remote working. We are now starting to see some economic recovery as restrictions are eased, however, unemployment in London is still increasing and the capital trails the rest of the country with 40% less vacancies.

We supported 536 people into work and helped over 300 to sustain employment for more than six months. In March 2021, we launched a monthly jobs e-bulletin which sets out our opportunities in one place.

We are continuing to work in partnership with corporate law firms Clifford Chance and Winckworth Sherwood LLP who provide our customers with monthly interview practice sessions. During the year, we delivered sessions both online and in-person to help people become job ready. We are working closely with our Financial Inclusion, Tenant and Family Support and Neighbourhood Services teams to maximise opportunities for our residents.

## CHILDCARE

We have moved all of our childcare courses online due to the pandemic. These remote sessions were challenging for some and not everyone was familiar with the technology. The majority of our participants had children who were home-schooling and sharing equipment, and there were also issues with wi-fi connectivity and data. Despite these challenges, through our childcare programme supported by BNP Paribas, learners achieved 240 accredited qualifications during the year. We also supported 21 students to successfully submit their Ofsted application forms.

## TACKLING DEBT

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







Our programmes give people of all ages better access to education and training opportunities. We help people to broaden their horizons, and boost their confidence to achieve their goals. Thamesmead resident Sarah Blyth was finding it difficult to get back into job market once her two children, who she'd raised as a lone parent, left school.

After struggling to find work due to a lack of qualifications, one of Sarah's neighbours suggested she speak to PCF. With support from one of our employment advisers, she successfully applied for a NVQ Level 2 Teaching Assistant course. Sarah passed the course and went on to complete a Level 3 Diploma in Learning and Support. Using her new qualifications, she got a job as a Learning and Support Assistant at a local primary school.



Peabody were extremely supportive and even provided childcare for each parent. Once I completed the courses, I felt a sense of self-worth and was extremely proud of myself and all that I'd achieved. Now that I am employed, I am living a comfortable life with a regular income, I now no longer receive benefits so I'm not reliant on Job Seekers' Allowance. I feel like I have a purpose in society again.

**Thamesmead resident Sarah Blyth**

# DEVELOPING SKILLS AND ASPIRATIONS

**Our aim is to support local enterprises so that when starting or growing a business, they have the best possible chance of success.**

**Businesses supported to access support and resources**

460

We provide 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, we supported 460 businesses to access enterprise support and resources. We also helped 10 entrepreneurs to formally set up a company and provided 30 businesses with opportunities to trade locally despite being in lockdown for long periods of the year. Our team worked with local authority strategic partners across London, supporting their recovery plans and ensuring businesses were able to access information, advice, guidance and grants.

The Thamesmead Business Forum moved online and welcomed 133 local entrepreneurs, providing them with access to information, advice, guidance, tendering opportunities, funding, events and networking. This is an increase of 19% compared to the number who accessed the forum in person during 2019-2020.

## PROVIDING ACCESS TO TRAINING OPPORTUNITIES

In January 2021, Peabody became a partner in the Department of Work and Pensions Kickstart Scheme. This provides funding to employers to create six-month job placements for 16 to 24 year olds in receipt of universal credit and who are at risk of long term unemployment. Over the next year, we will be offering 29 Kickstart placements to young people in a wide range of roles across Peabody, helping them get on the career ladder.

Every summer, we host an annual Jobs and Apprenticeships Fair to help people looking for employment and training opportunities. In July 2020 we delivered our fair as an online event, which attracted 2,155 participants and 5,208 individual bookings across 19 webinars and information sessions and workshops. These included advice on interview techniques, remote job search, benefits advice as well as focused sessions delivered by partners including the London Fire Brigade, Jobcentre Plus and the NHS.

Working with colleagues across Peabody, we provided 55 apprenticeships through our supply chain. We worked with a number of contractors to recruit new apprentices locally and achieve maximum social value for our residents. Working with partners including Durkan, Berkeley Homes, Ardmore and Mulalley, we designed specific information sessions and traineeships to ensure those entering their apprenticeship programmes have the best chance of success.





**At the start of 2020, Thamesmead-based business, CC Community Events, had 58 events planned across Bexley and Greenwich.**

With the onset of the pandemic, the company showed huge resilience and created opportunities for local businesses to trade online, by pivoting their business model to create an "Essential Market" across a number of town centres and high streets locally. We worked with them to deliver three Thamesmead Markets during the summer and in November 2020 they won the Bexley Business Excellence award for Contribution to the Community.



Peabody's Thamesmead team gave us the help we needed to start and grow our business to where we are today. Now we support hundreds of small businesses at our local events, markets, pop ups and more. We are over the moon to be recognised and win the Bexley Business Excellence award for Contribution to the Community.

**Catherine Molnar,  
CC Community Events**

# BUILDING ENGAGED AND ACTIVE COMMUNITIES

**One of Peabody's key strategic priorities is to create 'Great Social Impact'. We are passionate about providing grassroots support to help communities flourish, with them firmly in the driving seat. This includes empowering residents to manage many of our community buildings and access grants to design and deliver their own projects.**

## YOUTH SOCIAL ACTION

We have been working to increase the impact of our youth social action programmes which encourage young people to lead as well as participate. Building on the success of services and projects developed by young people in response to Covid-19, we are also encouraging public sector organisations to integrate youth-led social action into their delivery models.

We're providing young people with a range of support and funding to develop expertise and build on their lived experience. We're also supporting them to develop the confidence and skills needed to respond to local priorities and to influence decision makers.

Key achievements include:

- 235 young people completed the Young Leaders programme, receiving up to £500 to deliver a social action project and gain a qualification
- 31 young people took part in Young Ambassadors. This involved co-designing a solution to a social challenge with a grant of up to £10k. They also completed design thinking training and achieved a level 2 accreditation

- 19 young people took part in Peabody Advisors. Participants responded to a strategic challenge set by PCF and completed a level 3 accreditation. These young people will go on to be employed by the Foundation to support the design and delivery of services that respond to the needs of residents.

## COMMUNITIES IN THE DRIVING SEAT

Our aim is to empower our residents and communities, by providing the right resources to enable them to lead on design and decision making. In 2020-21 we did this by:

- Expanding our Community Leaders programme by providing grants of £500 for local people to deliver activities that benefit their community
- £1.25m in grants to support the impact of Covid-19 and grassroots community groups, giving them the tools and resources to help themselves
- We continued to work with 17 Management Committees; groups of volunteers that manage Peabody buildings and ensure they are used to meet the needs of the local community. We have developed plans to support them further as centres re-open
- Involving more residents in grant giving; residents sit on the decision making panel for both the Thamesmead Community Fund and The Young Peoples Fund.

In 2022, we will be launching a new Peabody Innovation Fellowship where we will work with grassroots community groups on a phased programme designed to immerse them in the world of design thinking and innovation, and to increase their capacity to create collective and impactful action.





**16 year-old Marina wanted to share her skills by teaching young people how to braid hair in different ways. Her dream was to inspire others and show how to reduce stress and be creative at home.**

Marina's original plan was to run sessions over Zoom and guide participants through the process of hair braiding. However, Marina was overwhelmed by the idea of running the online sessions, so her mother got in touch to ask for support.

We worked together to find a solution - pre-recording the sessions and editing her work before sharing online. After sharing the YouTube videos with her friends at school and in the neighbourhood, she has received 194 views and very positive comments.



The Young Leaders programme is a great way to use free time after school and learn something new and help other people. This experience boosted my confidence, and improved my communication and leadership skills.

**Marina**

# IMPROVING MENTAL AND PHYSICAL HEALTH

**We champion healthy, active and well communities. Regardless of needs or circumstances, all residents who have made a home in our communities have access to a broad range of initiatives to help improve mental and physical health and which also support them in becoming more active, resilient and confident.**

## AN ACTIVE AND HEALTHY COMMUNITY

Our Active Well Thamesmead programme provides opportunities for people to be active and engage in sporting activities. We're also bringing together Clinical Commissioning Groups (CCGs), Local Authority public health and planning teams and local NHS services, to support health and wellbeing outcomes. This year, over 800 people took part in a range of activities.

We have successfully embedded our Active Thamesmead approach around sports development and recreation into Peabody's Green Infrastructure Strategy for Thamesmead. This means that outdoor recreational activity is core part

of the regeneration, and connects the community with the local environment by providing high quality opportunities for people to lead healthier and more active lifestyles.

## COMMUNITY AND MATERNITY CHAMPIONS

At our Old Oak Community and Children's Centre in Hammersmith & Fulham, volunteers lead and provide coaching, signposting, group classes and activities as part of our community and maternity champion programmes. These include sessions to help people cope with the worry and anxiety created by the pandemic. The programmes also combat isolation, as well as providing



opportunities to improve physical fitness. This year we worked with four local volunteers online and outdoors to reach 250 local people and more than 450 people in the wider community.

#### SUPPORTING MENTAL HEALTH

Our Crisis Café at Pembury Community Centre saw us partner with the CCGs to bring mental health professionals into the community centre to work directly with young people and reduce the number of emergency mental health admissions.

Through our Transitions programme, we helped 30 young people access mental health services and receive

intensive support to stabilise their housing situation and address their wider needs with one to one support.

Working with CAST and Tectonic, we created a prototype digital resources called 'Reflect' to provide a supportive online environment for front line volunteers and staff to support residents with their mental health and cope with stress. The text-message based service sends messages and prompts to Befrienders and support workers. This prompts them to say how they are feeling and provides supportive suggestions based on their response.

**As part of our Active Thamesmead programme and as we adapted to community centres closing in lockdown, we provided virtual exercise sessions on Zoom to help residents stay active throughout the pandemic.**

Rebecca Annan has been taking part in our online Pilates classes:



Thank you very much for the online exercise classes. They have been a lifesaver, really effective and really fun and they've meant the whole class can stay in touch. Long may they continue, lockdown or not.



# OUR GRANTS PROGRAMMES

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

Over the last year we distributed over £1.25 million in grants to support community organisations to respond to the impact of Covid-19 and support the ongoing delivery of grassroots community groups. Our grants helped individuals and informal groups to mobilise and respond to local priorities and need.

For the past eight years, we have worked with the London Community Foundation (LCF) to deliver the Peabody Community Fund. The demands of the pandemic on our partners exacerbated the need to ensure grant giving was simple and easy to access. We joined LCF's Coronavirus Response Fund so that organisations had to complete just one application to access funds provided by many partners. Through this fund we supported 29 constituted organisations that support our residents, providing grants to the voluntary community sector and helping provide a vital emergency response.

The community response to Covid-19 was driven by individuals and informal groups as well as constituted groups. During the year, we provided over £100,000 in micro grants to support this groundswell of support.

## OUR GRANTS

We offer a four-tiered grants programme, enabling individuals, groups and partners to access the level of grant that supports their needs.

## BETTER WAYS OF WORKING

We have signed The Institute for Voluntary Action Research (IVAR) Flexible Funders pledge, which calls for funders to adopt more open and trusting practices that make life easier for those they support. We have been making changes to our ways of working to reflect these practices. For example, residents and young people decide who receives our local grant funds, which aligns with our focus on co-produced and community-led services.

## Grants to support community organisations

# £1.25m



Type of Grant	Funding Available	Number of grants awarded	Description
<b>Micro Grants</b>	Up to £3,000	300+	Grants for individual and volunteer groups to design and deliver small scale social action projects
<b>Small Grants</b>	£3,000 - £10,000	20+	Grants for local grassroots organisations to build capacity, add value to, and plug gaps in, their delivery
<b>Project Grants</b>	£10,000+	30+	Provided to community organisations to deliver services, projects, and programmes
<b>Targeted Strategic Funding</b>	£50,000+	3	Co-investment and partnerships with other funders to drive large scale or systemic change in response to an identified issue



**Barnet Lone Parents is an organisation delivering advice and support to families living in the Strawberry Vale area in Barnet. The record keeping system used by the organisation was outdated and time consuming to use; many case files were still stored as paper copies. During lockdown, it was more challenging to support families and take on new clients because of limited access to information and outdated computer systems.**

We gave the organisation a small grant to buy a new software system, enabling them to store client information and casework digitally. The grant also funded training for all staff to develop knowledge of the software processes and applications. Caseworkers are now able to update their records and access information from wherever they are giving all staff more time to support their vulnerable client group.

The organisation predicts that the grant will lead to an increased capacity for the organisation through streamlining their administration process. They expect to increase the clients that can be supported by 25%, meaning that up to 175 families can receive support and advice during the year.



**Zakia, a local community leader and Chingford Hall resident, received a Peabody microgrant to create 45 wellbeing boxes for her estate. These include hand blended essential oils, with guidance on how to use them, including a follow up Zoom session, and advice on wellbeing.**



I decided to apply for the microgrant after seeing posters in the community centre. The benefits are huge, people find comfort through using the essential oil blends in particular to help those suffering with depression, anxiety, loneliness, or those who need to feel uplifted, or who are fatigued from working from home. I would like to feel that that these products that I create will enhance the wellbeing of residents and help them to feel better all round.

**Zakia,  
Resident and community leader**

# THAMESMEAD



**We have developed a local strategy for Thamesmead that supports Peabody's long-term regeneration plans for the area. This strategy is focused upon 'People and Community' and has four long-term priorities identified through consultation with residents and local stakeholders.**

## **1. A THRIVING LOCAL ECONOMY**

During the pandemic, much of our work focused on ensuring local people have access to good quality jobs and our enterprise and skills development opportunities moved online. This included monthly Business Forums which focused on helping businesses to access Government Covid-19 support.

## **2. SUPPORTING CHILDREN, YOUNG PEOPLE AND FAMILIES TO REACH THEIR POTENTIAL**

As part of our work on the Moorings Children's Community, we know that food insecurity is a key issue which was exacerbated by the pandemic. Working closely with both Royal Borough of Greenwich and London Borough of Bexley, we delivered a co-ordinated food and support response, including running a food distribution hub from Sporting Club Thamesmead. Supporting over 275 families, some with weekly food top up deliveries, we forged new partnerships with Hovis and a local faith group who provided funding for culturally appropriate food to meet the needs of Thamesmead's diverse communities.

**Thamesmead Community Fund grants to deliver a range of activities safely**

**£37,000**

In partnership with local schools, we showcased the best contemporary print-making from across the globe to more than 250 participants at the Woolwich Contemporary Print Fair.



### 3. AN ACTIVE AND WELL THAMESMEAD

Our ambition is to create opportunities to improve community health and wellbeing and promote active lifestyles. We have been supporting a local parent to deliver exercises classes for adults. During the first lockdown, classes were held outside with 20 participants and then also delivered virtually. Through word of mouth and social networks, there are now 55 people taking part in improving their fitness, and most of all, making new friendships within their community. Each person has been given sports equipment to support their fitness needs. We also delivered a range of physical activity sessions in 4 local schools between September and December 2020, with over 300 primary school children taking part.

### 4. EXCEPTIONAL SERVICES FOR ALL

This work focuses on supporting the community and voluntary sector, making the best use of community facilities. We provided ongoing support to small community groups through the Community Group Forum. Initially this centred on supporting them to access funding and enabling them to respond to the needs of their clients affected by Covid-19. We supported them with preparing for the reopening of our community space, including helping complete risk assessments and delivering services in a safe and secure environment.

We completed two rounds of the Thamesmead Community Fund, awarding over £37,000 to a number of individuals and organisations to deliver a range of activities safely.



CraftA creates arts and crafts projects to alleviate loneliness and to foster social cohesion. With a grant from the Thamesmead Community Fund, they provided weekly online lessons for older people, which encouraged them to take part in knitting, crochet, but most importantly socialising.



*I was reluctant, I thought I would leave in a couple of lessons, but I am still here after 15 weeks, I cannot believe what I have achieved. I took some of my work to the Feel Good Centre (online) and I got a round of applause"*

**Olabisi, group participant**

# HACKNEY

**The 10-year Pembury Children's Community programme is now in its sixth year. We're working in partnership with Pembury Estate residents, Hackney Council, schools, health services and local charities, to improve the outcomes of around 1,000 children and young people who live locally as well as their families.**

As we went into lockdown, we worked alongside Hackney's statutory and Voluntary and Community Sector (VCS). We also worked with the local mutual aid group, local schools and the local authority to provide and deliver coordinated support and advice for 496 Hackney households. This included food aid, medication, financial/employment advice, support for mental health, bereavement counselling and IT equipment. We also made wellbeing calls and conducted needs assessment for over 485 households.

We also continued our wider work towards eight 'Pembury 2025' goals, including reducing poverty for Pembury families, young people making a successful transition to adulthood and empowering the local community.

### **ROUTES OUT OF POVERTY**

The number of residents in Hackney claiming Universal Credit increased as a result of the pandemic. At Pembury, 48 households are in long term rent arrears but 40 other households have either raised their income or have reduced debt. Rent arrears at Pembury have gone down further than in any previous year. This has been through effective internal collaboration between teams identifying residents who were not receiving their full benefits entitlement and making referrals to other support services.

### **EMPOWERING THE LOCAL COMMUNITY**

We have continued to build and strengthen peer networks. Through mutual aid groups, residents offered support to their neighbours in a range of ways, delivering food and medication, as well as doing odd jobs for one another.

Our resident steering group of 22 people began meeting online each month, advising on how needs were changing in the pandemic, as well as contributing to our resident newsletters and promoting micro grants across the estate. Successful examples of this have been a doorstep gardening project for the community, and an Eid celebration event organised by two residents.

In October 2020 we launched the 'Parent Champions' project in partnership with Hackney Council, an initiative to train a group of parent volunteers to provide support to isolated parents in the community, following a model developed by Coram. Four parent champions have successfully fulfilled their training during this year and have begun attending online school events and engaging with parents. The council is now looking to expand this initiative across the borough.

**Pembury households supported through partnership work**

# 496



## MONITORING AND EVALUATION

In July 2020 we received the final report from the 3-year evaluation of the Pembury Children's Community, conducted by Sheffield Hallam University. The evaluation found that the Children's Community has made a significant difference to the lives of people living on the estate, and that the Children's Community is increasingly seen by partner organisations as a successful model of place-based working which is influencing approaches in Hackney and beyond.



Eight of our most creative and talented young residents living on the Pembury Estate were featured in the December 2020 issue of Vogue magazine. All of the girls are involved in Threads, a Pembury based fashion and textiles project designed to help young girls develop creative skills. They were photographed by Misan Harriman, and created their own Christmas jumpers and took part in interviews to give their views on an extraordinary year - from Coronavirus-induced lockdown to the Black Lives Matter movement.

**Serena told Vogue that she doesn't want to return to the old normal. Instead, she wants a new, kinder normal:**



I think it's best if we start a new normal, change the way we were before. We could stop crime, we could get homes for homeless people, we could get food to people who were poor. Like at school, we have a food bank."

# WALTHAM FOREST

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



## 1. GETTING THINGS RIGHT EARLY

At the start of the pandemic, many of our partnership initiatives moved online. This includes our Ready for School project and early years reading programme 'Reading from the Start', funded by VINCI Facilities and delivered together with Lloyd Park Children's Charity.

Our Reading from the Start programme offered virtual activity sessions for 14 children who received an activity pack full of arts and crafts, followed by weekly videos of animated stories or someone reading a story. The children also received a video of the project lead, Sam, doing an activity based on the story they could listen to. With the arts and crafts packs, they were able to carry out the activities at home.

The Ready for School Project is now in its second year as Waltham Forest continues to focus on raising the achievement of children living on Peabody's Chingford Hall Estate, through family support and tailored teaching. Working in partnership with the local Children's Charity, Lloyd Park, Salisbury Manor Primary and Waltham Forest Council, the project funds a community-based teacher who has worked with 12 local children through virtual lessons, activities and door-step visits over the past year.

## 2. ROUTES OUT OF POVERTY

We launched the Chingford Hall Pantry in August 2020 to provide a sustainable and long-term solution to food poverty, helping households save money on their weekly shop, meet their neighbours and access local services. We recruited a team of 14 volunteers to run the pantry and 123 households signed up as members between August 2020 and March 2021, with 413 people benefitting in total.

This year, 34 residents raised their income as a result of our advice service. We managed to raise significant sums for struggling residents despite the challenges caused by the pandemic and the long wait for benefit decisions. £79,771 was awarded in lump sums, an average of £2,346 per person.

## 3. BUILDING AN ENGAGED AND ACTIVE COMMUNITY

This year, we launched a youth steering group and two resident steering groups which included 10 residents, a partner and local councillors. All have been lively forums where residents have been sharing their priorities to shape our future programme. We awarded five micro grants for residents to lead their own projects including multi sports for young people, a youth mentoring initiative and activity boxes for families during lockdown.



Tai lives on Chingford Hall and is a mother of 5 children, aged between 5 and 16. She started volunteering for the Chingford pantry in August 2020, to contribute to her local community. Tai has volunteered weekly since the Pantry opened, helping people with their shopping, taking payments, registering new members on the online portal, ensuring shelves are well-stocked and supporting new volunteers.

In October 2020, Tai completed her Level 2 Food Safety and Hygiene qualification and is now working towards a teaching assistant qualification with help from PCF. She values being a volunteer because she gets to meet new people as well as practicing and improving her English.



It helps me save money. I have a big family so this is very important. I used to spend a lot of money on food, now I pay £4.50 for 10 items and lots of free things and it helps a lot."

**Tai, Chingford pantry volunteer**

# ISLINGTON, LAMBETH AND SOUTHWARK

To support our place-based approach, we are designing and implementing Local Area Plans in Islington, Lambeth and Southwark, working with partners to achieve systemic change and make the best use of our community spaces, expertise, and collective resources.

## ISLINGTON



We launched our Islington Local Area Plan in 2020. The plan will be delivered through Islington's Fairer Together Borough Partnership which aims to tackle inequality and make Islington a fairer place to live. Due to the pandemic Fairer Together is still very much in its infancy but research designed and conducted in partnership with Help on Your Doorstep (HOYD) has enabled PCF to identify how we can contribute.

Following the research, and by analysing the existing data and conversations with the Local Authority and Voluntary and Community Sector partners across Islington, we identified youth employment and social connectedness as priorities. The pandemic resulted in redeployment of staff and a shift in priorities, which meant that services were brought online in order to address food poverty and improve residents' wellbeing.

Partnership and collaboration continues to be a key driving force which underpins our work in the borough. We have committed £50,000 to become an

official Islington Giving Coalition Partner and we have agreed an additional ongoing contribution to HOYD's direct work addressing poverty and inequality through early intervention and prevention initiatives including tackling underlying issues through their 'Good Neighbours' resident engagement scheme.

Our partnership with Islington Giving has created opportunities for grassroots initiatives to continue providing much needed local interventions and services such as:

- The Young Jobs Fund, which has a jobs programme for young people
- The Local Village Network continues to support young people in Islington who lack access to employment networks
- Global Generation provide Friday Night Out mindful cooking activities for young people and;
- Organisations such as Fully Focused which uses film to challenge perceptions, address social issues and support marginalised young people.



## LAMBETH



Lambeth has the highest rate of violence affecting young people in London. Some high-quality informal activities are taking place in the borough, but more funding and resource is needed to expand the reach and impact. In response, we are working with Lambeth Council and a range of partners to develop and deliver their strategy for tackling violence against young people. Together, we have developed a fund to respond to violence affecting young people in Tulse Hill, Peabody Hill and Rosendale. Both PCF and Lambeth Council have contributed £50,000 each year to the fund. As well as providing funding, we will enable organisations to access training and support that responds to their needs, with decisions made by local residents.

## SOUTHWARK



In Southwark we are at the early stage of discussions with partners in the Council and voluntary sector to identify priorities for the Local Area Plan.

# OUR FUTURE PRIORITIES

## GREAT SOCIAL IMPACT

We place residents at the heart of everything we do and encourage people living in our communities to play an active role. We deliver services that matter most to local people, whilst also offering support to the wider community through structured programmes and services delivered with our partners.

## A PLACE AND PEOPLE-LED APPROACH

Our local approach provides us with a deep understanding of what works for our communities. At its core are the following principles:

- Being 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. We will continue to focus our efforts in key locations where we have a high concentration of Peabody homes, making sure that everyone has easy access to the right tailored support.

## UNIVERSAL AND DIGITAL OFFER

Our universal offer offers a range of core services for all our residents. We do this through our grants programme which offers a range of support, 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.

## SOCIAL VALUE

We will gain more social value from our spending decisions and the buying of goods and services to address the key issues faced by our residents and communities, such as providing employment opportunities through our supply chain. We are working closely with the Housing Associations Charitable Trust (HACT) on the Social Value Roadmap, which will enable the social housing sector to use social value information to improve services, enhance decision-making and increase the impact we make.

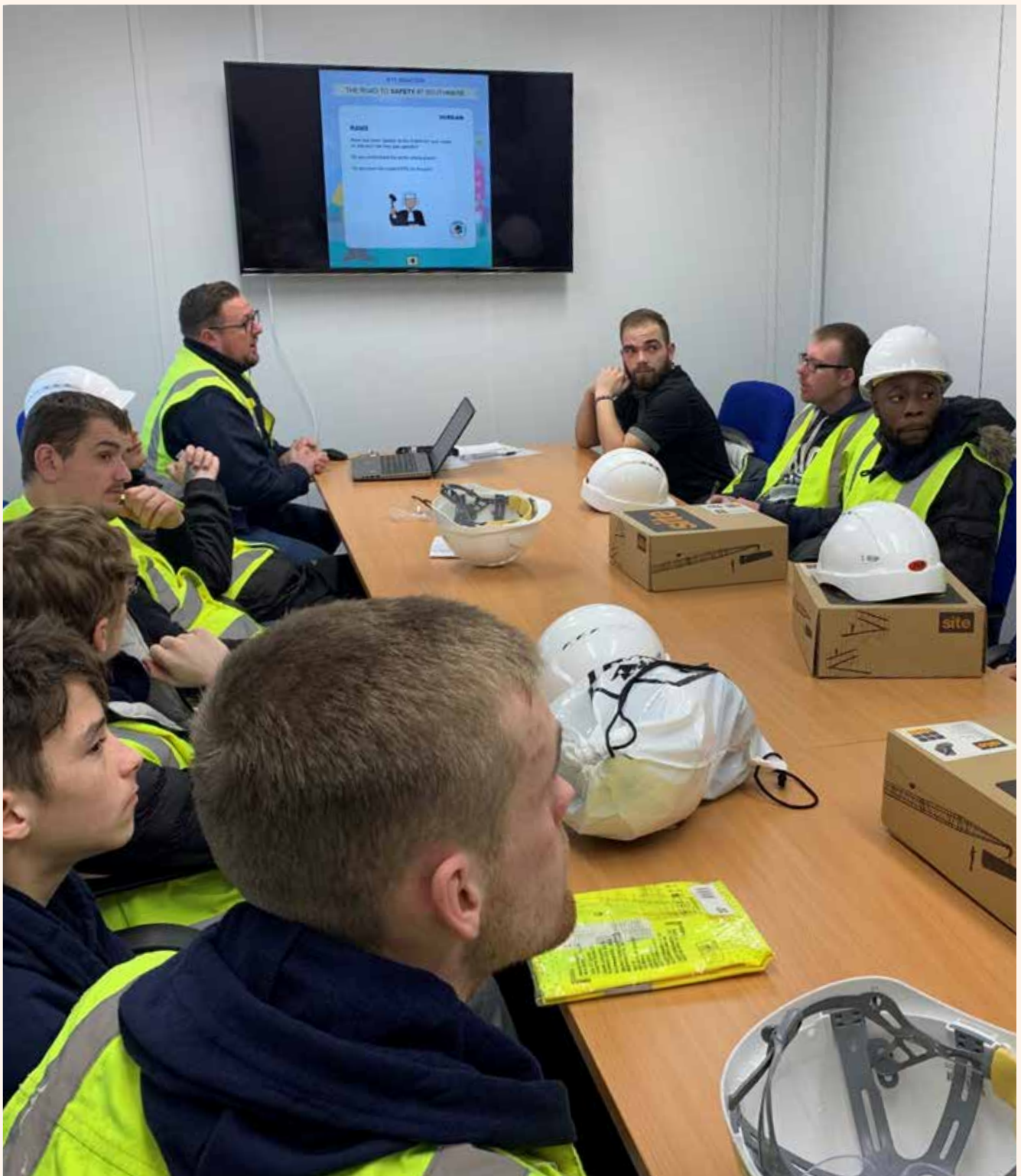
We will continue to secure funding that enhances our social purpose building on work such as our sustainable linked loan with BNP Paribas that helps us address the lack of affordable childcare for Peabody residents and the impact this has on their lives.

## INFLUENCING AND WORKING IN PARTNERSHIP

Our residents' voices matter, and that's why we're making sure their voices are heard. We will continue to speak up for communities and highlight the challenges they face by proactively forming strategic and local partnerships and engaging with policy makers.

By working in partnership with other organisations that are embedded in our communities and understand their needs as well as we do, we can make our resources go further.





Contractor Durkan is working on our Southmere development, which will see over 7,000 new homes built over the next 10 years in Thamesmead. In 2020 they provided training, apprenticeships and employment opportunities for residents, donated materials and equipment to our programmes, supported people

into work on their site as well as donating 40 laptops to distribute to families struggling with home-schooling during the pandemic. This is a great example of how we can work with contractors to deliver wider benefits for our residents, communities and local businesses.



When we all work together we can make sure that everyone benefits from our developments, not just those who live in them"

**Kevin O'Connor, Head of Social Responsibility and Inclusion, Durkan**

## PARTNERS AND SUPPORTERS

We would like to thank the following for their valuable support in 2020/21

Advanced Building Ltd	London Borough of Hackney	Social Value Portal
Ardmore Construction	London Borough of Hammersmith and Fulham	Stanford d. school
Axis	London Borough of Islington	Tectonic
BNP Paribas	London Borough of Lambeth	The Employment Related Services Association (ERSA)
British Red Cross	London Borough of Lewisham	The Felix Project
Centre for the Acceleration of Social Technology (CAST)	London Borough of Southwark	The South East London Chamber of Commerce
Charlton Athletic Community Foundation	London Borough of Tower Hamlets	TSG Building Services
City of Westminster	London Borough of Waltham Forest	Unitas
Clarion Housing Group	London Borough of Wandsworth	United Charities in Hammersmith and Fulham
Clifford Chance	London Community Foundation	University of Manchester
Communities that Work	London Food Alliance	VINCI Facilities
Department of Work and Pensions	London Funders	Waterways Children's Centre
Durkan	London South East Colleges (LSEC)	Waitrose Ltd
East London Business Alliance	Mary Minute Trust	Wates
EEM	Mayors Fund for London	Winckworth Sherwood LLP
Engie	Mr JE Ashwood and Ms Ridgway	Youthbuild Ventures UK
Film Fixer	National Lottery Community Fund	
Ginkgo Gardens	New Economics Foundation	
Greater London Authority	Orbit	
HACT	Plentific	
Help on Your Doorstep	Purdy Contracts Ltd	
ID Verde	Ravensbourne University	
Imperial College	Royal Borough of Greenwich	
Islington Giving	Royal Borough of Kensington and Chelsea	
L&Q	Save the Children	
Lloyd Park Children's Charity	Sheffield Hallam University	
London Borough of Bexley	Sport England	

# Financial review

## FINANCIAL PERFORMANCE

The Charity has reported an overall deficit of £49k for the year ending 31 March 2021 (2020: £57k surplus) compared with a budgeted deficit of £378k. Both income and expenses were less than budgeted due to Covid-19. Centres were closed for part of the year with some activities cancelled and others moved online.

The Charity adapts its operations to ensure that outcomes can be maintained, within a fully funded balanced budget. The budget was set as a deficit for the year ended 31 March 2021, due to the treatment of funds from the deferred consideration (further information can be found at note 12). At 31 March 2021, the Charity had reserves of £28.8m (2020: £28.9m).

## SECTION 172 STATEMENT

The Trustees are aware of and acknowledge their responsibilities to promote the success of the Charity for the benefit of its stakeholders as a whole, 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, volunteers, residents and other beneficiaries of the Charity's services and private sector partners. The Group Annual Report and Accounts (the "Group Accounts") provides further details of the Group's key stakeholders. The Trustees have engaged with beneficiaries and community partners, as key stakeholders of the Charity. Engaging with these stakeholders helps the Trustees to manage the Charity's principal risks and has encouraged the Charity's Board of Trustees (the "Board") to move toward a place-based approach. This involves a greater focus on collaboration and co-creation for the greatest impact, instead of direct delivery, with an initial focus on Thamesmead, Waltham Forest and Hackney.

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 income, develop skills and aspirations, and improve mental and physical health, within the budget and risk capacity agreed by the Board.

The Trustees also adopt the Group's approach to environmental, social and governance ("ESG") 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 in the Group, aligns its activities and strategic priorities with those adopted by Peabody Trust ("Peabody"), including the Sustainability Strategy 2021-24. All subsidiaries continue to work towards meeting energy efficiency targets despite the challenges presented by an older property portfolio.

In providing more new homes, Peabody are putting quality, safety, sustainability and social purpose at the heart of everything they do. Future homes will need to be energy efficient, low carbon, innovative and sustainable to meet the changing needs of its communities. An example of a key initiative aligned with this can be seen in Thamesmead, where the Charity is committed to Peabody's Living in the Landscape blueprint on how natural systems can - and will - change lives for the better.

Peabody is committed to the best ESG practice and has played an important role in developing 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 Accounts, available online at the Group's website ([www.peabody.org.uk](http://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 as the 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 in which we operate.
- Non-compliance with regulations for protecting information and people.
- Not safeguarding vulnerable people using our services.
- Failure to ensure robust contract management and financial control procedures.
- Implementation of the new delivery model not continuing to deliver intended impacts.
- Managing customer demands and expectations as we return to full service delivery.

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

- A new monitoring evaluation framework has been designed to report on a quarterly basis to the Group Communities Committee.
- 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 the Group Health & Safety Committee and the Safeguarding Panel for corrective action.
- Implementing local area plans enables services to be catered to local needs and support local partnerships.
- A number of mechanisms are in place to understand customer demands and expectations, such as local steering and focus groups together with a bi-annual users survey.

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

The Covid-19 pandemic continues to have an impact on the operations of the Group and the Charity continues to adapt to the situation, as a wholly owned subsidiary in the Group. The Covid-19 pandemic began to impact the Group's operations on 26 March 2020 when the Health Protection (Coronavirus Restrictions) (England) Regulations 2020 came into force. Subsequently, the Regulations have been amended and the restrictions have 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;
- The majority of community spaces were closed and the Charity moved to remote delivery;
- A reduction in income from renting community spaces;
- A reduction in fund raising opportunities; and
- During the year the Peabody Board and Committees met more frequently by videoconference, and will do so again if required.

In response to the uncertainty, the Group increased the level of cash held to ensure an appropriate level of immediately available liquidity and continues to maintain communications with funders on this. During the year prudent steps were taken to reduce costs, where this could be achieved without impacting on service delivery.

The impact on the Group's finances continues to be carefully monitored and considered, and is referred to in note 1.2 - going concern. Whilst the effect of the pandemic will have an adverse impact on 2021/22 financial performance, the Peabody Board and the Board are confident they can meet their responsibilities to residents whilst also meeting Peabody's and the Charity's financial obligations.

The Trustees' Annual Report provides further information on Future Plans at page 40.

Further analysis of the key strategic risks faced by Peabody and its subsidiaries and associated risk mitigation are provided in the Group Accounts which can be found at [www.peabody.org.uk](http://www.peabody.org.uk).

## GOVERNANCE

The Trustees' Annual Report pages 37 to 40 and the Group Accounts provide details on compliance with regulations, the National Housing Federation ('NHF') Code of Governance (2015 edition) and the new NHF Code of Governance published in November 2020.

By Order of the Board



DEIRDRE MOSS  
Chair

15 September 2021

# Trustees' annual report

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 2021.

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (September 2015) ("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 operating in Greater London and its surrounding areas. It focuses on sector-leading community programmes which make a real difference to Peabody residents and their communities. Peabody is committed to continued investment in community programmes and plans are included within the Group Strategy 2021-2024 which will aim to benefit an increasing number of Londoners. The Strategic Report on pages 2 to 36, which forms part of the Annual Report, outlines the Charity's objectives, activities and also cover performance for the year ended 31 March 2021. In setting our objectives, planning our activities and monitoring our services, the Board 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 pages 8 and 9.

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

## REGULATORY FRAMEWORK

The Charity is a wholly owned subsidiary of Peabody. During the year to 31 March 2021, Peabody and its principal subsidiaries (including the Charity) applied the principles and provisions of the National Housing Federation ("NHF") Code of Governance - Promoting board excellence for housing associations (2015 edition) (the "NHF Code") and complied with its provisions. Peabody and the Charity have also committed to meet the principles of the NHF Code of Conduct (2012 edition) through adherence to the Peabody Code of Conduct.

Peabody has adopted the new NHF Code of Governance published in November 2020 (the "NHF 2020 Code") with effect from 1 April 2021. Peabody and the Charity already comply with most of the requirements underlying the principles based NHF 2020 Code and have identified areas where this is currently not the case. The NHF 2020 Code compliance plan was considered by the Peabody Board in early May 2021 and the Group will work towards compliance over the current financial year. This will include revisions to the Peabody Code of Conduct which will be aligned to the new NHF Code of Conduct to be published this autumn.

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 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 2021, there were seven committees: Audit and Risk Committee, Communities Committee, Customer Services Committee, Development Committee, Finance and Treasury Committee, Nominations and Remuneration Committee ("NRC"), and Thamesmead Committee. These Committees support the Peabody Board and are accountable to and report to the Peabody Board. Descriptions of the work of these Committees can be found in the Group Accounts.

The Communities Committee (the "Committee") has the same membership as the Board and meets alongside it. Further information in relation to the governance framework for the Group is set out in the Group Accounts. The 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

Keith Clancy stepped down from the Board and Committee on 14 September 2020, Janice Tucker stepped down from the Board and Committee on 20 January 2021, and Michael Cleaver stepped down from the Board and Committee on 24 February 2021.

A recruitment campaign was undertaken to fill these vacancies, which focused on strengthening the resident voice on the Committee and the Board. This led to the successful appointments of Karima Mbarak, on 18 November 2020, and Shreya Hewett, on 20 January 2021. Samantha Dias was appointed on 24 February 2021 but was unable to take up the role due to ill health, therefore Samantha Dias stepped down from the Board and Committee on 1 March 2021.

The recruitment campaign successfully attracted younger applicants, around half were aged under 35, the majority of applicants were female and the applicants represented a wide range of ethnic backgrounds.

Due to the strength of the applicant pool from a separate recruitment campaign to find a new resident Peabody Board member, Katharina Winbeck was also identified as an excellent candidate for the Board and Committee. Katharina Winbeck was appointed to the Board and Committee on 20 May 2021.

A strong selection of candidates in both recruitment campaigns led to the recruitment to three positions instead of the two advertised. Following the appointments of Shreya Hewett, Karima Mbarak and Katharina Winbeck the Committee and the Board each have a resident member majority for the first time.

The new approach to resident member recruitment reflects Peabody's commitment to the Together with Tenants initiative and action upon adoption of the NHF 2020 Code.

All members have access to the advice and services of the Charity's Secretary. New members undergo a tailored induction programme to ensure they have sufficient knowledge and understanding of the activities of the Charity, Peabody and the sector within which we operate. The programme runs for around six months following appointment and includes:

- Briefing sessions on governance, strategy, finance and risk management, housing services and community investment.
- Information relating to current issues within the sector and those specific to the Committee and the Board.
- Meeting individually with the Chair and vice Chair of the Committee.
- Meeting with key members of management, including Executive Directors and Heads of Services, and other key personnel.
- Training opportunities such as attending NHF webinars and industry briefings.
- A subscription to Inside Housing magazine.
- Provision of key governance documents as part of an induction pack comprising operating regulations, incorporation documents, Peabody's Code of Conduct, terms of reference as well as Group strategies and policies relevant to the role.
- Visibility of board and committee packs, meeting minutes and business planners.

New members will also participate in site visits once the Covid-19 pandemic environment improves, to build a deeper understanding of Peabody homes and services. Guided visits to existing Peabody estates, community centres and a tour of Thamesmead will be organised for new members. There will be opportunities to meet residents and other service users during such visits.

#### BOARD EFFECTIVENESS - SELF ASSESSMENT

The Board undertakes regular formal evaluation of its own performance and the Board and Committee members completed an individual skills self assessment in November 2020. Since then, the Committee has focused on the following areas 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.
- Increasing co-production and innovation.



The 2021 Board and Committee effectiveness review which was scheduled to take place in June 2021 has been deferred to autumn 2021, in order to allow the new Board and Committee members more time to gain the insight required to participate in the evaluation.

#### 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 resident Trustees, Keith Clancy, Janice Tucker, Samantha Dias, Shreya Hewett, Karima Mbarak and Katharina Winbeck in their capacity as residents of the parent undertaking. Some Trustees sit on other boards and committees in the Group, as disclosed below. Their legal agreements with Peabody in relation to their homes are on the same terms and conditions as those of other equivalent residents. In their relationship with Peabody as tenants or shared ownership leaseholders (as appropriate), they cannot employ their position as a board or committee member to their advantage.

#### REMUNERATION OF NON-EXECUTIVE COMMUNITIES COMMITTEE MEMBERS

The non-executive members of the Committee receive remuneration in accordance with the Peabody Board and Committee Member pay policy. Full disclosure for each role for the financial year ended 31 March 2021 is provided in the table below:

Peabody Board level of pay	Peabody board level of pay	Committee only level of pay
Peter Baffoe (1)	<b>£12,000</b>	
Keith Clancy (2)		£3,500
Michael Cleaver (3)		£6,417
Helen Edwards (4)	<b>£12,000</b>	
Shreya Hewett (5)		£1,750
Karima Mbarak (6)		£2,917
Deirdre Moss (7)	<b>£15,000</b>	
Janice Tucker (8)		£5,833

Peabody Board and Committees members who perform multiple roles receive remuneration for the highest-paid role only.

- (1) Peter Baffoe also serves as a member of the Peabody Board; Customer Services Committee; and the Committee. The remuneration shown in the table represents his Peabody Board membership.
- (2) Stepped down in September 2020.
- (3) Stepped down in February 2021.
- (4) Helen Edwards also serves as a member of the Peabody Board; the Audit and Risk Committee; and the Committee. The remuneration shown in the table represents her Peabody Board membership.
- (5) Appointed January 2021.

- (6) Appointed November 2020.
- (7) Deirdre Moss is a Peabody Board member and also serves on the Nominations and Remuneration Committee; Thamesmead Committee; Customer Services Committee and the Town and Country Housing Board. The remuneration shown in the table reflects her role as Chair of the Committee.
- (8) Stepped down in January 2021.

Not all 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 Committee member.

The levels of payment per annum that the Committee members named above are legally entitled to under the Rules of Peabody Trust, are as follows:

For Committee Chair / Principal Peabody Subsidiary 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

The 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 NHF 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 and Transport for London 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

Notwithstanding the impact of the Covid-19 pandemic as set out in the Principal Risks and Uncertainties section of the Trustees Report, the Charity will continue to develop the strategy for the next three years and invest in community programmes in accordance with Our Future Priorities as set out on pages 32 and 33.

### 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 Principal Risks and Uncertainties section of the Trustees Report, the Board has 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 £1.3 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 £2.8 million at the year end, higher than the minimum level set by Trustees.

### 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, services and interests.

The Group Audit and Risk Committee provides oversight of the Group's system of risk management and internal control on behalf of the Peabody Board (as the parent entity for the 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 20 May 2021. These risks are set out in the Risk and Uncertainties section of the Strategic Report in the Group Accounts.

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

### 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 2020 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 to 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  
15 September 2021

# Statement of Trustees' responsibilities in respect of the Annual Report and the financial statements

The trustees are responsible for preparing the 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 charity and of the income and 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 and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity'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 charity 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 charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 charity'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

15 September 2021

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

## OPINION

We have audited the financial statements of Peabody Community Foundation ("the charity") for the year ended 31 March 2021 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 charity's affairs as at 31 March 2021 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 charity 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 charity or to cease its operations, and as they have concluded that the charity'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").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the charity will continue in operation.

## FRAUD AND BREACHES OF LAWS AND REGULATIONS - ABILITY TO DETECT

### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of trustees and other management as to the Charity's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because there are few internal targets or expectations in terms of revenue, and the majority of revenue is through an intercompany donation where there is limited opportunity for fraud to take place. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual account pairings related to cash and revenue, as well as journals posted to account codes with few manual journal entries.
- Assessing significant accounting estimates for bias.

### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation, as well as the Charities SORP), taxation legislation, and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, and certain aspects of company and charity legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### OTHER INFORMATION

The trustees are responsible for the other information, which comprises the Annual 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 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 that report has 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 charity 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 41, the trustees (who are also the directors of the charity 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 charity'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 charity 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](http://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 charity'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 charity'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 charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



EMMA LARCOMBE (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR  
20 September 2021

# Statement of financial activities including income and expenditure account for the year ended 31 March 2021

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
<b>Incoming Resources</b>					
Donations and legacies	3a	5,283	92	5,375	5,865
Incoming resources from charitable activities	3b	291	444	735	1,824
Surplus on sale of fixed assets	4	727	-	727	-
<b>Total incoming resources</b>		<b>6,301</b>	<b>536</b>	<b>6,837</b>	<b>7,689</b>
<b>Resources expended</b>					
Cost of charitable activities		(7,340)	(456)	(7,796)	(8,487)
<b>Total resources expended</b>	<b>8a</b>	<b>(7,340)</b>	<b>(456)</b>	<b>(7,796)</b>	<b>(8,487)</b>
Investment income	5	878	-	878	869
Interest payable	6	(10)	-	(10)	(7)
<b>Net (expenditure)/income for the year before gains &amp; losses</b>		<b>(171)</b>	<b>80</b>	<b>(91)</b>	<b>64</b>
Actuarial gain/(loss) on defined benefit schemes		42	-	42	(7)
<b>Net (expenditure)/income for the year</b>		<b>(129)</b>	<b>80</b>	<b>(49)</b>	<b>57</b>
<b>Net movements in funds</b>		<b>(129)</b>	<b>80</b>	<b>(49)</b>	<b>57</b>
Fund balances brought forward		28,238	659	28,897	28,840
<b>Fund balances carried forward</b>		<b>28,109</b>	<b>739</b>	<b>28,848</b>	<b>28,897</b>

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 2021 (2020: £nil).

# Statement of financial position as at 31 March 2021

	Note	Total 2021 £'000	Total 2020 £'000
<b>Fixed assets</b>			
Tangible assets	11	9,127	9,107
		<b>9,127</b>	<b>9,107</b>
<b>Current assets</b>			
Stock		15	5
Pension scheme assets	17	73	75
Debtors (including £19,234k (2020: £19,662) due after more than one year)	12	19,985	20,769
Cash at bank and in hand		2,340	1,013
		<b>22,413</b>	<b>21,862</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(2,328)</b>	(1,672)
<b>Net current assets</b>		<b>20,085</b>	<b>20,190</b>
<b>Creditors: amounts falling due after one year</b>			
Defined benefit pension scheme	17	(364)	(400)
<b>Net assets</b>		<b>28,848</b>	<b>28,897</b>
Restricted funds	14	739	659
Unrestricted funds	14	28,109	28,238
<b>Total funds</b>		<b>28,848</b>	<b>28,897</b>

The accompanying notes form part of these Financial Statements

The financial statements were approved by the Board of Trustees and recognised for issue on 15 September 2021, 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' 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

The Peabody Community Foundation's Board, after reviewing the Charity's budgets for 2021/22 and the Group's medium term financial position as detailed in the 30-year business plan, including changes arising from the Covid-19 pandemic, are of the opinion that, taking account of severe but plausible downsides, the Charity will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The Trustees therefore continue to adopt the going concern basis in preparing the annual 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 on the above assets from the month of purchase until the month of disposal.

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 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.

#### 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.

#### 1.16 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the Members of the Peabody Community Foundation Board have made the following key judgements:

- Depreciation of other tangible fixed assets - see note 1.4
- Valuation of defined benefit pension schemes - see note 1.12c.

#### 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

	Unrestricted £'000	Restricted £'000	Total £'000	2020 £'000
Intra group donations – Peabody	5,227	-	5,227	5,586
Other Donations	56	92	148	279
	<b>5,283</b>	<b>92</b>	<b>5,375</b>	<b>5,865</b>

### (B) CHARITABLE ACTIVITIES

	Unrestricted £'000	Restricted £'000	Total £'000	2020 £'000
Community Champions	-	40	40	41
Community Fund (iWill)	-	102	102	100
Connecting Young Hackney	-	50	50	50
FSS Family Support grant	-	177	177	250
Love London Working	-	-	-	452
Maternity Champions	-	58	58	48
Sport England – Tackling Inactivity	-	-	-	53
NHS CCG	9	-	9	-
Other grant income	-	17	17	44
Trading Income	282	-	282	786
	<b>291</b>	<b>444</b>	<b>735</b>	<b>1,824</b>
Total incoming resources from charitable activities – 2020	786	1,038	1,824	

### 4. SURPLUS ON SALE OF FIXED ASSETS

	2021			2020		
	Proceeds £'000 2021	Costs £'000 2021	Surplus £'000 2021	Proceeds £'000 2021	Costs £'000 2021	Surplus £'000 2021
Disposal of community buildings	<b>755</b>	<b>(28)</b>	<b>727</b>	-	-	-

### 5. INVESTMENT INCOME

	2021 £'000	2020 £'000
Interest from parent undertaking	<b>878</b>	869

### 6. INTEREST PAYABLE

	2021 £'000	2020 £'000
Interest cost on pension scheme	<b>10</b>	7

## 7. NET INCOMING RESOURCES FOR THE YEAR ARE AFTER CHARGING:

	2021 £'000	2020 £'000
<b>Net incoming resources for the year are after charging:</b>		
Auditor's remuneration: current year audit fee	10	9
Pension costs	170	275
Depreciation of owned fixed assets	247	257

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

## 8. ANALYSIS OF TOTAL RESOURCES EXPENDED

## (A) RESOURCES EXPENDED

	Direct costs £'000	Support costs £'000	Total £'000	2020 £'000
<b>Charitable activities</b>				
Building capacity of group and individuals	2,127	602	2,729	1,749
Children, young people & families	1,617	457	2,074	2,296
Employment and employability	431	307	738	1,516
Improving sports	253	72	325	489
Community cohesion	832	235	1,067	1,060
Covid-19 support	656	-	656	-
Other charitable activities	150	43	193	1,305
	<b>6,066</b>	<b>1,716</b>	<b>7,782</b>	<b>8,415</b>
<b>Governance</b>				
Staff costs	-	8	8	8
External audit and legal fees	-	6	6	64
	<b>-</b>	<b>14</b>	<b>14</b>	<b>72</b>
<b>Total resources expended</b>	<b>6,066</b>	<b>1,730</b>	<b>7,796</b>	<b>8,487</b>
Total resources expended - 2020	7,256	1,231	8,487	

## (B) SUPPORT COSTS

	2021 £'000	2020 £'000
Administration costs	698	713
Staff costs	580	518
Restructure cost	452	-
	<b>1,730</b>	<b>1,231</b>

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.

## 9. STAFF COSTS AND EMOLUMENTS

	2021 £'000	2020 £'000
Wages and salaries	3,771	4,212
Social security costs	373	398
Pension contributions	170	275
Other staff costs	457	84
	<b>4,771</b>	<b>4,969</b>

	2021 No.	2020 No.
<b>The average number of employees during the year was as follows:</b>		
Charitable activities	103	111
Management, administration and support services	4	4
	<b>107</b>	<b>115</b>

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:

	2021 No.	2020 No.
<b>Emoluments of higher paid staff within the following scales were:</b>		
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£80,001 - £90,000	2	2
£90,001 - £100,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
	<b>6</b>	<b>5</b>

The earnings for the Charity's key management personnel (including the Executive Director) for the year were £264k (2020: £257k), with pension contributions of £24k (2020: £21k), and benefits in kind totalling £nil (2020: £nil).

## 10. TRUSTEES REMUNERATION AND EXPENSES

During the last financial year, non-executive members of the Communities Committee received remuneration from Peabody Trust. Full disclosure for the financial year 2020/21 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 (2020 £nil).

During the year the Charity paid £177 (2020: £67) for Trustees' indemnity insurance via a Group Insurance policy.

## 11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	IT and office equipment £'000	Total £'000
<b>Cost</b>			
At 1 April 2020	11,319	235	11,554
Additions	307	1	308
Disposal	(194)	-	(194)
<b>At 31 March 2021</b>	<b>11,432</b>	<b>236</b>	<b>11,668</b>
<b>Depreciation</b>			
At 1 April 2020	2,385	62	2,447
Charge for the year	227	20	247
Disposals	(153)	-	(153)
<b>At 31 March 2021</b>	<b>2,459</b>	<b>82</b>	<b>2,541</b>
<b>Net Book Value</b>			
<b>At 31 March 2021</b>	<b>8,973</b>	<b>154</b>	<b>9,127</b>
At 31 March 2020	8,934	173	9,107

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.

## 12. DEBTORS

	2021 £'000	2020 £'000
<b>Amounts due within one year</b>		
Trade debtors	20	144
Other debtors	301	576
Deferred consideration	428	378
Amounts due from parent undertaking	2	-
Prepayments	-	9
	<b>751</b>	<b>1,107</b>
<b>Amounts falling due after more than one year</b>		
Deferred consideration	15,734	16,162
Loan to parent undertaking	3,500	3,500
	<b>19,234</b>	<b>19,662</b>

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.

### 13. CREDITORS

	2021 £'000	2020 £'000
Trade creditors	286	399
Amounts owed to parent undertaking	835	408
Other creditors	452	87
Accruals and deferred income	755	778
	<b>2,328</b>	<b>1,672</b>

#### The movements in deferred income are as follows:

	2021 £'000	2020 £'000
Deferred income at 1 April	95	84
Amounts released from previous years	(95)	(74)
Incoming resources deferred in the year	352	85
<b>Deferred income of 31 March</b>	<b>352</b>	<b>95</b>

### 14. MOVEMENT ON RESERVES

	1 April 2020 £'000	Incoming Resources £'000	Outgoing Resources £'000	Gains & (Losses) £'000	31 March 2021 £'000
<b>Funds:</b>					
Restricted funds	659	536	(456)	-	739
Unrestricted funds	28,238	7,179	(7,350)	42	28,109
	<b>28,897</b>	<b>7,715</b>	<b>(7,806)</b>	<b>42</b>	<b>28,848</b>

Included with unrestricted funds are designated funds of:

	1 April 2020 £'000	Incoming Resources £'000	Outgoing Resources £'000	Gains & (Losses) £'000	31 March 2021 £'000
<b>Designated Funds:</b>					
Pitch resurfacing	235	-	-	-	235
Fixed assets	8,872	114	(94)	-	8,892
Deferred consideration	16,540	878	(1,256)	-	16,162
<b>Total Designated</b>	<b>25,647</b>	<b>992</b>	<b>(1,350)</b>	<b>-</b>	<b>25,289</b>

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

Included with unrestricted funds are designated funds:

	1 April 2019 £'000	Incoming Resources £'000	Outgoing Resources £'000	Gains & (Losses) £'000	31 March 2020 £'000
<b>Designated Funds:</b>					
Pitch resurfacing	235	-	-	-	235
Fixed assets	9,060	(139)	(49)	-	8,872
Deferred consideration	16,871	869	(1,200)	-	16,540
<b>Total Designated</b>	<b>26,166</b>	<b>730</b>	<b>(1,249)</b>	<b>-</b>	<b>25,647</b>

### 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.

## 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS AT 31 MARCH 2021

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	2021 Funds £'000	2020 Funds £'000
Fixed assets	-	9,127	-	9,127	9,107
Current assets	5,160	16,162	1,091	22,413	21,862
Current liabilities	(1,976)	-	(352)	(2,328)	(1,672)
Provisions	(364)	-	-	(364)	(400)
	<b>2,820</b>	<b>25,289</b>	<b>739</b>	<b>28,848</b>	<b>28,897</b>

## 16. 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, HR totalling £339k (2020: £339k), and recharged £4,760k (2020: £4,969k) of salary costs relating to Peabody staff working directly for the Charity. At the year end £835k was payable to Peabody Trust (note 13) (2020: £408k).
- Peabody paid the Charity £1,256,366 (2020: £1,200,026) as the year 7 payment in respect of the sale of Tilfen Land Limited. £378,824 (2020: £330,844) was charged against the deferred consideration debtor (note 12) with £877,542 (2020: £869,182) being recognised as interest (note 5).

## 17. PENSION COMMITMENTS

The pensions of employees of the Charity are administered through four schemes, two of which are defined benefit scheme and two defined contribution schemes. The Charity participates in the London Pensions Fund Authority Scheme (LPFA) for those former employees who elected to join prior to 31 March 2008. The scheme had been closed to new entrants for some time. The Charity also has an ongoing liability for pension commitments under the (Career Average Revalued Earnings) which was closed to new entrants on 30 June 2015. A defined contribution scheme (Career Average Revalued Earnings - CARE) was opened to entrants on 1 July 2015 and closed to new entrants 31 October 2015. Employees were also eligible to join a defined contribution retirement benefit scheme with Friends Life.

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. This has consequently been assessed against the Group's defined benefit schemes. The impact of GMP Equalisation in respect of the LPFA and CARE schemes has been recognised in the 2019/20 year. On 23 March 2021, the Government published the outcome to its Guaranteed Minimum Pension Indexation consultation, concluding that all public service pension schemes, including the LGPS, will be directed to provide full indexation to members with a GMP reaching State Pension Age (SPA) beyond 5 April 2021. This is a permanent extension of the existing 'interim solution' that has applied to members with a GMP reaching SPA on or after 6 April 2016.



## 17. PENSION COMMITMENTS CONTINUED

The valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that the Fund will be required to pay the entire inflationary increase. Therefore, our assumption is consistent with the consultation outcome and no further adjustments to the value placed on the liabilities was required in 2020/21.

As future pension increases are to be based on the Consumer Prices Index (CPI) rather than Retail Price Index (RPI), the gap assumption between CPI and RPI has been reviewed along with the method of estimating the increase assumption for the RPI rate. The RPI rate assumption are now reference to a Single Equivalent Inflation Rate (SEIR) for the scheme rather than just to the Bank of England inflation curve alone. The impact of this change in assumptions has been an additional charge of £30k the year.

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 applies to each of the Local Government Pension Schemes, including LPFA. On 8 October 2020 the Government closed the consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published.

While an appropriate McCloud allowance has been measured to obtain the accounting results as at 31 March 2021, we do not believe there are any material differences between the approach underlying our estimated allowance and the proposed remedy. There is currently insufficient information available on members data to base any calculations of the impact upon, and a reliable estimate cannot therefore be made.

Although the post retirement mortality tables adopted for the scheme are consistent with the previous accounting date, the mortality improvement projection has been updated in light of the coronavirus pandemic and reflects the latest information available. A "2020 weight parameter" has been introduced for the mortality data in 2020 so that the exceptional mortality experienced due to the coronavirus pandemic can be incorporated without having a disproportionate impact on results. Our view is that placing too much weight on the 2020 mortality experience would not be appropriate given the abnormality of the 2020 data, however, the overall outlook for best-estimate future mortality improvements looks less positive as a result of the pandemic. It is not possible to quantify the impact of this change in assumptions for the year.

	2021 £'000	2020 £'000
LPFA - Pension scheme surplus	73	75
CARE - Pension scheme deficit	(364)	(400)

### The London Pensions Fund Authority

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

	2021 £'000	2020 £'000
Equities	935	808
Target return Portfolio	386	386
Infrastructure	144	109
Property	148	149
Cash	70	46
	<b>1,683</b>	<b>1,498</b>

## 17. PENSION COMMITMENTS CONTINUED

The demographic assumptions for the LPFA are consistent with those used for the most recent fund valuation, which was carried out as at 31 March 2019. The post retirement mortality tables adopted were based on the Club Vita mortality analysis. These base tables are then projected using the CMI 2020 model, allowing for a long-term rate of improvement of 1.25% p.a, smoothing parameter of 7.0, an initial addition to improvements of 0.5% p.a and a 2020 weighting of 25%.

### The assumed life expectations are

	2021 £'000	2020 £'000
Retiring today – male	87.1	87.3
Retiring today – female	89.7	89.7
Retiring in 20 years – male	87.0	87.4
Retiring in 20 years – female	89.5	89.5

### The major assumptions used by the actuary to value the liabilities of the scheme at 31 March 2021 under FRS 102 are:

	2021 % per annum	2020 % per annum
RPI increases	3.20%	2.70%
CPI increases	2.80%	1.90%
Salary increases *	3.80%	2.90%
Pension increases	2.80%	1.90%
Discount rate	2.00%	2.35%

\* The Charity has no employees who are active members within this scheme

### Statement of Financial Position as at 31 March:

	2021	2020
<b>Net LPFA pension position as at 31 March</b>		
Present value of the defined benefit obligations	1,610	1,423
Fair value of Fund assets (bid value)	(1,683)	(1,498)
<b>Net LPFA defined benefit pension surplus</b>	<b>(73)</b>	<b>(75)</b>

### The amounts recognised in the Statement of Financial Activities

	2021 £'000	2020 £'000
Service cost	-	-
Net interest on the defined liabilities/(assets)	(2)	(2)
Administration expenses	2	2
<b>Total LPFA (profit) / loss</b>	<b>-</b>	<b>-</b>

The estimate of the Employer's past service liability duration is 15 years. This has been calculated based on membership data provided for the most recent full valuation of the Employer's liabilities at 31 March 2019. For the purposes of deriving financial assumptions the combined estimated duration of Peabody Community Foundation and Peabody Trust of 19 years has been used.

## 17. PENSION COMMITMENTS CONTINUED

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

	2021 £'000	2020 £'000
<b>Opening LPFA Scheme obligations</b>	1,423	1,488
Current Service cost	-	-
Interest on obligation	33	35
Change in financial assumptions	246	(93)
Change in demographic assumption	(14)	(49)
Experience gain on defined benefit obligation	(22)	104
Estimated benefits paid net of transfers in	(56)	(62)
Contribution by employer	-	-
<b>Closing LPFA Scheme obligations</b>	<b>1,610</b>	<b>1,423</b>

### Reconciliation of opening and closing balances of the present value of the defined benefit assets

	2021 £'000	2020 £'000
<b>Opening fair value of LPFA Scheme assets</b>	1,498	1,587
Interest on assets	35	37
Return on assets less interest	208	(42)
Other actuarial losses	-	(20)
Administration expenses	(2)	(2)
Estimated benefits paid including unfunded benefits	(56)	(62)
<b>Closing fair value of LPFA Scheme assets</b>	<b>1,683</b>	<b>1,498</b>

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

	2021 £'000	2020 £'000
Return on Fund assets in excess of interest	208	(42)
Other actuarial gains/(losses) on assets	-	(20)
Change in financial assumptions	(246)	93
Change in demographic assumptions	14	49
Experience gain on defined benefit obligation	22	(104)
<b>Re-measurement of the net LPFA defined benefit surplus</b>	<b>(2)</b>	<b>(24)</b>

### Projected pension expense for the year to 31 March:

	2022 £'000
Service cost	
Net interest on the defined liabilities/(assets)	(1)
Administration expenses	2
<b>Total LPFA (profit) / loss</b>	<b>1</b>
<b>Employer's contributions</b>	<b>-</b>

## 17. PENSION COMMITMENTS CONTINUED

### Career Average Revalued Earnings Pension Scheme

The Charity also 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 to new entrants on 30 June 2015. 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.

The latest full actuarial valuation for the scheme was carried out at 30 September 2019. This valuation showed assets of £79.0m, liabilities of £93.9m and a deficit of £14.9m. 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 2021 to 30 November 2027:	£1,530,000 per annum
--	----------------------

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

The Charity's share of the deficit funding contributions is £46,472 per annum payable in monthly instalments.

The previous agreed deficit funding contributions for the scheme was 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) of which the Charity's share was £45,912 per annum payable in monthly instalments.

In addition to the deficit funding contribution contributions are also required to be made in respect of the expenses of running of the Scheme. From 1 April 2021 the contribution required to the Scheme is £168,744 per annum (2020: £176,586 per annum) increasing on 1 July each year by 3% is require for Scheme administration expenses. The Charity's share of these Scheme expenses is £4,300 per annum (2020 £4,183) payable in monthly instalments.

#### Employer Debt on Withdrawal

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity 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 was last 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.

## 17. PENSION COMMITMENTS CONTINUED

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

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Provision at start of period	400	455
Unwinding of the discount factor (Interest expense)	10	7
Deficit contribution paid	-	(45)
Remeasurement - impact of any changes in assumptions	16	(17)
Remeasurement - amendments to the contribution schedule	(62)	-
<b>Provision at end of period</b>	<b>364</b>	<b>400</b>

### Amounts recognised in the Statement of Financial Activities

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Interest expense	10	7
Remeasurement - impact of any change in assumptions	16	(17)
Remeasurement - amendments to the contribution schedule	(62)	-
<b>Total profit</b>	<b>(36)</b>	<b>(10)</b>

### Assumptions

	<b>2021</b>	<b>2020</b>
	<b>% per annum</b>	<b>% per annum</b>
Rate of discount	0.98	2.58

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.

## 18. 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](http://www.peabody.org.uk)



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Peabody Trust is a charitable community benefit society registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 (number 7741) and with the Regulator of Social Housing (number 4878).

