

Peabody Community Foundation

ANNUAL REPORT AND ACCOUNTS 2022



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PCF Highlights

Invested to support customers through the Peabody Community Foundation

£6.9m

(2021: £7.8m)

People into jobs and apprenticeships

496

(2021: 536)

Customers gained qualifications through our programmes

579

(2021: 495)

Social action projects delivered through our Community Leaders Programme

105

(2021: N/A)

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

788

(2021: 850)

Grants to support community organisations

£1.09m

(2021: £1.25m)

Businesses helped to access enterprise support and resources

185

(2021: 460)

Voluntary, Community and Social Enterprise (VCSE) projects and groups using our centres at least once every two months

147

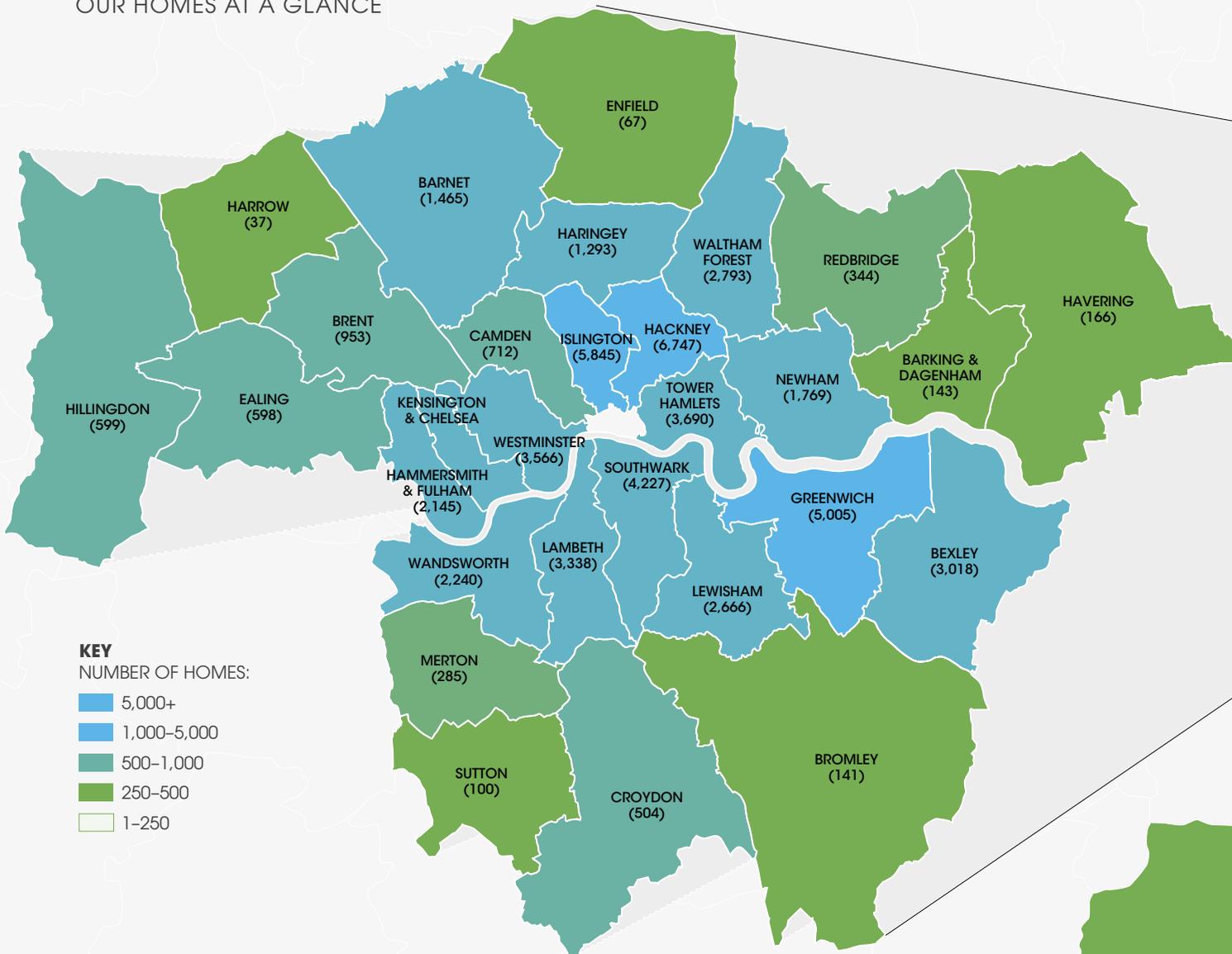
(A new measurement for 2021/22)

People received advice and support to improve their skills

3,526

(A new measurement for 2021/22)

OUR HOMES AT A GLANCE



KEY

NUMBER OF HOMES:



At a glance

The Peabody Group is responsible for 68,000 homes in London and South East, providing services to over 155,000 customers. In April 2022, Catalyst joined the Peabody Group which means that the new Group manages over 104,000 homes and works with over 220,000 customers.

Most of our customers live in London, predominantly in the inner boroughs such as Islington, Southwark and Hackney. Many of our sheltered and supported properties remain in the South East, in particular in Essex and Kent.

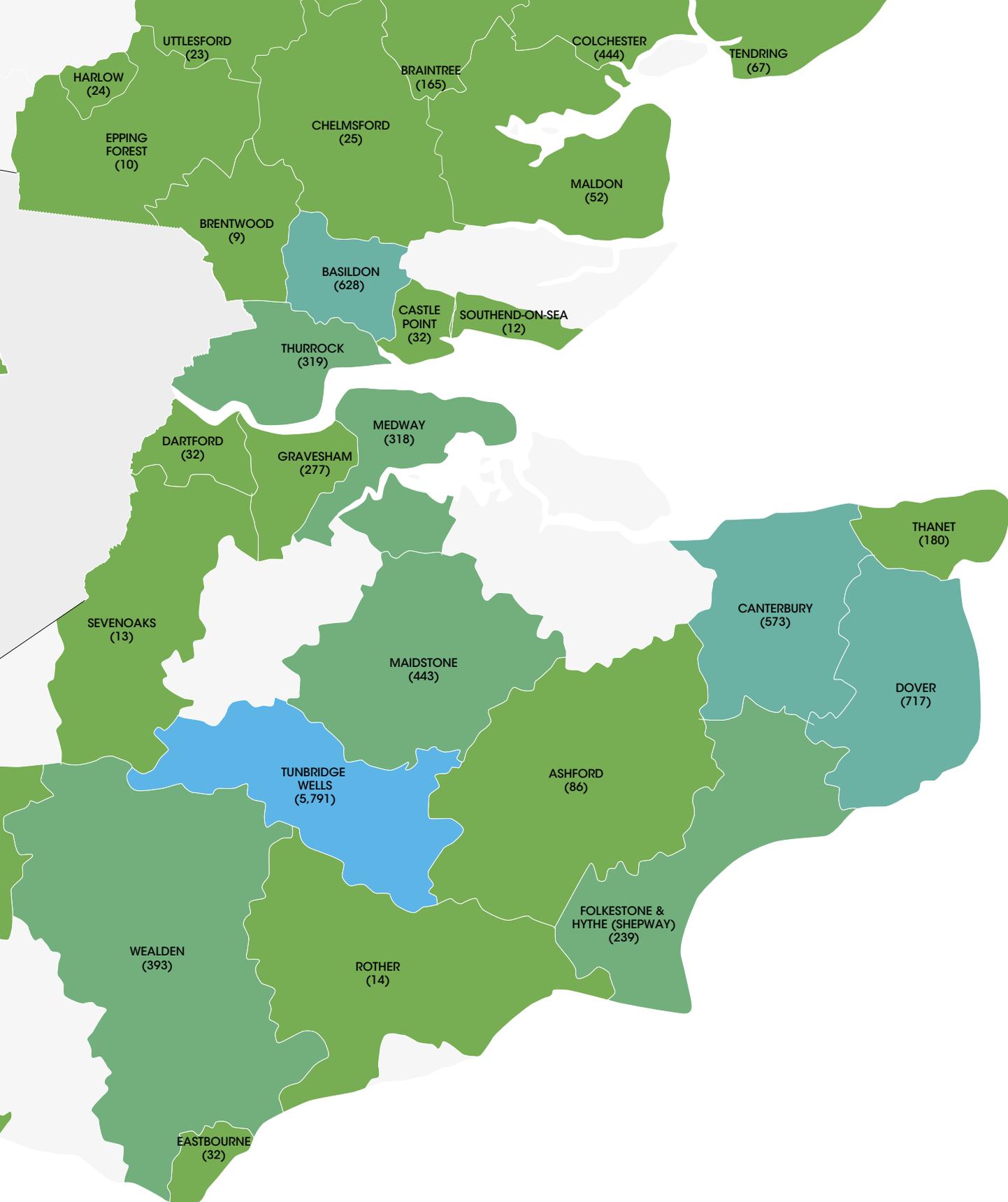
Our new organisation reflects the values and history of Peabody and Catalyst, and by joining together, we'll go further and faster with our plans to improve our services and invest in our homes and communities.

The new Peabody Group including Catalyst has around 4,000 colleagues, with a newly refurbished head office as well as 14 larger hubs across London and the Home Counties.

Our new homes

We aim to design, build and maintain homes and neighbourhoods that people are proud to live in. We invest for the long term, drawing on 160 years of experience and modern-day technologies to create great places where people can make the most of their lives.

We continued to invest in much needed affordable homes this year, with 74% of the new homes we developed for affordable rent and shared ownership. All of our developments are guided by our commitment to sustainability so that they are fit for the future.





“Peabody and Catalyst have joined together to create a new organisation with a clear purpose: **to help people flourish**”

Deirdre Moss Chair, Peabody Community Foundation

Peabody is defined by its social purpose, and the Peabody Community Foundation's community investment activities are benefiting more people than ever before.

As the cost-of-living crisis hits families and communities, it's critical that we continue to recognise and respond to what people need to thrive. This may involve providing services ourselves, but we are also a gateway to other organisations' services and help to leverage additional investment by working collaboratively with others.

We're delivering a variety of programmes to help customers get the help and advice they need to keep their families fed and warm and pay their bills.

We invested £6.9m million in our community programmes and initiatives this year. We have made significant progress toward meeting the goals of our three-year strategy to make our customers and communities healthier, wealthier, and happier. This year, we helped 496 people into work and apprenticeships, and our programmes helped 579 customers gain qualifications. 788 community and Peabody employee volunteers gave their time to make a difference in our

communities, and we awarded £1.09 million in grants to community organisations. We also helped 185 businesses in gaining access to enterprise support and resources.

As this report launches, Peabody and Catalyst have joined together to create a new organisation with a clear purpose: to help people flourish. We will do this by:

- Being local and connected with our customers and communities
- Investing and innovating in service delivery, homes and technology and our people
- Influencing local and national government to make a positive impact.

We said farewell to Stephen Burns, Care and Communities Executive Director, and Veronica Kirwan, Director of Communities, at the end of the year, as they moved on to new roles in the Peabody Group as Executive Director, Care, Supported Housing and Inclusion and Managing Director (South London and Hackney).

Under Stephen and Veronica's highly effective leadership, the Foundation has grown from strength to strength. I would like to thank them for their tremendous dedication and wish them

all the best in the future. I am excited to continue working with Sarah Thomas (Chief Operating Officer), Sahil Khan (Director, Community Strategy, Partnerships, and Funding), and our colleagues to make the greatest possible difference for residents and our communities.

As the Foundation enters a new era, I'd like to thank everyone who has worked so hard to support our communities during these difficult times. But, most importantly, I'd like to thank our customers and assure them that we will continue to work hard to meet their needs and keep their voices at the forefront of everything we do.

Deirdre Moss
Chair
13 December 2022



Q&A with Stephen Burns, Executive Director, Care, Supported Housing and Inclusion

What were some of the year's highlights for you?

We have made the best use of our community buildings, resources, and relationships, with the help of partners, volunteer service organisations, and others, to provide vital services such as food banks, pantries, and creches. Despite the stop/start nature of lockdowns, we continued to provide a comprehensive economic offer; supporting customers into work as well as helping people get better paid jobs and access training opportunities. Highlights include reopening the newly renovated Moorings Sociable Club in Thamesmead, and strengthening our local partnerships with Islington Giving, London Community Foundation, and One Southwark.

What were your top priorities?

Continuing to support our customers and communities as we moved from an emergency Covid response to recovery and beyond by supporting households to increase their income, improve well-being, and help children and young people to develop skills and access opportunities for a better start in life.

This year marked the end of the Foundation's three-year strategy. As we begin a new chapter after joining together with Catalyst, we recognise the challenges our customers face are far from over. We will continue to use our enduring role to help our customers and communities thrive both now and in the future.

What sets Peabody Community Foundation apart?

Our strong social purpose, as articulated by George Peabody's original mission to 'improve the conditions of the poor and needy' remains central to our vision for happier, healthier, and wealthier communities.

With new leadership in place, we will continue to work with our partners to innovate and adapt our services to make the greatest possible difference for our customers and communities.

Stephen Burns

Executive Director, Care, Supported Housing and Inclusion



Looking ahead with Sarah Thomas, Chief Operating Officer

Our customers and communities are undoubtedly facing increased pressure as a result of the Covid 19 pandemic and ongoing cost of living crisis. As Peabody and Catalyst join together our guiding star is to help people flourish. Our focus on customer well-being has increased, and we have a clear role to play in reducing pressures on our customers and communities and using our areas of expertise to help.

Our vision is to create communities which are healthier, wealthier and happier. We will do this by providing support to those in need while remaining agile and responsive. We recognise that capturing social value as well as developing an outcomes framework is needed to ensure value for money and greater impact, helping us continue to make a positive difference to the communities we serve.

Sarah Thomas,

Chief Operating Officer

TRUSTEES, DIRECTORS AND ADVISORS

Trustees, Directors and Advisors

(the Trustees are also the Directors of the Company)

Deirdre Moss **Chair**

Helen Edwards **Vice Chair**

Peter Baffoe

Katharina Winbeck **appointed 20 May 2021**

Shreya Hewett

Karima Mbarak

Catherine O'Kelly

Chief Operating Officer

Sarah Thomas

Director of Community Strategy, Fundraising and Partnerships

Sahil Khan

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

Solicitors

Trowers & Hamblins, 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 Peabody and Family Mosaic merger in 2017, 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.



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 is currently the Executive Director of the South London Mission, a charity based in Bermondsey, South London. He is a Trustee of Southwark and Deptford Methodist Church. He is also a Trustee of the Maudsley Charity, a charity that supports work around mental health across 4 London boroughs. He is a School Governor at a Peckham primary school acting as the Link Governor for equalities and curriculum. Having been born and raised in Southwark, he is particularly interested in community and issues of social justice.



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 in 2018 called 'Keepitking'. Part of the project encouraged young people from a BAME background to challenge taboos surrounding mental health.



Katharina Winbeck

Katharina joined the PCF Board as resident Board member in May 2021. Katharina is passionate about social fairness, specialises in social and environmental science and has delivered policies, projects and programmes in London with a place based and whole system approach over the past 20 years. She currently holds the position of strategic lead for transport and environment policy at London Councils and has previously held positions with Transport for London, the Audit Commission, the London Boroughs of Tower Hamlets & Lambeth and the NHS.



Shreya Hewett

Shreya joined the PCF Board as resident Board member in January 2021. Shreya Hewett is co-founder of GRASP, a children's health and hygiene brand launched in 2021. As a Hackney resident for the last eight years and the mother of three young children, she is passionate about community engagement and early years development, particularly in cross-cultural settings. Shreya has a BA in History and Economics from the University of Oxford, and a background in economic policy output and financial technology.



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 British Gas Energy. Catherine has held senior positions at Centrica plc including Managing Director of Centrica's Irish subsidiary, Bord Gáis Energy. Catherine's career has focused on the energy industry, including international energy strategy with consultancy Booz & Company, and low carbon energy policy design at the UK's Carbon Trust.

Helping People Flourish

For over 160 years, Peabody has been driven by a strong social purpose. The Peabody Community Foundation is central to us achieving great social impact and helping people flourish.

Our vision is that our customers and communities are healthier, wealthier, and happier, with the opportunity to realise their ambitions. We do this by:

1

Building engaged and active communities; helping people make the most of their lives through active citizenship, catalysing supportive networks and community-led projects

2

Boosting income; helping people to gain well paid, secure work, progress within employment and reduce their debts

3

Developing skills and aspirations; supporting access to, and achievements within, education and training, giving people more knowledge about opportunities and boosting their confidence

4

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 a strategic level through our influencing activities.





Building Engaged and Active Communities

We are passionate about mobilising our communities. We provide grassroots support which includes providing active volunteering opportunities, helping customers access grants to design and deliver their own services, as well as customers managing many of our community buildings.

People-Powered Buildings

Through our extensive network of 73 community centres, we work with our customers and local partners to host a wide range of services which bring the community together.

We have 26 community buildings managed by Resident Management Committees and community partners, providing a range of free and low-cost activities including:

- Food pantries
- Employment support
- Children's activities including youth clubs and play schemes
- Health and wellbeing sessions

Social action and co-design

We empower people in our communities and provide resources to help them design and deliver activities that benefit their community. In 2021/22 we did this by:

- Giving customers a greater role in grant giving by sitting on the decision-making panel for the Thamesmead Community Fund and Young People's Fund.
- Launching our new Peabody Social Innovation Fellowship supported by Wells Fargo. We worked with 10 grassroots community groups on a programme immersing them in the world of design thinking and innovation to increase their capacity to create collective and impactful action
- Supporting 105 social action projects through our Community Leaders Programme, which offers grants of £500 to local people to deliver activities that benefit their community.

- Expanding our Youth Social Action Programme to offer young people our first Level 3 qualification and the opportunity to problem solve for Peabody and influence our service delivery.
- Developing a Community Consultants offer through which customers are trained and then paid to deliver services and support for Peabody and our communities.

73

We have **73** community centres, **26** community buildings are managed by Resident Management Committees and partners





Young people celebrate launch of new podcast

You Press is a social enterprise that helps young people develop skills and gain experience by giving them real-world opportunities to work on media projects. They joined our Social Innovation Fellowship to explore how they could make their offer to young people more sustainable.

They interviewed participants, partners, and funding experts using the Fellowship's human-centered design approach. They discovered that, while the organisation achieves significant results for young people, these results are not reflected in their funding strategy or communications. As a result, You Press is using their Fellowship Grant to create prototype answers to the question, "How can we make You Press irresistible to funders?"

"The Fellowship has changed our approach to how we do things at You Press. We have been applying the design thinking method to all kinds of issues to help us identify the hidden solution. This has allowed us to be more creative, strategic and conscious of what we do".

Ridwan Yusuf, Creativity and Engagement Lead, You Press

Boosting Income

We're committed to helping people increase their income by supporting them to progress in their work and access higher value jobs. We help people get into training, learn new skills, get better access to affordable childcare, and tackle debt with our comprehensive economic offer.

Focus on a career, not just a job

Our team of seven Employment Caseworkers help people get jobs or training so they can build careers that will last. They help with CVs, personal statements, job applications, and getting ready for interviews. They also give career advice and support to boost motivation and confidence. They also give advice on benefits and staying financially stable, and we send customers and partners a jobs, training, and opportunities bulletin every two weeks.

In 2021/22, we helped 496 people into work and apprenticeships, including 200 Peabody customers. We also helped people who were already working find better-paying jobs.

Think jobs, think childcare

Our research shows that two-thirds of our customers have a hard time or can't find affordable, local, high-quality, flexible childcare. We make the best use of our buildings, resources, and relationships with communities and organisations to help people become childminders or work in the childcare sector. We do this by supporting mobile creches, hosting nurseries, and supporting new ideas in childcare. BNP Paribas helped us with our childcare training programme, which helped 178 people get qualifications this year, including 42 childminders.

Maximising household income

Across the Group, we have a number of teams that offer expert advice and support, such as a team for financial inclusion and a service for energy advice. We work closely with external partners to help people learn how to better manage their money, reduce their outgoings, and get advice and financial help. In partnership with local providers, we also offer phone and email advice, home visits, and drop-in sessions at our community centres.

This year, we launched a website called "PeerUp Perks." It gives customers a new way to save money on their bills for food, leisure, and shopping. Signing up for PeerUp gives people access to lots of money-saving deals from big brands like Tesco, Morrisons, Sainsbury's, Argos, Just Eat, and many others.





Tina Kessie (left), Peabody employment caseworker. Rose (right), Waltham Forest resident and employment and training service client.

Cherelle* knew she needed to change jobs after years of feeling overworked, not earning enough and dealing with difficult customers, but she didn't know where to begin. Our Economic Inclusion team worked with Cherelle to identify her career goals and write her CV, cover letter, and personal statement. They also helped her feel more confident by giving her ideas and advice.

We set up a mock interview for Cherelle with Smart Works, a charity that gives clothes and coaching to jobless women, after she was invited to an open day with one of our employment partners. Cherelle was hired full-time as an office administrator after her interview, and our team helped her settle into her new job.

* name has been changed

“Being blessed with this new job has lifted a heavy weight off me and has given me hope for the future. I was so afraid to leave my old job because I thought I'd be making a mistake. I was constantly thinking “what if it doesn't work out”. But through support from Peabody, I've learnt that if you don't risk anything, you risk even more. With Peabody's help, my mindset has now changed to “what if it does work out.”

Cherelle

Developing Skills and Aspirations

We provide people with pathways into careers, helping to broaden their horizons, start new or grow existing businesses and gain the skills and confidence to achieve their personal goals.

Supporting Enterprise

We support local enterprises in beginning or growing their businesses so that they have the best possible chance of success. This includes providing training, information, and advice, as well as monthly business forums, and access to procurement opportunities with Peabody or our partners. We offer enterprise grants to help businesses with their growth strategy and expansion plans, as well as providing access to our commercial spaces, and signposting to local events and trade opportunities.

This year, we provided enterprise support to 185 people and helped 27 businesses to trade at the Thamesmead Festival, as well creating opportunities for a further 21 businesses. At the Greenwich Business Awards, four Peabody-supported businesses were nominated, with two winning awards.

We have built on good practice in Thamesmead and Southwark to create a pan-London enterprise programme. This supports new and established businesses in realising their ambitions and create jobs for themselves and others.

Developing new skills

We provided skills development advice and support to 3,526 people and helped 579 people achieve qualifications and access support to reach their professional goals. 191 people were awarded apprenticeships through our supply chain while working with colleagues across the Peabody Group to maximise social value for our customers. We delivered information sessions and traineeships with contractor partners such as Durkan, Berkeley Homes, Ardmore, and Mulalley to ensure those entering their apprenticeship programmes have the best chance of success.

This year, we helped 12 young people get on the career ladder by providing Department of Work and Pensions Kickstart placements across the Peabody Group. More than 1,250 people registered for our annual flagship Peabody Jobs and Apprenticeship Fair, held in partnership with Think Events London. Over 216 people took part in our 11 webinars, information sessions, and workshops, which featured live vacancies, career paths in growth sectors, and employability advice from industry experts.

Raising Awareness

Our "Hot Topic" interactive online sessions help people learn about opportunities and new ways of working, as well as the skills they need to start or pivot a career. Over the course of 11 sessions, industry experts talked about new and emerging careers, growth sectors and ways to get into construction, software development, green industries, creative industries, and more.

This year we were reaccruited by Matrix, the international quality standard for organisations that give information, advice, and/or guidance. Roger Chapman, The Growth Company's Head of Matrix Service, said:

"We believe that at the heart of high-quality advice and support services are strong leadership, excellent service and a focus on continuous improvement, all underpinned by effective use of the resources available. The Matrix Standard is designed to benchmark organisations against best practice in these areas. With their accreditation success, Peabody's Employment Service is working to provide the best possible support to their clients."



3,526

We provided skills development advice and support to 3,526 people



Unaji & Co, an art and design company by brothers Emmanuel and Lemuel Unaji that creates sustainable fashion, advertising, and fine art, was awarded the Young Entrepreneur Award at the Greenwich Business Awards.

“The support from Peabody’s Enterprise Team has been phenomenal. It has pushed us to build a more efficient infrastructure and changed our business outlook in a big way.”

Lemuel Unaji

Improving Mental and Physical Health

We make communities healthier by helping people get and stay active. We work with partners on key health priorities and bring health and well-being to places and spaces.

Active and Healthy Communities

At the Old Oak Community Centre in Hammersmith and Fulham, our volunteer-led Community and Maternity Champion programme helped 1,105 people improve their health and well-being. There were weekly chair yoga classes, a cycling and bike repair club, a walking group, yoga classes for pregnant women, and sessions about the Covid-19 vaccine.

Through our Active Well Thamesmead Programme, we're encouraging more people in Thamesmead to play sports and be physically active. We are also bringing together Integrated Care Systems (ICs), Local Authority Public Health teams, and local NHS services to improve health and wellbeing. This year, 629 people who live in Thamesmead took part in activities organised by people who live there.

Better Mental Health

We partnered with the London Borough of Waltham Forest, NHS, Mind, MTC Learning, and Hornbeam to provide an inviting space for local people to meet as well as opportunities to take part in activities designed to boost wellbeing and reduce isolation at our Wellbeing Café at Chingford Hall. The café provides one-on-one sessions with a 'Mind' practitioner as well as financial inclusion, welfare, and benefits advice.

In Hackney, we're working with the ICS to bring mental health professionals into Pembury Community Centre to work directly with young people and reduce the number of emergency mental health admissions.

Tackling Food Poverty

Our food pantry in Waltham Forest continues to provide a long-term solution to food insecurity by helping households in saving money on their weekly grocery shopping. The pantry is run by a team of four volunteers, and we had 78 households sign up as members last year.

We also worked with the social enterprise Cook for Good, to transform a disused community space in our Hugh Cubitt Centre in Islington into a teaching kitchen to deliver a programme of community activities as well as corporate team building events that provided meals for vulnerable and homeless people.





The Active Thamesmead Programme's Family Mile is the starting point for a gentle nudge into fun, easy-to-do regular exercise. We recruited and trained 10 local customers to become Family Mile Ambassadors, delivering fun and interactive miles per week. This is partnership with the Mason Foundation and funded by VINCI Facilities.

Ellen Otcher is a Peabody resident in Thamesmead who has gone above and beyond in her role as a Family Mile Ambassador. She successfully led Nature Miles around Southmere Park during the school half-term and quickly recruited two new Ambassadors by sharing her enthusiasm for the project.

Every Friday morning, the three host a weekly Family Mile for families in the Southmere Pond area. Over ten families have regularly taken part in 'Their Mile, Their Way' since its launch.

Helping communities help themselves – Our Grants Programme

We know that communities have the solutions to the challenges they face. This is why, through our extensive Grants Programme, we provide people with the tools and resources they need to help themselves.

We distributed £1.09m in grants over the last year to help people and informal groups to respond to local priorities and needs.

We have worked with the London Community Foundation (LCF) to deliver the Peabody Community Fund for the past nine years, engaging grassroots organisations across the capital and awarding grants to deliver community projects with a focus on Peabody customers. In 2021/22, we supported 38 constituted organisations by contributing £745k to the voluntary community sector and helping to provide a critical emergency response.

Our Grants

We have a grants programme that lets individuals, groups, and partners apply for the level of grant that best fits their needs.

Improving how we work

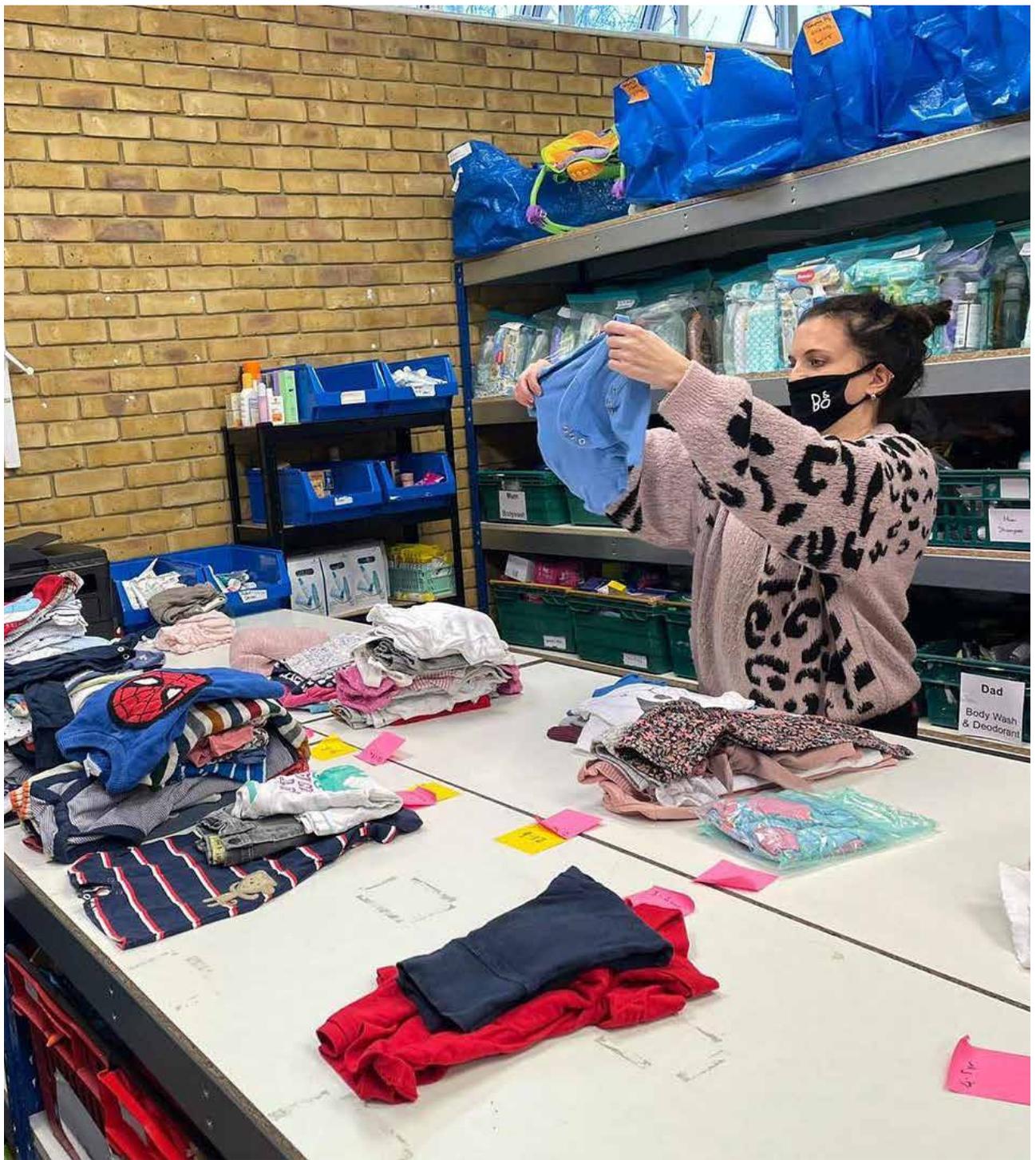
We support the Flexible Funders pledge of the Institute for Voluntary Action Research (IVAR), which calls for funders to adopt more open and trusting practices that make life easier for those they support.

This year we reviewed our grants programme to ensure that our funding practises reflect IVAR principles and organisational values, with an emphasis on co-production and community-led services. We have designed and tested new funding streams as part of this, as well as reviewing existing activity to support our learning. This has included:

- Revising our Community Leaders programme, which provides individuals with up to £500 to carry out social action projects.
- Piloting Capacity Building Grants with four organisations, providing up to £5,000 in funding for core costs and resources.
- Developing our Peabody Social Innovation Fellowship to help organisations reflect, test, and seek solutions to problems.

Type of Grant	Funding Available	Description
Micro Grants	Up to £2,000	Individuals and volunteer groups can apply for grants to design and carry out small-scale social action projects.
Small Grants	£2,000 to £10,000	Grants for local grassroots organisations to help them build capacity, add value, and fill gaps in their service delivery
Medium Grants	£10,000 to £30,000	Peabody Community Fund grants for local grass-root organisations
Targeted Strategic Funding	£30,000 plus	Strategic Funding of £30,000 plus co-investment and partnerships with other funders to drive large-scale or systemic change in response to an identified issue





Kirsty is the founder of MammaKind, a baby bank that provides clothing, toiletries, food, and equipment to new-borns and children up to the age of two. Kirsty used her Community Leaders grant to provide young mums in Thamesmead with a bundle of essential baby items. Her

clients include single mothers, unemployed or low-income households, refugees and asylum seekers, women experiencing violence, and those with disabilities or physical and/or mental health conditions.

Our Area-based Approach

Thamesmead

By focusing on people and community, our local strategy is supporting Peabody's long-term regeneration plans for Thamesmead.

1

A thriving inclusive Economy

We helped local people benefit from opportunities created through the large-scale regeneration of the area. We're focused on improving access to training and supporting customers into sustainable employment as well as providing opportunities to start, grow and scale enterprise.

We continued our successful partnership with YouthBuild Ventures UK, which has a significant impact on the lives and futures of young people. The programme, which is supported by our developers, subcontractors, and strategic partners, ensures that training meets the needs of employers. The programme helped young people into work with students graduating with Plastering, Health & Safety, and Construction Skills Certification Scheme (CSCS) cards.

As part of the Thamesmead Waterfront development masterplanning, young people worked with a leading architecture practice and Harvard University students to discuss and design what they want to see delivered as part of this large-scale regeneration project.

Our partnership with contractors Durkan and Bayanix has resulted in increased social value and benefits for local customers. This has included donating materials and equipment, providing employment and skills training, facilitating procurement opportunities for local businesses, promoting construction careers, and arranging site visits for young people. They also helped the local community by supporting local schools, donating laptops, and supporting our Thamesmead Christmas Food and Toy appeals.

2

Helping families, children and young people to achieve their potential

We supported children and families in their early years and helped young people develop confidence and independence.

This year we helped to provide more services for children with special educational needs by working with partners to deliver inclusive sports and physical activity programmes specifically designed for deaf and disabled children and their families. 65 children took part in activities such as cycling, boxing, yoga, and dance, with 83% identifying as deaf or disabled.

Through our partnership with Career Ready and two local secondary schools, we helped 2,681 local students to learn about a wide range of career options, opening their eyes to endless possibilities.

We co-sponsored The Young London Print Prize, which inspires and showcases the work of young artists, with the Thamesmead Culture team. Over 1,000 prints were submitted from schools across London, with the winner coming from a Thamesmead school.

3

An active, healthy and well community

We helped customers get and stay active, champion key health priorities, and integrate health and wellbeing into Thamesmead's places and spaces to improve community health and wellbeing.

We supported more than 660 customers to take part in health-improving activities with an additional 65 customers volunteering or leading projects.

127 people took part in cycling activities through our cycle hub, such as learning to ride, building confidence, and receiving bike maintenance. The team also worked with schools to incorporate active travel into the school day. 64 reconditioned bikes were distributed to three schools to encourage children to cycle more. It also aims to increase bike ownership and helps families to access the council's Bikeability Programme.



According to our Community Researchers, many customers suffer from poor mental health because of feeling disconnected and isolated. So, we helped to improve access to services and provided advice and support. Our Positive Steps Thamesmead programme, supported by VINCI Facilities, referred 324 people to partner organisations that provide vital advice on immigration, debt, housing, domestic violence, and emergency support. An evaluation on this project shows the programme has a significant preventative and long-term positive impact.

Hackney

The 10-year Pembury Children's Community programme is now in its seventh 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.

Local customers at the heart of decision making

Building community capacity for mutual support and self-help is central to the Pembury Children's Community model. Our Resident Steering Group brought 22 local people together to develop local groups and activities. They also shaped the strategic direction of the Pembury Children's Community Board, advised on changing local needs, contributed to our resident newsletters, and helped to promote micro grants across the estate.

Highlights from this year included a Black History Month celebration that ended with a Community Event organised by two talented customers who run our young women's Fashion Project, 'Threads.'

Helping Pembury families out of poverty

We supported 28 young people to achieve accreditations and helped Pembury residents into long-term employment, improving access to training and qualifications and providing benefits, debt, money management, and housing advice.

Through our annual toy and food hamper appeal in partnership with BNP Paribas and Wates, we supported 71 families, transforming Christmas for many who were facing extremely difficult times and ensuring that no child went without.

Supporting children, young people and families

Our six Parent Champions have continued to work with other parents and guardians, emphasising the importance of family services. This included interpreting for and helping with English for Speakers of Other Languages (ESOL) in the community, supporting with school issues, and directing the community to various events, activities, and other support organisations:

- The Holiday Activity Food Programme, with 238 attendances helped use feed young people who would have had a free school lunch otherwise. It also had activities that helped them get involved, make friends, and have fun.
- Outdoor physical sessions for young people with 'The Outrunners Youth' and 'Born 4 Sport',
- Children's activities with 'Young Urban Arts Foundation' and Children with Voices as well as drama workshops with 'Immediate Theatre'.
- A popular baby club in partnership with the Linden Children's Centre, as well as stay and play sessions, health visitor appointments and early intervention community psychology sessions for families.
- A pop-up event with Young Hackney that brought together key local stakeholders such as Safer Neighbourhood Police, Contextual Safeguarding, and the Integrated Gangs Unit, as well as key local community members, to address safety concerns and reassure the community.

Making a wider impact

External evaluation of the Children's Community has shown its impact on the wider system of services and organisations, with Pembury becoming increasingly influential as a model of successful place-based change. We have developed a 'Place-based Learning Network,' which allows for collaboration with other area-based initiatives across the borough, and a new Council-led senior strategic group to advance shared learning and recommendations from Pembury and other local neighbourhoods.





Deli* was referred to us after falling behind on his rent and struggling to support his two children after his relationship with his partner ended. He was experiencing severe financial difficulties which led to growing debts and not being able to afford basic necessities, as well as poor health.

Our Parent Advisor worked with Deli to access his Universal Credit online account and find out what other financial support he may be eligible for. This meant he could submit medical evidence for a Personal Independence Payment (PIP) and Discretionary Housing Benefit application. We also helped Deli get back on his feet by providing food parcels, shopping items, and making a referral to the local foodbank. His two children were given laptops to help with their education.

Deli received over £10,000 in disability-related financial support after being granted both elements of his PIP application. He also received a Housing Benefit Payment of over £1,000 and backdated Universal Credit payments. These payments allowed him to financially support his children while also reducing his debts. The family now has a more positive relationship, and the children spend time at home with both parents.

*Name changed

Waltham Forest

Waltham Forest is a pioneering example of our community-based approach. We have developed a three-year plan with four long-term priorities for the area in partnership with suppliers and key local stakeholders.

Providing routes to financial independence

Our programmes give young people and adults the confidence, skills, knowledge, and access to opportunities they need to improve their financial situation and achieve their goals. In 2021/22 we:

- Helped 43 young people complete OCN accreditations
- Worked with the London Enterprise Advisor Network to give careers talks to more than 240 students
- Developed a work experience offer with Chingford Academies Trust
- Supported 6 young people to complete an employability course in partnership with London charity, Shadow to Shine
- Supported 12 customers to complete paediatric and adult emergency first aid (Level 3)
- Hosted weekly ESOL assessments and classes, with three customers completing Level 2 Food Hygiene and Safety.
- Supported six of our volunteers and young people to complete mentoring and employability workshops and gain permanent employment

Safer communities

We delivered a range of initiatives to address customers' concerns including:

- Workshops on crime prevention and community safety walks with police, customers, and local councillors
- Coordinating diversionary activities for young people identified as at risk, with support from local policing and Anti-Social Behaviour (ASB) teams.
- ASB and community safety surgeries hosted by Local Safer Neighbourhood policing teams
- A quarterly Safer Neighbourhood Ward meeting led by residents
- Five young people took part in free non-contact boxing sessions led by professional coaches from "BOXING 4 LIFE," and learned new physical and teamwork skills.

Community mobilisation

We have created more opportunities for the community to get involved, make a difference, and have their say, by developing supportive local networks and provided four microgrants to customers to help them lead their own projects.

This included a grant to buy sensory play equipment for 'stay and play' sessions led by a Paradox Centre volunteer, as well as a grant to a local resident to start a weekly Caribbean-inspired social club. Our Youth and Resident Steering Groups provided lively forums for customers to share their priorities and help shape our future programme.

Place-making at Chingford Hall

Chingford Hall is a focal point for community activities and services provided by the Paradox Centre, community garden, and Valley Nursery.

In partnership with Lloyds Park Children's Centre, we helped in getting things right for children and their families as early as possible. Our Reading from the Start Project fosters a love of reading while also improving long-term educational outcomes and providing peer support to families.

We also worked with partners to deliver a variety of activities such as karate classes, parenting courses and twice-weekly youth clubs from youth and community-led charity, Break The Cycle, as well as weekly fitness classes to promote health and wellbeing.



Khieran, age 14, is a member of the Chingford FC youth team and along with six others, took part in a football coaching and mentoring programme with partners Thru Life. The group received a microgrant to buy football kit and host a football tournament, which was attended by the Territorial Support Group from the Metropolitan Police and raised awareness about issues including racism, stop and search, and knife crime.

“We loved it, it was fun, which makes us want to come back to Peabody and keep doing it so we can set up another one. It just helps us look at you guys (Peabody and Thru-Sport) who can help us so we can achieve big things like this. And it’s not that you just want to get us off the roads, it’s clear that this helps you to work with us, as well as playing football.”



Khieran

Islington

We're delivering our Islington Local Area Plan through the Islington Anchor Institutions network, of which the Foundation is a founding member. Anchor Institutions have deep roots in their communities, and they are here to stay. They have purchasing power, employ people and own or manage buildings and land, enabling them to make a significant and positive local impact.

Our local approach focuses on activities that influence meaningful change with partnership and collaboration serving as its driving force. Together with the London Borough of Islington and voluntary sector partners, we work with communities to co-produce localised, joined up and effective services that prevent problems and build individual and community resilience.

Collaboration and Partnership

As an Islington Giving Coalition Partner, we're working to encourage people, businesses, and organisations to work together to make Islington a better place for everyone.

We continue to contribute to the work of 'Help on Your Doorstep'. Their Good Neighbour Scheme helps vulnerable customers and addresses poverty and inequality through early intervention and preventative initiatives.

Youth employability skills and development

According to research, many of Islington's young people, particularly those from disadvantaged backgrounds, are unaware of the opportunities available in the borough and are concerned about their future. We delivered a pilot programme with Islington Council and Ultra Education to help young people and their families gain better access to employment, skills and training, and local enterprise

support to reduce poverty and inequality. To ensure long-term change, Islington teenagers received employability and confidence skills sessions, as well as wraparound support for parents.

Social Connectedness

Our local approach, which is based on social action and resident-led community activity, addresses complex and multiple challenges such as unemployment, mental health, and social isolation, to improve the quality of local people's lives. We connect existing services to provide more opportunities for community involvement and to improve access to and from services.

We set up the Make It Happen Fund in partnership with Newlon Housing Trust, Southern Housing Group, Hyde Housing, Islington Giving, and Islington Council. This year, we awarded 34 £500 grants to small organisations, groups, and customers across the borough through partner Voluntary and Community Sector organisations to support projects that promote engaged and active communities.



We match funded Age UK to deliver advice and wellbeing activities in an area of Islington with a high concentration of older people, reaching vulnerable customers and referring complex needs to Peabody's Tenant and Family Support Team.



Link Street, mental health service in Islington.

Paula, a Peabody resident, led a 12-week nature project in the park on the Palmer Estate which brought together children with special needs and disabilities and their families.

Paula had previously used a Community Leader's grant to scope out demand for a fun day before applying for extension funding to deliver the nature project. She was hired by a local school to run paid sessions, after receiving positive feedback from local parents.

"Feedback has been overwhelmingly positive from both the children, parents/carers and the local customers. We often hear "can I stay longer" when we gather together to sing the goodbye song."

Paula



Southwark & Lambeth

We are continuing to develop local strategies in both boroughs, taking an evidence-based approach and working with partners to identify and address local priorities.

Southwark

Following research and data analysis, our Local Area Plan team conducted several interviews with internal colleagues, Southwark Council, leading institutions, and community organisations delivering services, as well as interviews with customers who benefited from these services. The research and interview findings have shaped our local strategy for the next three years, which focuses on:

- Working with key partners to champion system change in Southwark so that our customers can develop their careers and become more financially stable.
- Working with Peabody internal teams and external partners to leverage funding and opportunities that meet customers' needs and champion knowledge exchange between

employers and customers in the borough.

- Working strategically with the council, housing associations, and health providers to share health-related knowledge, build relationships, and influence and shape public health initiatives, services, and projects.
- Collaborating with partners to scale the social economy, building capacity to ensure Southwark customers feel supported, and addressing barriers that local organisations face.

We established new and strong partnerships with key service providers in the borough, including Good People, United St. Saviours, The Bike Project, Step Now, Notre Dame School, and Hatch Enterprise.

We also chaired Southwark Council's Housing Association Group (Healthy Communities), which brought together the borough's housing associations to influence and support their local health strategies.

At our Darwin Court Healthy Living Centre, we launched a joint project with RIPE Learning to provide free ESOL classes, IT training, and job support.

Lambeth

We worked with Lambeth Council and a range of partners to develop and implement their 'Made Safer for Young People' strategy to combat violence against young people. One of the strategy's top priorities is to empower the community to find its own solutions.

To develop our local approach, we carried out extensive research to identify emerging priorities affecting the borough and to ensure that services are co-produced, coordinated, and effective.

As a result, we are piloting three projects in the borough that are aimed at young people who are at risk of becoming involved in youth crime and violence.





Southwark Local Area Plan (LAP) team worked with Bike Project to reduce transport costs for low-income families while promoting healthier lifestyles.

The Notre Dame School Project was co-created by Good People, Notre Dame School, and Chocolate Films. The project aims to educate young people in Southwark who are living in lone parent households as well as young carers about the challenges they face and the solutions they seek for themselves.

With a focus on career progression and developing soft skills, we partnered with Chocolate Films to provide 25 hours of training to collect data and document students' realities through the production of two films.



Our Future Priorities

Co-production and Community Power

Above all, everything begins with our customers and communities, and we are committed to providing effective and meaningful ways for customers to engage with us. We will have more opportunities for customers to participate in the design of services and influence decision making. Building capacity in the local community for mutual support and self-help is central to our approach.

Partnership and Collaboration

We are deeply rooted in the communities we serve and the places we work. As a result, we are constantly working with local partners to expand the range and quality of community services available to our customers and customers.

Going forward, we will be more local and connected to our customers and communities, with stronger local partnerships. Our approach is centred on mobilising and empowering partners, as well as developing more strategic partnerships that are aligned with local needs.

Working in collaboration allows us to stretch our resources further, utilise the resources of other organisations, and work with those who are embedded in our communities to better understand their needs.

Giving Customers a Greater Voice

We speak up for our customers and communities, highlighting the challenges they face. We will continue to form strategic and local alliances to amplify our customers' voices and influence policy on their behalf. We will use evidence to demonstrate issues, shape new ways of working, and create systemic change by putting customers' experiences first.

Our universal offer

Our universal offer includes a range of services for all our customers. We do this through our grants programme and our digital offer, which includes employment and training support as well as volunteer opportunities. We will also continue to provide free and low-cost activities through our community buildings, and support to active customers and community groups.

Social Value

We changed our social value approach in 2021 to maximise the social, economic, and environmental value we create across all of our procurement activities. We have implemented a new Social Value Policy to apply this approach more consistently, and our standard contractual tenders for goods and services now include a social value question worth 20% of the total tender score.

This ensures that all companies and organisations bidding for our contracts must seriously consider social value when putting together tenders. It means we do business with companies that share our values and want to help us expand our positive impact while also providing the best value for money. Our new policy also allows us to work even more closely with our partners and supply chain to benefit our customers and communities.

We will continue to secure funding that advances our social mission, such as our Sustainability Linked Loan Agreement with Wells Fargo, which enables us to deliver our Peabody Social Innovation Fellowship.

Our Impact

We will continue to examine our insight, activity, and conversations with customers to inform and shape our future activity to better understand our impact.





VINCI Facilities was awarded a 10-year contract with Peabody in 2013 and delivering on social value has been central to our partnership since the beginning. Every year, VINCI makes both financial and in-kind contributions equal to a percentage of the contract value to support many of the Foundation's initiatives, including:

- Reading from the Start, a programme that encourages parents with children under the age of five to incorporate reading into their daily lives, thereby improving educational outcomes. Every month, children receive a free book, and families can take part in reading corner sessions. Now in its ninth year, the programme has distributed over 19,000 books to families.
- The Ready for School programme, which aims to improve the school readiness of children from low-income families at Peabody's Chingford Hall Estate, so that they do not fall behind their peers when they begin school.
- Positive Steps Thamesmead, a social prescribing programme that uses a single point of access to help people to navigate their way around services. Volunteers refer people to a wide range of community sector advice providers. Since it began, the programme has supported over 3,500 people with over 5,200 referrals to partner organisations that provide essential advice on immigration, debt, housing, domestic violence, and emergency support issues.

Our Supporters

We would like to thank the following for their valuable support in 2021/22

Advanced Building Ltd
Axis
Bayanix
BNP Paribas
Bow Arts
Charlton Athletic Community Foundation
City Hall Regeneration Fund
City of Westminster
Clarion Housing Group
Clifford Chance
Department of Work and Pensions
Durkan
East London Business Alliance
EEM
Engie
Film Fixer
Ginkgo Gardens
Greater London Authority
HACT
Help on Your Doorstep
ID Verde
Imperial College
L&Q
Lloyd Park Children's Charity
London Borough of Bexley
London Borough of Hackney
London Borough of Hammersmith and Fulham
London Borough of Islington
London Borough of Lambeth
London Borough of Lewisham
London Borough of Southwark
London Borough of Tower Hamlets
London Borough of Waltham Forest
London Borough of Wandsworth

London Community Foundation
London Economic Action Partnership
London Food Alliance
London Funders
London South East Colleges
London Wildlife Trust
LSEC London South East Colleges
Mary Minute Trust
Mayors Fund for London
National Lottery Community Fund
New Economics Foundation
Orbit
PeopleValue
Plentific
Purdy Contracts Ltd
Ravensbourne University
Royal Borough of Greenwich
Royal Borough of Kensington and Chelsea
Save the Children
Smart Works
Sport England
Tectonic
The Felix Project
The Housing Forum
The South East London Chamber of Commerce
Think Events London
TSG Building Services
United Charities in Hammersmith and Fulham
University of Manchester
VINCI Facilities
Waterways Children's Centre
Wates
Youthbuild Ventures UK

Financial review

Financial performance

The Charity has reported an overall surplus of £5,127k for the year ending 31 March 2022 (2021: £49k deficit). The majority of the Foundation's funding is receivable from Peabody, with the level agreed during the Group annual budgeting process. Included in the overall surplus for the year is £3,697k in relation to grant funding received for the renovation of the Moorings Social club which is a one-off event during the financial year. Excluding this grant, the overall surplus would be £1,430k. The Charity adapts its operations to ensure that outcomes can be maintained within a fully funded balanced budget. For 2022, the level of expenditure was lower than originally planned in the budget, whilst the intra Group funding remained. At 31 March 2022, the Charity had reserves of £34.0m (2021: £28.8m).

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, Hackney, Islington, Southwark and Lambeth.

The Trustees consider the likely consequence of any decision in the long term in accordance with the strategic objectives of the Group as set out in the Group Accounts and in line with the Charity's goals to build engaged and active communities, boost incomes, develop skills and aspirations, and improve mental and physical health, within the budget and risk capacity agreed by the 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 of the Group, aligns its activities and strategic priorities with those adopted by Peabody, including the Sustainability Strategy 2021-24. All subsidiaries continue to work towards meeting energy efficiency targets. All of Peabody's new homes in the Greater London area meet GLA environmental standards and meet the London Plan guidelines, which are set above minimum planning and building regulation requirements.

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

On 8 February 2022 Peabody published its Sustainable Finance Framework ("SFF"). The objectives of the SFF are closely linked to the Sustainable Reporting Standard for Social Housing ("SRS") and include:

- Renovating and retrofitting existing homes to improve EPC ratings and energy efficiency, and projects to protect as many people as possible from fuel poverty and high heating bills.
- Boosting access to electric charging points in Peabody neighbourhoods for both residents and employees. Peabody's aim is for all its vehicles to be electric by 2030.
- Placemaking and projects to improve green spaces and public realm, helping to make a positive difference for health and wellbeing.

FINANCIAL REVIEW continued

- Continuing to build genuinely affordable homes for people in need.
- Projects to support residents and community partners delivering wide-ranging programmes aimed at children and young people.
- Providing dedicated personal support designed to prevent or alleviate unemployment and low pay amongst Peabody residents.
- A detailed programme to reduce carbon emissions and provide support for people living in Peabody neighbourhoods to do so.

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).

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 achieving intended impacts.
- Managing customer demands and expectations as the cost of living crisis puts increasing pressure on living standards.

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 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 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.

During the year, the Covid-19 pandemic continued to have an impact on the operations of the Group and Peabody continued to focus on risk mitigation. The implications of the Covid-19 pandemic continue to be monitored by the Peabody Board as part of Group Risk One: Health and Safety. Covid 19 safety measures remain in place for employees who work directly with customers. This continues to be monitored by using KPIs and reporting to the Health and Safety Committee, and key mitigating controls are tested by the Health and Safety Audit programme.

The impact of the principal risks and uncertainties affecting the Company as set out above, continue to be carefully monitored and considered. 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 Report provides further information on Future Plans at page 37.

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.

Governance

The Trustees' Report pages 35 to 38 and the Group Accounts provide details on compliance with regulations and the National Housing Federation ('NHF') Code of Governance (2020 edition).

By Order of the Board

Deirdre Moss

Chair
13 December 2022

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 2022.

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 Trust's ("Peabody") residents and their communities. Peabody is committed to continued investment in community programmes and plans are included within the Peabody Group (the "Group") Strategy 2021-2024 which will aim to benefit an increasing number of Londoners. The Strategic Report pages 2 to 32, which forms part of the Annual Report, outlines the Charity's objectives, activities and also cover performance for the year ended 31 March 2022. In setting our objectives, planning our activities and monitoring our services, the Charity's Board of Trustees (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.

Trustees

Particulars of the Trustees who served on the Board during the year and subsequently are set out on pages 6 & 7.

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 2022, Peabody and its principal subsidiaries (including the Charity) applied the principles and provisions of the National Housing Federation ("NHF") Code of Governance for housing associations (2020 edition), (the 'NHF Code'). Peabody has substantially complied with the requirements underlying the principles based NHF Code and has identified areas where this is currently not the case. Peabody has also met the principles of the NHF Code of Conduct (2012 edition) through adhering to the Peabody Code of Conduct. The Peabody Board agreed to adopt the NHF Code of Conduct (2022 edition) in July 2022.

In fulfilling its obligations under both codes, the Group follows good practice drawn from supporting guidance. The next independent assessment of compliance will be undertaken later in the current financial year.

A governance review was undertaken prior to Catalyst Housing Limited ("Catalyst") joining the Group, and as a result, a new Governance Framework was adopted on 1 April 2022. During the year, the Peabody Board on behalf of the Group was kept updated on, and provided oversight and challenge in relation to the Group's compliance with the Regulator of Social Housing ('RSH' or 'the Regulator') Regulatory Framework ('the Regulatory Framework'), including the Governance and Financial Viability Standard.

The Board has been briefed on requirements and guidance from the Charity Commission and relevant charity law. The Peabody Board and the Board take their responsibilities under regulation and relevant good practice guidance very seriously and have taken appropriate steps to help ensure compliance with the requirements set out in the Regulatory Framework and charity law. Peabody and its subsidiaries are committed to transparent and timely communication with the RSH. The Group was subject to an In-Depth Assessment ('IDA') by the RSH during the year to 2021 and the Group has maintained its G1 governance rating and V2 financial viability rating during the year. Following Catalyst joining the Group ratings remained the same. Peabody continues to be rated as A3 (stable outlook) by Moody's and A- (stable outlook) by Standard & Poor's (Global Rating).

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 2022, 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.

Peabody has demonstrated its commitment to good governance and robust arrangements proportionate to the Group's size and complexity together with a continued focus on improving compliance culture. Following a full review of governance arrangements undertaken during 2021/22 a new Governance Framework for the Group was proposed and implemented from Day 1 of merger with Catalyst.

TRUSTEES' ANNUAL REPORT continued

The new governance framework adopted across the Group on 1 April 2022 will continue to support the Peabody Board in its management of risk and in its responses to changes in the external environment. Risk is monitored, managed and mitigated in order to minimise, for example, the likelihood and impact of financial loss, compromised service delivery, damage to our reputation or noncompliance with law or regulation. The Group's approach is that risk can and should be taken to achieve our business objectives, provided that it is justified and actively managed. The Peabody Board keeps the corporate structure under review and will consider further changes to streamline the enlarged Group, while managing risk, delivering quality services to residents and others, and making sure the Group has both the capacity and capability to deliver its vision.

During the year, Peabody Group's Operating Regulations delegated authorities and financial regulations forming part of the pre-merger governance framework continued to apply. The new Governance Framework applicable from 1 April 2022 has provided the opportunity to enhance the governance of the Group including the introduction of new policies and strategies for the enlarged Group.

Following the adoption of the new Governance Framework on 1 April 2022 the Peabody Board is now supported by eight committees: the seven committees which previously existed plus a new Care and Support Committee, all with revised and refreshed memberships.

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.

Board members also sit on the Communities Committee (the "Committee") 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 within the Group whilst supporting Peabody's strategic objective of helping people flourish by making a positive difference to the communities we serve.
- Designing and developing the Community Investment and PCF Strategy in partnership with the Peabody Executive prior to recommendation to the Peabody Board.
- Scrutinising and overseeing the delivery of the Community Investment and PCF Strategy.
- Monitoring the performance of the Group's community activities, including partnerships, direct impact on beneficiaries and on wider communities.
- Making recommendations to the Peabody Board in relation to major proposals.
- Monitoring internal controls and matters with significant implications for the beneficiaries of the Group's community work.

Board Recruitment, Induction & Training

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

All members have access to the advice and services of the Charity's Secretary.

New members undergo an 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 Charity and the Committee.
- Meeting individually with the 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 specific role.
- Visibility of Committee packs and meeting minutes.

New members also participate in site visits to build a deeper understanding of Peabody homes and services as well as development schemes and meet Peabody colleagues and customers.

The new Board Member, and existing Board Members, attended a PCF Strategy session in September 2021. The session considered and affirmed the Charity's approach of combining in-depth work in localities via local area plans with other programmes, partnerships and activities that are accessible more widely.

A Sounding Board meeting took place in February 2022 to assess a strategic review, undertaken by Campbell Tickell, of Peabody and Catalyst's community investment programmes in order to inform the development of a joint strategy effective from summer of 2022, once Catalyst had joined the Group.

Board members have the benefit of the Group's directors' and officers' indemnity insurance policy.

Board Effectiveness - Self Assessment

The Board undertakes regular formal evaluation of its own performance. The most recent internal self-assessment of the Board and Committee effectiveness was conducted via evaluation questionnaires in April 2022. The responses indicated that the Committee was extremely effective and was fulfilling its remit, and identified two areas for additional focus:

- Ongoing training opportunities to be provided for Board members; and
- Additional site visit opportunities.

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, 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 on pages 6 and 7. 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 2022 is provided in the table below:

Peabody Board level of pay	Peabody board level of pay	Committee only level of pay
Peter Baffoe (1)	£12,000	
Helen Edwards (2)	£12,000	
Shreya Hewett		£7,000
Karima Mbarak		£7,000
Deirdre Moss (3)	£15,686	£1,750
Katharina Winbeck		£6,059

- (1) Peter Baffoe also serves as a member of the Peabody Board; Customer Experience Committee; and the Committee. The remuneration shown in the table represents his Peabody Board membership.
- (2) Helen Edwards also serves as a member of the Peabody Board; the Audit and Risk Committee; the Care and Support Committee and the Committee. The remuneration shown in the table represents her Peabody Board membership.
- (3) Deirdre Moss is a Peabody Board member and also serves on the Thamesmead Committee and the Town and Country Housing Board. The remuneration shown in the table reflects her role as Chair of the Town and Country Housing Board.

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 and the Board and Committee Pay and Expenses Policy adopted by the Peabody Board in May 2022, with effect from 1 April 2022, are as follows:

For Committee Chair / Principal Peabody Subsidiary Chair	£18,500 p/a
For a Peabody Board Member	£15,000 p/a
For a Committee Member	£7,500 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 principal risks and uncertainties set out on page 34, the Charity will continue to invest in community programmes in accordance with Our Future Priorities as set out on page 30.

Statement of going concern

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 £1.2 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 £4.3 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 (the "ARC") provides oversight of the Group's system of risk management and internal control on behalf of the Peabody Board (as the parent company for the Peabody Group) and the Board and regularly reviews its effectiveness. The Group's arrangements in respect of the system of risk management and internal control cover the Charity.

The risk review process

During the year, the Peabody Board and the ARC 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 ARC and reports at least twice yearly to the Peabody Board. The Group has 11 key risks outlined in its risk register which was approved by the Peabody Board on 19 May 2022. 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 ARC the regular review of the effectiveness of the Group system of internal control, whilst maintaining ultimate responsibility for the system of internal control. The Committee reviewed the effectiveness of the system of internal control in existence in the Group for the period commencing 1 April 2021 up to the date of approval of the Group Accounts, and the annual report of the internal auditor and reported to the Peabody Board that it found no significant weaknesses in the system of internal control.

External Auditor

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

Disclosure of Information to Auditor

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

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

By Order of the Board

Deirdre Moss

Chair
13 December 2022

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

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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

By Order of the Board

Deirdre Moss

Chair

13 December 2022

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 2022 which comprise the statement of financial activities including income and expenditure account, 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 2022 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 directors and inspection of policy documentation as to the parent, Peabody Trust's, high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the charity's channel for "whistleblowing", 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. On this audit we do not believe there is a fraud risk related to revenue recognition because turnover is primarily a cash donation provided by the parent, with other streams being a low multiple of materiality, hence giving minimal opportunity to commit a material fraud.

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 journal entries posted by individuals who do not typically post journal entries, and journal entries posted to seldom used revenue ledger accounts.

Identifying and responding to risks of material misstatement related to 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 directors (as required by auditing standards), and discussed with the directors 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.

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

Whilst the charity is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

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 Trustees' 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 Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion 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 39, 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.

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
100 Hills Road
Cambridge
CB2 1AR
13 December 2022

Statement of financial activities including income and expenditure account for the year ended 31 March 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Incoming Resources					
Donations and legacies	3a	6,694	5	6,699	5,375
Incoming resources from charitable activities	3b	4,245	303	4,548	735
Surplus on sale of fixed assets	4	-	-	-	727
Total incoming resources		10,939	308	11,247	6,837
Resources expended					
Cost of charitable activities		(6,772)	(137)	(6,909)	(7,796)
Total resources expended	8a	(6,772)	(137)	(6,909)	(7,796)
Investment income	5	857	-	857	878
Interest payable	6	(4)	-	(4)	(10)
Net income/(expenditure) for the year before gains & losses		5,020	171	5,191	(91)
Actuarial (loss)/gain on defined benefit schemes		(64)	-	(64)	42
Net income/(expenditure) for the year		4,956	171	5,127	(49)
Net movements in funds		4,956	171	5,127	(49)
Fund balances brought forward	15	28,109	739	28,848	28,897
Fund balances carried forward		33,065	910	33,975	28,848

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 2022 (2021: £nil).

Statement of financial position as at 31 March 2022

	Note	Total 2022 £'000	Total 2021 £'000
Fixed assets			
Tangible assets	11	13,079	9,127
		13,079	9,127
Current assets			
Stock		-	15
Pension scheme assets	18	-	73
Debtors (including £18,752k (2021: £19,234) due after more than one year)	12	19,662	19,985
Cash at bank and in hand		5,457	2,340
		25,119	22,413
Creditors: amounts falling due within one year	13	(3,960)	(2,328)
Net current assets		21,159	20,085
Defined benefit pension scheme	17	(263)	(364)
Net assets		33,975	28,848
Restricted funds	14	910	739
Unrestricted funds	14	33,065	28,109
Total funds		33,975	28,848

The accompanying notes form part of these Financial Statements

The financial statements were approved by the Board of Trustees and recognised for issue on 13 December 2022, 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 2022/23 and the Group's medium term financial position as detailed in the 30-year business plan, are of the opinion that, taking account of severe but plausible downsides, the Foundation 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 the charity 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 Contingent Liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation that could result in an outflow of resources, or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant of repayment which is dependent on the disposal of related property.

1.17 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	2021 £'000
Infra group donations – Peabody	6,556	-	6,556	5,227
Other Donations	138	5	143	148
	6,694	5	6,699	5,375

(b) Charitable activities

	Unrestricted £'000	Restricted £'000	Total £'000	2021 £'000
Community Champions	-	40	40	40
Community Fund (iWill)	-	106	106	102
Connecting Young Hackney	-	44	44	50
FSS Family Support grant	-	-	-	177
Maternity Champions	-	-	-	58
Sport England – Tackling Inactivity	-	63	63	-
NHS CCG	-	-	-	9
The Moorings Social Club renovation grants (Note 18)	3,697	-	3,697	-
Other grant income	-	50	50	17
Trading Income	548	-	548	282
	4,245	303	4,548	735

Total incoming resources from charitable activities – 2021	291	444	735	
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Included in other grant income for 2022 are grants from Kick Start Placement £26k, GLA Advice in Schools BID £23k, Cool Down café £17k, London & Quadrant Housing Trust £3k, Mayor's Fund for London £2k with a return of grants to Love London Working of £33k and NHS CCG £2k (2021 all nil).

4. Surplus on sale of fixed assets

	2022			2021		
	Proceeds £'000	Costs £'000	Surplus £'000	Proceeds £'000	Costs £'000	Surplus £'000
Disposal of community buildings	-	-	-	755	(28)	727

5. Investment income

	2022 £'000	2021 £'000
Interest from parent undertaking	857	878

6. Interest payable

	2022 £'000	2021 £'000
Interest cost on pension scheme	4	10

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

	2022 £'000	2021 £'000
Net incoming resources for the year are after charging:		
Auditor's remuneration: current year audit fee	10	10
Pension costs	157	170
Depreciation of owned fixed assets	306	247

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

8. Analysis of total resources expended
(a) Resources expended

	Direct costs £'000	Support costs £'000	Total £'000	2021 £'000
Charitable activities				
Building capacity of group and individuals	1,987	374	2,361	2,729
Children, young people & families	1,328	249	1,577	2,074
Employment and employability	639	117	756	738
Improving sports	377	71	448	325
Community cohesion	1,262	236	1,498	1,067
Covid-19 support	-	-	-	656
Other charitable activities	211	39	250	193
	5,804	1,086	6,890	7,782
Governance				
Staff costs	-	9	9	8
External audit and legal fees	-	10	10	6
	-	19	19	14
Total resources expended	5,804	1,105	6,909	7,796
Total resources expended – 2021	6,066	1,730	7,796	

(b) Support costs

	2022 £'000	2021 £'000
Administration costs	543	698
Staff costs	562	580
Restructure cost	-	452
	1,105	1,730

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

	2022 £'000	2021 £'000
Wages and salaries	3,245	3,771
Social security costs	345	373
Pension contributions	157	170
Other staff costs	44	457
	3,791	4,771
	2022 No.	2021 No.
The average number of employees during the year was as follows:		
Charitable activities	86	103
Management, administration and support services	4	4
	90	107

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:

	2022 No.	2021 No.
Emoluments of higher paid staff within the following scales were:		
£60,001 - £70,000	3	2
£70,001 - £80,000	-	1
£80,001 - £90,000	-	2
£90,001 - £100,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	5	6

The earnings for the Charity's key management personnel (including the Executive Director) for the year were £279k (2021: £264k), with pension contributions of £9k (2021: £24k), and benefits in kind totalling £nil (2021: £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 2021/22 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 (2021: £nil).

During the year the Charity paid £258 (2021: £177) 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
Cost			
At 1 April 2021	11,432	236	11,668
Additions	4,130	128	4,258
At 31 March 2022	15,562	364	15,926
Depreciation			
At 1 April 2021	2,459	82	2,541
Charge for the year	280	26	306
At 31 March 2022	2,739	108	2,847
Net Book Value			
At 31 March 2022	12,823	256	13,079
At 31 March 2021	8,973	154	9,127

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

	2022 £'000	2021 £'000
Amounts due within one year		
Trade debtors	49	20
Other debtors	359	301
Deferred consideration	482	428
Amounts due from parent company	2	2
Prepayments	18	-
	910	751
Amounts falling due after more than one year		
Deferred consideration	15,252	15,734
Loan to parent company	3,500	3,500
	19,662	19,985

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 the Charity's behalf.

13. Creditors falling due within one year

	2022 £'000	2021 £'000
Trade creditors	278	286
Amounts owed to parent company	2,029	835
Other creditors	467	452
Accruals and deferred income	1,186	755
	3,960	2,328

The movements in deferred income are as follows:

	2022 £'000	2021 £'000
Deferred income at 1 April	352	95
Amounts released from previous years	(352)	(95)
Incoming resources deferred in the year	462	352
Deferred income of 31 March	462	352

14. Movement on reserves

	1 April 2021 £'000	Incoming Resources £'000	Outgoing Resources £'000	Gains & (Losses) £'000	31 March 2022 £'000
Funds:					
Restricted funds	739	308	(137)	-	910
Unrestricted funds	28,109	11,796	(6,776)	(64)	33,065
	28,848	12,104	(6,913)	(64)	33,975

Included with unrestricted funds are designated funds of:

Designated Funds:					
Pitch resurfacing	235	-	-	-	235
Fixed assets	8,892	4,258	(306)	-	12,844
Deferred consideration	16,162	857	(1,285)	-	15,734
Total Designated	25,289	5,115	(1,591)	-	28,813

14. Movement on reserves continued

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

Included with unrestricted funds are designated funds of:

Designated Funds:					
Pitch resurfacing	235	-	-	-	235
Fixed assets	8,872	114	(94)	-	8,892
Deferred consideration	16,540	878	(1,256)	-	16,162
Total Designated	25,647	992	(1,350)	-	25,289

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 less any associated Grants received in relation to the 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

	Unrestricted £'000	Designated Funds £'000	Restricted Funds £'000	2022 Funds £'000	2021 Funds £'000
Fixed assets	-	13,079	-	13,079	9,127
Current assets	8,013	15,734	1,372	25,119	22,413
Current liabilities	(3,498)	-	(462)	(3,960)	(2,328)
Net pension liability	(263)	-	-	(263)	(364)
	4,252	28,813	910	33,975	28,848

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 (2021: £339k), and recharged £3,791k (2021: £4,760k) of salary costs relating to Peabody staff working directly for the Charity. Peabody Trust also provided a refurbishment grant in relation to the Moorings Social Club of £2,727k (note 18) in the year (2021: nil). At the year end £2,029k was payable to the Charity (note 13) (2021: £835k).
- Peabody paid the Charity £1,285k (2021: £1,256k) as the year 8 payment in respect of the sale of Tilfen Land Limited. £428k (2021: £379k) was charged against the deferred consideration debtor (note 12) with £857k (2021: £878k) 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 and was closed to future accrual from 31 March 2020. 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 was 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.

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 2021/22.

The latest news on the Lloyds Banking Group court case involved a ruling that, in cases where a member exercised their right to a transfer value out of the scheme, the trustee had the duty to make a transfer payment that reflects the member's right to equalised benefits and remains liable if an inadequate transfer payment had been paid. It is not yet known if, or how, this will affect our schemes and no allowances have currently been made.

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. The consultation closed on 8 October 2020 and a ministerial statement in response to this was published on 13 May 2021, however a full response to the consultation is still awaited. The impact of the findings will only be known after this process has concluded 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 2022, we do not believe there are any material differences between the approach underlying our estimated allowance and the proposed remedy. With a small proportion of active members and a salary increase assumption equal to (or less than) CPI, the impact of the McCloud judgement is likely to be negligible.

Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LPFA. As this case has only recently been announced, there is not a current accurate indication of the potential impact this may have on the value of employers' liabilities or the cost of the scheme.

	2022	2021
	£'000	£'000
LPFA - Pension scheme surplus	-	73
CARE - Pension scheme deficit	(263)	(364)

17. Pension commitments continued
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.

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:

	2022	2021
	£'000	£'000
Equities	1,071	935
Target return Portfolio	405	386
Infrastructure	192	144
Property	169	148
Cash	45	70
	1,882	1,683

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

The assumed life expectations are

	2022	2021
	£'000	£'000
Retiring today – male	87.1	87.1
Retiring today – female	89.8	89.7
Retiring in 20 years – male	87.1	87.0
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 under FRS 102 are:

	2022	2021
	% per annum	% per annum
RPI increases	3.60%	3.20%
CPI increases	3.20%	2.80%
Salary increases *	4.20%	3.80%
Pension increases	3.20%	2.80%
Discount rate	2.70%	2.00%

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

Statement of Financial Position as at 31 March:

	2022	2021
Net LPFA pension position as at 31 March		
Present value of the defined benefit obligations	1,512	1,610
Fair value of Fund assets (bid value)	(1,882)	(1,683)
Restriction to reflect extent of surplus recoverable	370	-
Net LPFA defined benefit pension obligations - (surplus)	-	(73)

A restriction has been made against the net surplus on the LPFA pension scheme obligations in the year as, whilst an exit credit (or debt) may be received (or paid) under the LGPS regulations, the exact amount which may be recoverable in the event of a termination event to the scheme is undeterminable.

17. Pension commitments continued

The amounts recognised in the Statement of Financial Activities

	2022 £'000	2021 £'000
Service cost	-	-
Net interest on the defined assets	(10)	(2)
Administration expenses	2	2
Actuarial loss - including restriction against net surplus	75	(4)
Total LPFA gains / (losses)	67	(4)

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

	2022 £'000	2021 £'000
Opening LPFA Scheme obligations	1,610	1,423
Interest on obligation	23	33
Change in financial assumptions	(53)	246
Change in demographic assumption	-	(14)
Experience gain on defined benefit obligation	(12)	(22)
Estimated benefits paid net of transfers in	(56)	(56)
Closing LPFA Scheme obligations	1,512	1,610

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

	2022 £'000	2021 £'000
Opening fair value of LPFA Scheme assets	1,683	1,498
Interest on assets	33	35
Return on assets less interest	224	208
Administration expenses	(2)	(2)
Estimated benefits paid including unfunded benefits	(56)	(56)
Closing fair value of LPFA Scheme assets	1,882	1,683

Remeasurement of the net LPFA defined benefit obligations

	2022 £'000	2021 £'000
Return on Fund assets in excess of interest	224	208
Change in financial assumptions	53	(246)
Change in demographic assumptions	-	14
Experience gain on defined benefit obligation	12	22
Re-measurement of the net LPFA defined benefit obligations	289	(2)

Projected pension expense for the year to 31 March:

	2023 £'000
Service cost	-
Net interest on the defined assets	(9)
Administration expenses	2
Total LPFA (surplus) / deficit	(7)

Employer's contributions

-

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.

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 2022 the contribution required to the Scheme is £173,800 per annum (2021: £168,744 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 £4,430 per annum (2021 £4,300) 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

	2022 £'000	2021 £'000
Provision at start of period	364	400
Unwinding of the discount factor (interest expense)	3	10
Deficit contribution paid	(93)	-
Remeasurement - impact of any changes in assumptions	(11)	16
Remeasurement - amendments to the contribution schedule	-	(62)
Provision at end of period	263	364

Amounts recognised in the Statement of Financial Activities

	2022 £'000	2021 £'000
Interest expense	3	10
Remeasurement - impact of any change in assumptions	(11)	16
Remeasurement - amendments to the contribution schedule	-	(62)
Total surplus	(8)	(36)

Assumptions

	2022 % per annum	2021 % per annum
Rate of discount	2.55	0.98

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. Contingent Liabilities

During 2021/22 the Charity received grants totalling £3.7m, £2.7m from Peabody Trust and £1.0m from the Greater London Authority, for the renovation of the Moorings Social Club. The Charity has a future obligation to return the grants to the respective entities if the property is disposed of. As the timing of any future disposal is uncertain, no provision has been recognised in the financial statements.

19. 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



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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).

