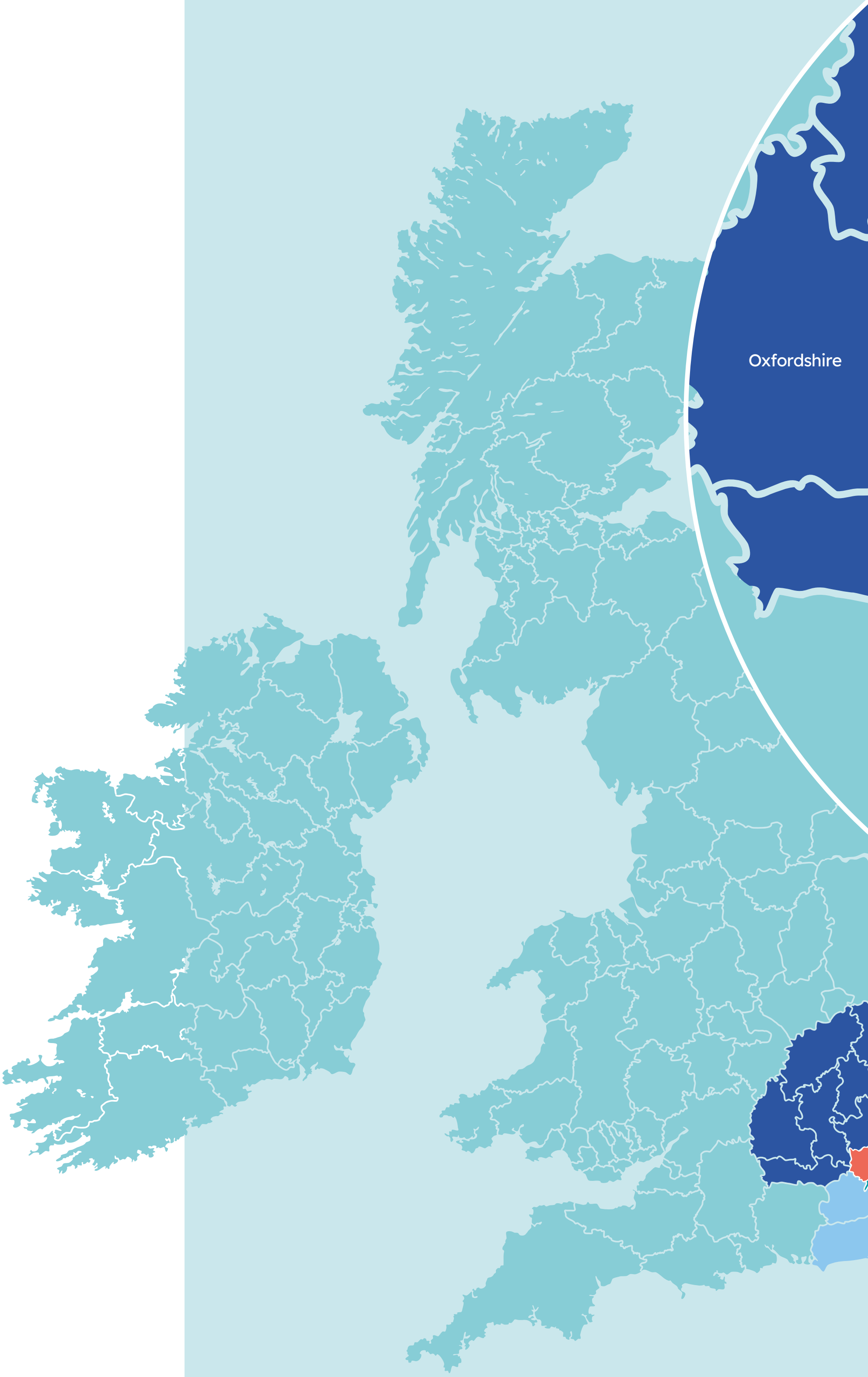
Peabody

Getting it right for residents

Annual Report and Accounts 2024

Where we *work*



Who we are

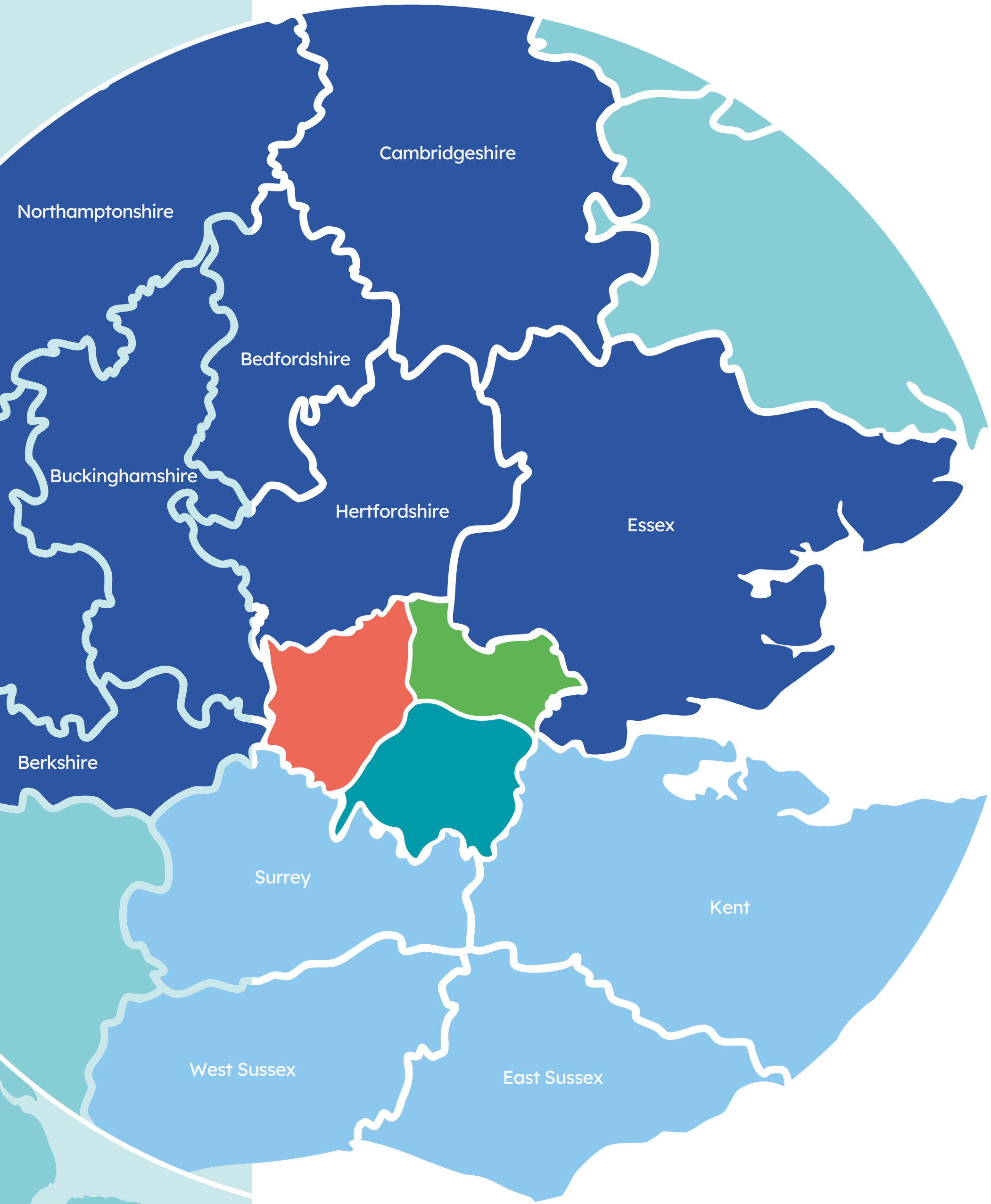
The Peabody Group is responsible for over 108,000 homes in London and the Home Counties. Our purpose is to help people flourish. We invest in residents' homes to make sure they're safe, well maintained and as energy efficient as possible. And we strive to continuously improve our services, making sure we're providing value for money for residents.

Where we can, we also work with partners to deliver new high-quality, affordable homes and sustainable urban regeneration to help address the housing crisis. We're improving the energy efficiency of thousands of homes so they're better for the environment and cost residents less to heat. We're managing our open spaces to cultivate plants and wildlife. And we're reducing our carbon emissions.

Our people

We provide support and advice to more than 220,000 residents and care and support services to around 26,300 customers. These people are at the heart of everything we do. Our community foundation has a focused programme of targeted investment to support residents to become healthier, wealthier and happier.

Our 3,800-strong workforce is focused on doing what's right for residents, working closely with them to provide local services for each of our 140 neighbourhoods. Internally, our strong commitment to equality, diversity and inclusion means that all colleagues are treated equally and encouraged and supported to fill their potential.



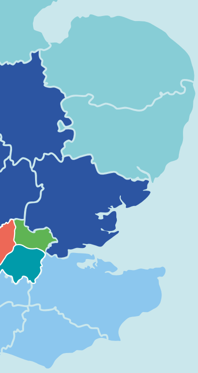
23,916
North East London

26,465
North West London

23,653
South London

20,877
North Counties

13,912
South Counties*

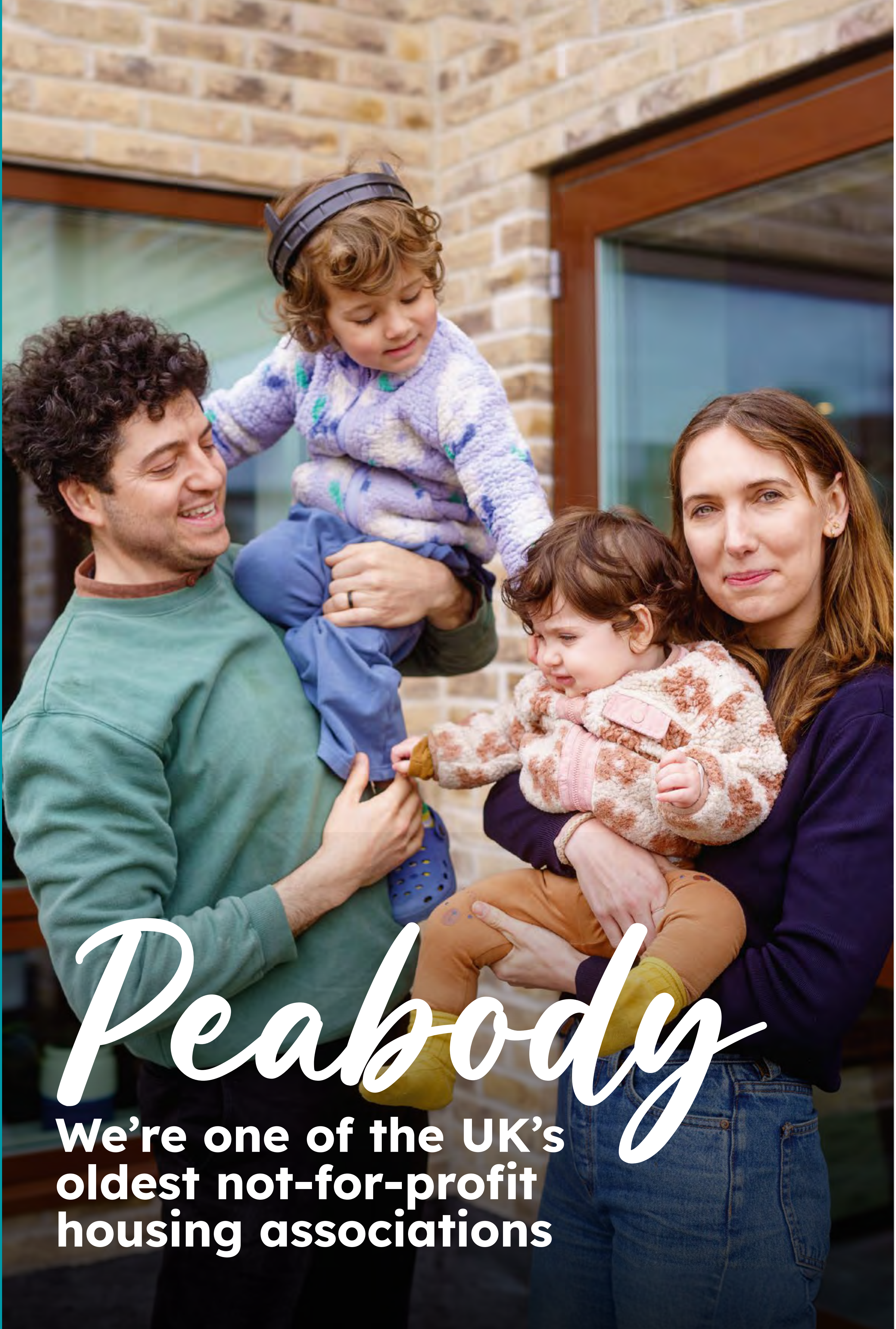


Our values

Our values turn our purpose into reality. They are shared by colleagues, residents and the Board and give us a focus on what matters most at Peabody.

- Do the right thing
- Love new ideas
- Be kind
- Pull together
- Celebrate diversity
- Keep our promises

* 13,654 of these homes are part of Town & Country Housing (TCH).



Peabody

We're one of the UK's oldest not-for-profit housing associations

Our *highlights*

Operational highlights

Overall satisfaction with landlord services (low-cost rental accommodation)
58%
(2023: 58%)

Percentage of residents who feel we make a positive impact in their neighbourhood (low-cost rental accommodation)
58%
(2023: 63%)

Customers supported via care and support services
26,275
(2023: 17,438)

Value of investment in community activities across the Group
£10m
(2023: £10m)

Satisfaction once repair has been carried out
80%
(no comparable figure available)

Satisfaction with the speed at which the repair was carried out
71%
(no comparable figure available)

Financial highlights

Social rent subsidy*
£721m
(2023: £621m)

Operating surplus before change in investment property valuation
£244m
(2023: £257m)

Development pipeline
£1bn
(2023: £1.6bn)

Gearing (debt: assets at cost)
40%
(2023: 40%)

Credit rating
A-
Standard and Poor's
(2023: A-)
A3
Moody's
(2023: A3)

Total Group assets
£13.2bn
(2023: £12.7bn)

Investment in new homes
£495m
(2023: £567m)

Total debt facility
£6bn
(2023: £6.1bn)

Regulatory rating
G1, V2
(2023: G1, V2)

Total Group turnover
£989m
(2023: £1.1bn)

Investment in existing homes
£200m
(2023: £179m)

Unused property security
£3.8bn
(2023: £4bn)

* Annual subsidy of Peabody's rents to the market level.

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Financial statements

Scan here
for the Peabody website

Making sure we *deliver* the right things

"Our vision is to build on our heritage to create a locally focused Peabody which delivers great homes and makes a positive impact in the community."

I was delighted to be appointed as Chair of the Peabody Board from 1 April 2024. It's an incredible privilege to be a custodian of George Peabody's great legacy at such a critical time in housing.

The Chair recruitment process started in September 2023 and included being interviewed by residents. I enjoyed the many discussions about the values, ethos and activities of 21st Century Peabody. I was also able to hear from residents about their experiences with Peabody which was enormously valuable. Their knowledge, passion and ideas were aligned with how I saw Peabody from afar, and I'm honoured that they recommended my appointment. The estate visits and meetings I've had with residents and colleagues since, have only reinforced the strong sense of mission and social purpose that runs through the organisation.

I'd like to thank our Vice Chair, David Hardy, for his stewardship as Interim Chair after the sad passing of Lord Kerslake last summer. David's advice and insights have been invaluable to me during these early months of getting to know the organisation.

My role as Chair is to support and scrutinise the Executive, helping to set the vision, translate that into strategy and ensure we're focused on delivering the right things. Our vision is to build on our heritage to create a locally focused Peabody which delivers great homes and services and makes a positive impact in the community. This past year has been one of transition as the organisation completed the integration process following the merger with Catalyst.

As I begin my tenure, the focus is on moving towards operational transformation and improvement. At the heart of this is getting the basics right. This is complemented by getting closer to residents through locally focused services, boosting planned investment in residents' homes and reforming the way we deliver our repairs service. I fully endorse the Executive Committee's priorities and am excited about the changes that we're making to support our goals.

To that end, I'm acting as the lead Board member for complaints. There is a need to improve the way we handle issues when things do go wrong, and I'm involved in scrutinising our approach. Along with our Chief Executive, Ian McDermott, and the team, I am determined to make sure that residents are heard, that we listen and learn, and that issues are dealt with appropriately and at the earliest stage possible.

As an organisation we're considering what's working well, with an eye on resident satisfaction and colleague feedback. And despite the challenges, it's clear that Peabody's work continues to offer enormous benefits. I hope this report gives a strong sense of our achievements this year and demonstrates our commitment to improving for all of residents and service-users.

Looking ahead, the changes that we're making will result in better services and improved relationships. We know residents want, and expect, us to be responsive and get the basics right for them. And as we continue improving, we'll develop our thinking around locally focused place-management, investing for the long term, and being well connected with residents and communities.

Caroline Corby
Chair

We're focusing on what matters most to residents

This last year has been unrelentingly tough for everyone. We've seen unprecedented levels of inflation and a cost-of-living crisis that's placed a huge burden on residents and colleagues, as well as society as a whole.

There's also been a significant step change in regulation, with closer scrutiny from the building safety regulator, the introduction of the consumer standards and Tenant Satisfaction Measures, and an expanded role for the Ombudsman. While we support these changes, which align closely with our priorities of getting the basics right for residents, it will be challenging for the whole sector. We've also had to complete a complex merger of two large organisations.

Despite these challenges, we've made significant progress, laying the foundations for us to deliver better services and engage more directly with residents. These achievements have largely been the result of the hard work and dedication of my Peabody colleagues, and I'm immensely grateful for their help and support.

In July, our Chair Bob Kerslake passed away following a short illness. Bob was an inspirational public servant who made a tremendous impact on the lives of many people and we all miss his wisdom and kindness.

At the end of the year, we welcomed our new Chair, Caroline Corby. I'm very much looking forward to working with her as we continue to deliver on our priorities of improving our services and getting things right for residents.

I'd also like to thank Bob Heapy who led Town & Country Housing as CEO for 13 years before stepping down in April 2024.

We've laid the foundations for the new Peabody, creating 140 local neighbourhoods, each of which will have their own plan tailored to their needs. And as we become more local, we'll increase the investment in our infrastructure.

Our goal is to develop our expertise as a data-led organisation, investing heavily in technology so we get real insight into what services and support residents really need. This way we can be sure we're spending our money wisely. Residents have told us that we need to improve our services and we hear this loud and clear. We are confident that the combination of local services, backed up by high-quality support and central services, will deliver that for the new Peabody.

This year has proven to be financially challenging. We've significantly and correctly increased our investment in existing homes and services and are determined to see this strategy through to completion. We're totally committed to a more local focus, and these plans and investment will be delivered by visible and hard-working colleagues.

Sustainability will play a big role in how we make decisions in the future, with everything focused on the end goal of being net zero by 2050. We'll take a whole-place approach, making sure that plans for each neighbourhood are not only right for today but also for tomorrow. We'll also focus on energy efficiency, reducing our carbon footprint, improving biodiversity and making sure everyone plays their part. Peabody 200 will set the planning timeline to ensure we're still providing quality homes and communities when Peabody is 200 years old.

This coming year is the last year of our three-year strategy, and we'll continue to focus on creating and sustaining great places where people want to live. We still have a lot of work to do, particularly in supporting the new government to tackle the housing crisis that sees one in 23 children in temporary accommodation in the capital. Standing by is not an option, and we and our fellow housing associations are well positioned to play our part in helping to address these issues.

While I don't have a crystal ball and can't predict what the future holds, I do know that the coming year promises to be every bit as challenging as its predecessors. I also know that they're challenges that we're ready and willing to face.

Ian McDermott
Chief Executive Officer

Q&A spotlight on the new consumer standards

Q What are the new consumer standards?

The Regulator of Social Housing published new consumer standards that came into force on 1 April 2024. They check that landlords like us are providing safe homes, that we're listening to residents, and providing them with the right information in a clear, accessible format. The change is a response to events such as the Grenfell Tower tragedy, which showed the catastrophic consequences of landlords not meeting the needs of social housing residents. They focus on four areas:

- **Safety and quality** – making sure we provide residents with good-quality, safe and secure homes.
- **Transparency, influence and accountability** – building robust and trustworthy relationships with residents, whereby we provide the right information on our services and take on feedback and improve.
- **Neighbourhood and community** – working with residents, and in partnership with other organisations, to ensure we create positive places to live.
- **Tenancy** – creating appropriate and fair tenancies with clear guidelines that meet the needs of residents and also the local housing contexts in which we operate.

Q What do they mean for us?

The standards align with our priorities of getting the basics right and being all about people. We'll be regularly inspected by the Regulator, and will need to show that we're meeting the standards.

Q What are we doing about them?

As part of the new standards, we need to deliver outcomes for residents which are in line with our own expectations for the services we provide, and the way we seek to work in partnership with residents and other stakeholders. We need to demonstrate we are doing this consistently and well across all our key landlord responsibilities.

Q How will the outcome be reported?

Social housing providers will be given a 'C' rating from one to four, alongside the current Governance and Viability ratings based on how well we meet the standards.

The new consumer standards came into force in April 2024.

The Regulator will assess landlords and hold us to account by carrying out regular inspections and scrutinising data on resident satisfaction and repairs.

We're committed to providing homes that are decent, safe and well maintained, ensuring residents receive good-quality landlord services and are treated with fairness and respect.

Year of achievement 2023

April

New local Peabody
Peabody and Catalyst completed the final formal step of the merger to create a new, local Peabody.

Social value partners win awards
Cook for Good and VINCI Facilities won top awards for their commitment to local communities at the inaugural Social Value Leadership Awards.

May

New homes in Friary Park, West London
Families on the local social housing waiting list were the first to move into the new homes on the Friary Park estate in Acton.

Camouflage Café opens at the refurbished Moorings Social Club in Thamesmead

June

75th anniversary Windrush boat trip
Colleagues and residents joined together to celebrate the achievements of the Windrush generation with a special boat trip from Waterloo to Tilbury Docks.

Dagenham Green wins top planning award
The former Ford Stamping plant in East London won Planning Permission of The Year and Highly Commended for Best Use of Brownfield Land in the Placemaking Category.

July

Group Director of Repairs and Maintenance Neil Watts rowed 200km to raise £16,000 for St Mungo's in memory of Lord Bob Kerslake

August

Culture comes to Battersea Power Station
BLINK Dance Theatre, a grassroots, neurodiverse dance and theatre company, secured a long-term affordable home in New Mansion Square.

Young talent shines at the sixth Thamesmead Festival

New community space for Dee Park
More than 300 local people, including residents, councillors and Reading's Deputy Mayor, Glenn Dennis, came to see the official opening of the Dee Space in Reading.

September

Local apprentices help build new homes
Nearly 50 local apprentices helped us to complete 77 much-needed affordable new homes in Islington in partnership with Berkeley Group.

My Peabody extended to all residents
As of the end of March, 33,280 residents had signed up to My Peabody, our online digital service where residents can manage their account, report repairs and make payments.

New London Architecture Awards
St Ann's in Haringey, Willow Walk in Wandsworth and Fish Island Village in Tower Hamlets were all shortlisted at the 2023 New London Architecture Awards.

October

£240,000 grant from Innovate UK
We're working with Kestrix and United Living Property Services on game-changing technology to transform the way we measure energy efficiency.

Helping colleagues learn
Peabody Academy opened with 13 colleagues studying business administration or housing and property management.

Awards for Newman Place
Our 273-home project in Oxford won Best Shared Ownership Development in the Inside Housing Development Awards. Morpeth Road in Hackney was Highly Commended for Best Affordable Housing Development under £5m.

November

Holloway Park regeneration progressing
We joined with partners to see the progress on hundreds of new affordable homes and community facilities on the site of the former prison in Islington.

Tree planting in Thamesmead
Children from three schools in Thamesmead helped to plant more than 500 trees in Southmere Park.

Rose Court in Hertford, which supports young people at risk of homelessness, celebrated its 10th anniversary celebrations

Recognising the importance of sustainability
We published our first Sustainability Strategy setting out plans for the next three years as we work towards a carbon neutral future. This was closely followed by our third ESG Report, which looks at how we met sustainability targets during the year.

New homes for Rotherhithe
Work started on 62 sustainable and affordable homes in Rotherhithe on the site of former workhouse, infirmary and hospital dating back to 1746.

December

Support for domestic abuse survivors
We partnered with Waltham Forest Council and charity Furnishing Futures to create professionally designed, fully furnished homes for domestic abuse survivors.

11th Peabody Elves initiative
Colleagues helped distribute 500 food and toy vouchers and more than 60 festive hampers to residents across London and the South East.

London Food Insecurity Network
Thirty-five tonnes of food was saved from waste and shared with those that need it most as part of a pledge that no Londoner should go to bed hungry.

2024

January

New Chair Caroline Corby
A panel of five residents helped recruit our new Chair who took over from Interim Chair David Hardy on April 1 2024.

February

Recognising our apprentices at our inaugural Academy Awards

£15,000 for mental health in Thamesmead
In partnership with Greenwich and Bexley Councils, our Thamesmead Community Fund gave grants to five community projects to improve people's mental health and wellbeing.

March

Boosting local biodiversity
Thamesmead residents helped to add more than 400 new plants. The planting marks the end of a four-month long £170,000 improvement plan at Gallions lake.

Darwin Court food bank opened as the number of Londoners using food banks hit an all-time high

New homes for Oxford
Construction started at Blackbird Leys where we're building almost 300 affordable homes, community facilities and shops.

Financial *pressures*

Like all sectors, we've been working in a high-inflation, high-interest rate environment for some time. Managing the impact of this has affected the whole social housing sector, which remains financially resilient and sustainable.

Energy price volatility has added pressure on residents' costs, as well as our own, and we're doing what we can to mitigate the impact. This highlights the need for us to reduce demand for gas and electricity in our homes and find alternative sources that will reduce our carbon emissions and help us on our path to net zero.

During the year, we've been flexible and acted decisively to support residents, focusing our investment where it's needed most. We're continually seeking to improve and innovate and looking at how we can use technology, alternative financing options and partnerships to tackle some of the biggest challenges that come from outside our organisation.

Residents' finances

The most recent Peabody Index published in December 2023 found that the finances of more than half of respondents had deteriorated over the past year. Of those questioned, 46 percent described their finances as 'difficult', and the proportion of residents describing their household finances as either 'healthy' or 'about ok' is the lowest since we started the Index in 2018. We're continuing to invest in our Financial Inclusion team so they can provide residents with the right advice and support to help improve their finances and overall wellbeing.

Residents are also facing higher service charges. These increases are in line with higher costs for labour, materials and, particularly, insurance. Depending on lease and individual block arrangements, prices are often set by external managing agents who manage and control communal repairs and maintenance of a development. We don't make a profit on service charges and do all we can to ensure they are accurate and reasonable.

Meeting the consumer standards

A key priority this year has been getting ready to report on the Regulator of Social Housing's new consumer standards. These came into force in April 2024, and we have now reported our inaugural Tenant Satisfaction Measures to the Regulator for the year to the end of March 2024. This is an ongoing cross-organisational effort that gets to the heart of our values and culture.

Our strategic aims as an organisation align with the consumer standards. We're committed to providing homes that are decent, safe and well maintained, ensuring residents receive good-quality landlord services and are treated with fairness and respect. We're also working hard to ensure we're communicating well with residents, providing good-quality information and delivering appropriate landlord services.

Our local focus already places additional accountability on getting closer to residents, improving our customer service and the way we engage with residents. The consumer standards will only help strengthen our culture of putting residents at the heart of everything we do.

We have also faced increased scrutiny from the Housing Ombudsman as it seeks to protect the rights of those living in social housing. The government's 'Make Things Right' campaign, which was relaunched in October, encourages tenants to complain about poor service where repairs or complaints have not been properly resolved. We supported this campaign and advertised it to residents. We continue to work closely with the Ombudsman and have made a number of changes in response to its recommendations.

Policy environment

As well as the increased scrutiny of the consumer standards, the wider policy environment has changed over the past year. This has placed more rigorous standards on our operations and developments, but at times also affected the stability of our operating environment.

Along with G15 colleagues, we've been advocating for a more certain policy landscape to help us focus on delivering for residents and to attract investment. This applies to the rent settlement as our top priority, but also to the Affordable Homes Programme, decarbonisation and fire safety funds, and other building regulations.

Skills shortages

A stable policy environment will also help give our supply chains the certainty they need to invest in skills.

We're spending over £1m a day looking after and improving residents' homes. This includes day-to-day repairs and planned maintenance, alongside building safety work, refurbishment and retrofit. This will make residents' homes safer, warmer and more pleasant, future-proofed places to live.

But this investment relies on skilled people who work across the construction and asset management sector.

This incredible growth opportunity cannot be realised without a programme to build the skills we need to deliver these works. We've been working this year to establish the London Homes Coalition – where housing associations in London are working alongside major suppliers to measure the investment that's needed in our homes and the skillset and labour force required to deliver this investment.

Scan here
to read the full Skills Report

Looking ahead

We'll continue to work with partners, local authorities and other housing associations to help create an environment with more certainty so we can plan for the future. By working together, we have a stronger voice and can lobby government and other influencing bodies to bring in policies that better reflect the needs of our sector, and ultimately our residents.

ESG at a glance
Making decisions today for a better tomorrow

RITTERWALD commends the wide reach of Holloway Park regeneration

Holloway Park is more than a regeneration project on the site of a former women's prison. It's a carefully thought-out development that's designed to acknowledge the important role the prison played in the lives of so many, while also making a positive difference to the future of the local area.

It will have 985 new homes – 60 percent of which will be affordable, and many will be suitable for families. During the construction phase, there will be apprenticeships for local people, with the goal of filling at least 30 percent of the roles with women. And there'll be an on site 'green skills' hub offering construction training programmes. It will also have a special women's building with dedicated services tailored to the needs of local women and 60 extra-care one-bedroom homes.

There'll be a 1.4-acre park, as well as a sensory garden and specially commissioned art using things reclaimed from the prison, to honour the heritage of the site. The site will also be home to commercial spaces, including cafes, restaurants and shops.

On the environmental sustainability side, the homes will get their heating and electricity from air source heat pumps, while power to communal areas will be provided by solar panels.

The project is a partnership between several groups, including Peabody, the Greater London Authority (GLA), the London Borough of Islington and London Square.

Spending to improve

We've invested heavily to provide social and financial support in our communities, maintain and improve our homes and services, and help us on our path to net zero. By making sure our homes are safe, secure and fit for the future, we're helping improve the way residents can live their lives.

Our investment in communities helps provide much-needed advice and support in local neighbourhoods. We provide grants and access to people with experience of running local projects so residents can work together to make a positive difference in their community. And by talking to them and working together, we're able to make sure we're providing what residents and communities really need.

We keep rents at affordable levels, making sure our homes are available to those most in need, and offer additional help where appropriate through our Care and Support services. The 20 percent social value weighting we've added to new external contracts over a certain level, ensures not only that we're working with organisations who share our values, but that we're adding value in ways outside our own means. (See more from page 26.)

Staying true to our mission

During the year, we published our Environmental Sustainability Strategy 2023-26 and our Sustainability Action Plan. These look at our journey to net zero and outline how we plan to get there, as well as the benefits the changes will bring to residents. Whether it's lower energy bills, more diverse outside areas or increased community support, our focus on sustainability means we're working today for a better tomorrow.

We published our third ESG Report detailing our performance against the 48 metrics set out in the Sustainability Reporting Standard for Social Housing. And we received our third Certified Sustainable Housing Label (CSHL) accreditation from RITTERWALD, with a special mention for our Holloway Park regeneration project in North London.

These reports and accreditations help keep us true to our mission of providing sustainable places, but also help show others that we're serious about creating a sustainable Peabody.

During the year, we also worked on a new Community Investment Strategy, looking at how we can use our expertise to work together with residents and partners to make a positive difference in the communities we serve. Implementing this will be a focus for the coming year.

Scan here
to find out more about sustainability at Peabody

Sustainability is at the heart of what we do. We're passionate about residents, their homes and their communities, and we know that the impact we have socially, environmentally and economically matters. That's why creating a sustainable Peabody is one of our key priorities.

Environmental

We've laid out our plans to become a net zero organisation by 2050. We're improving the energy efficiency of our homes, increasing the diversity of our landscapes and reducing our energy and water usage. We're also shrinking our carbon footprint and making better use of our data to target improvements and ensure value for money. Everyone has a role to play in this journey, and we're working with colleagues, residents and partners to achieve lasting positive change together.

78.6%
of our homes rated EPC C or above

£400
potential annual savings per resident thanks to home improvements

Trialling new drone technology to test energy efficiency and help target home improvements **(see page 23)**

Social

The cost-of-living remains high and many people are still feeling the impact. Our latest Peabody Index found that a quarter of those surveyed had gone without food because they couldn't afford it. At £137 a week, our rents are significantly lower than the private rental market. We invested £10m in our communities, providing support, advice and activities to help residents. We're also listening to residents through local workshops and co-design sessions to make sure we're providing the services they need in their neighbourhood.

£10m
invested in our communities

29
food pantries across London

48,000
hours of free activities for residents

1,204
affordable homes built

Governance

Our Board, committees and leadership team bring a wide range of skills, experience and knowledge to their roles. Together, they combine their passion for our purpose with the need for a strong focus on performance. They ensure we have robust governance arrangements which are fit for purpose and strong internal controls.

We're committed to achieving greater diversity on the Board and are working to ensure our colleagues and leadership reflect the heritage of residents.

Fully compliant with the Regulator for Social Housing

G1
rating for governance

Making progress on our business plan

During the year, we've focused on delivering integration, setting up our local approach, getting the basics right, and investing in residents' homes.

Our goals

Deliver safe and secure homes and services that are easily accessible and reliable

Support and develop our colleagues to put residents first

Create a sustainable and resilient organisation

Strategic priorities

Getting the basics right

We're focused on what residents tell us matters most to them. We're investing in their homes, delivering a more effective repairs service and providing simple and easy access to services. By working closely with individual neighbourhoods and improving how we use technology and data, we're learning how to get things right.

Read more on page 14

All about people

We are a people organisation with equality, diversity and inclusion at our core. We listen to residents and work together with them and our partners to provide homes, services and support so everyone can develop and grow together. We value our colleagues and foster a culture where everyone can bring their whole self to work.

Read more on page 18

Sustainable Peabody

We're passionate about creating a sustainable Peabody, working together with residents, colleagues and partners to make sure everyone plays their part for the future. We're committed to improving existing homes, developing new social homes and investing in communities, always looking at the future of the whole neighbourhood.

Read more on page 22

Our enablers

1. We put residents first underpinned by our values and behaviours.

2. We're visible in local communities and bring the human touch to our customer experience.

3. We're easy to do business with and offer residents a better experience and make it easy to interact with us.

4. We use data to inform our decisions and to run an efficient and effective organisation.

Our foundations

- Effective compliance
- Value for money
- Investment, treasury and tax
- Technology

Getting the basics *right*

£371m
spent on residents' homes

232,447
repairs carried out

We recognise that our services need to improve. So we're changing the way we work to deliver locally focused services. We're spending £1m a day maintaining and improving existing homes and aligning our energy efficiency improvements with planned maintenance work to ensure value for money. We're working closely with residents to make sure we have local plans which are relevant and meaningful within their neighbourhoods. We know this will take time, but we're committed to delivering great services, treating residents with dignity and respect and regularly sharing our progress with them.

Residents at the heart

To help us do this, during the year we implemented a refreshed structure for resident engagement and partnership across the organisation. We formed a Co-Design Action Group to revamp our approach, and a new Complaints Panel reviewed our response to the Ombudsman's findings, leading to improved processes. We held co-design sessions to get feedback on services like our Contact Centre and encourage more local residents to get involved. Around 300 residents attended regional listening events, and we consulted over 5,000 residents on rehousing, using the feedback to inform improvements to our processes. Responding to resident feedback, we renamed the Contact Centre (formerly Customer Hub) and adjusted its hours. Residents also played a key role in selecting new repairs contractors and developing building safety strategies.

Residents are even helping us with our communications. In one example, we worked closely with a group of residents to make sure a letter about rent increases was written in a way that was useful and sensitive to residents' needs. To help with this, one resident recorded their story about how the rent increase would affect them and shared it with members of our team. We then worked with other residents to decide how the rent increase letter should be written and make sure we explained what was happening clearly and in the right tone.

Investing in our homes

During the year, we spent £371m on residents' homes. This includes £171m on repairs and maintenance and a further £200m on improvements. As many as 78.6 percent of our homes currently have an energy efficiency rating of EPC C or above. Increasing the rating reduces our carbon footprint and lowers bills for residents.

Our Repairs team completed 232,447 repairs, with satisfaction at 80 percent, according to our transactional repair satisfaction survey. And we made tackling damp and mould in residents' homes an absolute priority, with a dedicated team to deal with issues and proactively review homes at highest risk of damp and mould-related condensation.

Ahead of new Building Safety Act regulations beginning in April 2024, we developed new policies, procedures and strategies for high-rise building safety and resident engagement. We successfully integrated our compliance management systems in January, and onboarded all maintenance contractors from our merged housing association onto Peabody's systems and processes. We also consolidated all the contact centres under one number with aligned hours.

Looking ahead

Looking ahead, we're working closely with our newly formed Resident-Led Panel, hosting events celebrating diversity to hear under-represented voices, and rolling out regional forums aligned with our Community Investment Strategy. Through these initiatives, we're demonstrating our commitment to shaping services based on resident input.

"Forming a Resident Association has brought everyone in our block together in a really positive way."

Listening to residents
Residents at Mural House in Southwark were concerned about the lack of communication and response to complaints. We worked with them to address their concerns and make a plan to deal with them. Residents now have direct access to key staff and can arrange meetings themselves. We also gave them money to set up an independent residents group and supported them to start community initiatives such as an allotment.

"Forming a Resident's Association has brought everyone in our block together in a really positive way. We've been able to get to know one another better through the RA meetings and socials, and it's enabled us to work collaboratively to tackle problems. We've used the start-up grant to begin work on a communal vegetable patch, and we have a louder and stronger voice to address concerns and issues we have with Peabody."

Mural House Tenant and Resident Association

Resident satisfaction

During the year, resident satisfaction remained relatively steady with 58 percent of low-cost rental residents saying they are satisfied with the overall service we, their landlord, are providing. The figure is considerably lower among shared owners at 27 percent. This equates to an overall satisfaction score of 52 percent. (These Tenant Satisfaction Measures are for the whole Peabody Group and include Town & Country Housing.)

We are addressing these issues through our locally focused services and transformation plans. We've also created a new Home Ownership team to improve for our shared owners and leaseholders.

Our focus now is on improving how we listen to residents and act on their feedback, with the aim of boosting overall satisfaction over time.

	Satisfaction level of Peabody residents in low-cost rental accommodation	Satisfaction level of Peabody residents in shared-ownership accommodation	Combined
Overall satisfaction	**57.7%**	**26.6%**	**52.4%**
Repairs satisfaction	**62.6%**	**NA**	**62.6%**
Home is well maintained	**60.9%**	**NA**	**60.9%**
Peabody listens and acts on views	**50.1%**	**20.2%**	**45%**
Satisfied with complaints handling	**27.7%**	**10.4%**	**24.3%**

Tenant Satisfaction Measures

In April 2023, the Regulator of Social Housing introduced Tenant Satisfaction Measures (TSMs) aimed at helping improve the standards for people living in social housing. We submitted our figures to the Regulator for the first time at the end of June 2024 and will continue to do this annually.

The figures help us to understand what we're doing well and where we need to improve.

We know that some of our figures are not good enough and we're already working hard to improve the way we engage with residents and deliver services locally. We're also investing substantially in our homes and communities, with a particular focus on ensuring they're safe and fit for the future. By listening to residents, investing in our homes and communities, and taking action to deliver better locally focused services, we hope to continuously improve.

Scan here for more about our TSMs

Main priorities of our Complaints Improvement Plan

Improving how we communicate with residents

Assessing the quality of our data

Increasing the transparency and accountability of our repairs service

Training colleagues to respond better to residents' queries

Ensuring effective oversight and continuous improvement to inform decision making and meet regulatory standards

Improving contact

Making it easy for residents to contact us is a key priority, as is reducing the time it takes for them to get through to our Contact Centre. My Peabody, our web-based portal, allows residents to book and track repairs, view statements, make payments and much more at a time convenient to them. More than 33,280 people, equal to 30 percent of all households, are now registered to use the system, and we are looking to increase this further.

Looking ahead

We're committed to continually improving our services and ensuring residents' needs are at the centre of everything we do. We're targeting an eight-minute average call response time based on resident feedback. We've also set goals to digitise 10 percent of repairs and get 40 percent more residents registered on My Peabody.

Complaints

Providing a better repairs and complaints service for residents was, and continues to be, a big focus.

During the year, complaints rose by 85 percent, with more than half of the total relating to repairs. The increase aligned with the government's 'Make Things Right' campaign, which encouraged residents to report issues with their home or landlord. We expanded our Complaints team to help address the rise, adding 30 new colleagues.

We carried out 232,447 repairs during the year, with the majority relating to leaks, damp and mould.

We know we can do better and are working hard to turn things around. In August, we commissioned an external review to assess the effectiveness of our complaints process. It recommended improvements in six areas: Board oversight, repairs, record keeping, proactive reporting, communications and how we share learnings across the organisation. We used these, and feedback from our own Customer Satisfaction Survey, to design a comprehensive Complaints Improvement Plan. The plan seeks to address the root causes of complaints and improve oversight and scrutiny across our operations.

We're also addressing the speed at which we respond to complaints. During the year, we responded to 56 percent of stage one complaints within 10 working days. Our response rate was affected by the overall increase in the volume of complaints and capacity of our team to cope with the demand. We're aiming to improve this to 80 percent in the coming year.

All about people: Residents and their communities

£10m	£200,000	48,000
invested in our communities	in grants given to local organisations	hours of free activities

We're putting local people at the heart of our community investment. We're talking and listening to residents and those in our communities so we know what they need and can deliver the right support and services.

During the year, we delivered our 'Closer to Communities' programme of place-based investment aimed at helping communities become healthier, wealthier and happier. We formed a Co-Design Action Group to change the way we work with, and listen to, residents. And we set up a Resident-Led Panel to work with our Resident Engagement team to help improve services and performance.

Financial support

The cost-of-living-crisis continues to severely impact residents, especially during the winter months. We're still seeing high demand for our financial inclusion services and have increased our critical support provision, which offers energy advice and fuel vouchers.

During the year, our Financial Inclusion team received almost 2,400 referrals and increased residents' income by £2.2m. We also provided warm clothing and food hampers through our 'Winter Warmers' and 'Keep Warm Hampers' campaigns.

Empowering residents and communities

Our aim is to make a positive impact in people's lives and to provide residents with the support and advice they need to prosper. This year, we invested £10m in our communities, including giving £200,000 in grants to local organisations to run their own activities. We offered over 48,000 hours of free activities, including health, education and language classes. And we opened two new community spaces in Reading and Clapham Junction. Events with partners raised more than £132,000 to invest in community programmes.

During the year, the Thamesmead Community Fund provided £64,548 to help grassroots projects in the town. In April 2023, we opened our new community building and library, the Nest, which was visited by 61,864 people in its first year. We held 763 hours of activities and sessions for residents and local people at the centre, which also hosted several weddings and other milestone events. Almost 300 children attended the local holiday club, receiving free hot meals.

Building strategic partnerships

We partner with local authorities to tailor services to each community's needs. We have a 20 percent social value weighting requiring all significant suppliers for new contracts to demonstrate clear social and economic benefits to residents and communities, as well as delivering quality and value for money.

Our supply chain partners supported resident programmes like the Christmas Elves Appeal, which helped nearly 500 families with food and toy vouchers over the festive period.

Looking ahead

We'll use our community presence and knowledge to create tailored plans for each region and increase the positive impact we make in people's lives. We'll expand partnerships with local authorities, the voluntary sector, stakeholders and our supply chain to bring more services and social value to communities. We'll also use national and regional partnerships to bring essential skills and funding. Everything we do, we'll do in partnership with residents.

Enough food for 80,000 meals saved from waste.

The London Food Insecurity Network – £121,000 of food saved from waste and given to Londoners

Thirty-five tonnes of food, enough for 80,000 meals, was saved from waste and given to Londoners in need over the Christmas period thanks to the London Food Insecurity Network (LFIN).

The LFIN gives struggling social housing residents in London access to more and better food, so no one goes to bed hungry. This is particularly important in the current environment where our latest Peabody Index showed that almost a third of those surveyed have a household income of less than £20,000.

We worked with The Felix Project, HACT and other housing associations to hold 76 winter food market events across the capital. Local people could stock up on fresh food and store cupboard ingredients and socialise in a warm and welcoming environment.

The winter markets were welcomed by residents, with one saying it hadn't only helped them "massively financially", but also mentally, as "chatting to people in the queue really cheered me up too".

Valuable support

A resident in Wandsworth was struggling to pay her gas bill. Our Financial Inclusion team helped her apply for a grant, only to find that she'd been missing out on £66 a week in pension credit since her partner died of Covid. When she received the £10,296 owed to her, she was very happy and said: "I could probably have the heating on every year for life now!!"


Credit: Getty Images

How we perform on equality, diversity and inclusion:

Mean gender pay gap:
13.1%

Mean gender bonus gap:
27.3%

Median gender pay gap:
5.6%

Median gender bonus gap:
23.1%

Mean ethnicity pay gap:
12.1%

Mean ethnicity bonus gap:
44.9%

Median ethnicity pay gap:
-1.1%

Median ethnicity bonus gap:
23.1%

(These figures are for the year to the end of March 2023 – the latest period for which figures are available.)

All about people: Colleagues

Workplace culture where every colleague feels valued, respected and empowered

Peabody Academy helps colleagues learn and develop

Wide range of colleague networks promoting inclusivity and raising awareness

We're fostering a workplace culture where every colleague feels valued, respected and empowered to bring their whole self to work. Our focus on creating an inclusive organisation reflects our dedication to attracting and retaining the best and most diverse talent.

We've made significant progress in reducing colleague turnover to 11.6 percent a year and increasing leadership diversity to 17 percent, but we know we have a lot more work to do in this area.

We have a wide range of colleague networks, such as family, gender and LGBTQ+, all aimed at raising awareness. And our colleague forum gives people across the organisation the opportunity to influence things that affect them. Use of Workplace, our employee social network, has doubled over the past year to about 2,000 weekly active users.

Learning and development opportunities

Through our Peabody Academy, we provide valuable learning and development opportunities for our colleagues. We started delivering apprenticeships in October 2023 with 13 colleagues studying programmes in either business administration or housing and property management. At the end of March 2024, 16 colleagues were enrolled on the programme.

Looking ahead, we plan to enrol 100 apprentices in the coming year, adding programmes such as people management and care worker skills, as well as offering functional skills like English and maths.

Fostering a positive culture

Our ongoing culture programme, informed by feedback from stakeholders, is shaping priorities for the future. And we're bringing in a Peabody-wide campaign to shift the culture of our organisation, underscoring our commitment to a supportive and inclusive work environment.

Diversity targets and colleague engagement

We maintain ambitious diversity targets for our Group Board and leadership roles, with targets set at 30 percent to maintain our commitment to a diverse workforce and leadership team. These efforts are supported by our comprehensive Equality, Diversity and Inclusion (EDI) Strategy, which includes initiatives like mixed interview panels and the G15 Accelerate programme.

Our latest gender and ethnicity pay gap report shows that we still have considerable work to do.

Our mean gender pay gap was 13.1 percent and our mean ethnicity pay gap 12.1 percent. Reducing these gaps is not only fundamental to who we are as an organisation, but it will also help us attract and retain a skilled and diverse workforce.

Scan here
for our gender pay gap report

Scan here
to see our EDI Strategy

Fostering a culture of lifelong learning, curiosity and progress.

Academy Awards – celebrating success

In February, we celebrated the achievements of eight winners at our inaugural apprenticeship awards. The event highlighted the invaluable benefits apprenticeships bring and showed how the Academy fosters a culture of lifelong learning, curiosity, and progress at Peabody.

From the garden centre to the building site, Roselie's apprenticeship gave her the perfect grounding

After studying for an apprenticeship in Business Admin Level 3, Rosalie Pring is now working as a permanent Customer Care Coordinator and really enjoying what she's doing. Studying alongside work isn't always easy, but Rosalie's in no doubt that an apprenticeship is a great way to kick-start your career, or even change your existing one.

"I've picked up so many transferable skills," she says, adding that while she'd never imagined herself donning a hard hat and steel toecap boots to visit a building site, she learnt a lot from shadowing a range of different teams.

"If you're starting out or thinking of changing jobs, do it as soon as possible. Experience matters, so working while you get a qualification – and no student debt! – is a good place to start."

Sustainable Peabody

78.6%
of homes rated EPC C or above for energy efficiency

3,000
A-rated boilers installed to reduce residents' heating bills

£25m
being spent improving the energy efficiency of thousands of homes in SHDF wave 2

Sustainable homes

Increasing the energy efficiency of our residents' homes is essential if we're to reach our net zero goals. 78.6 percent of our homes are now rated EPC C or above, with an average Standard Assessment Procedure (SAP) rating of 73.71. The higher the ratings, the lower the fuel costs and associated emissions of carbon dioxide. During the year, we completed the upgrade of 56 homes in Islington with the help of a grant from the first wave of the government's Social Housing Decarbonisation Fund (SHDF). By installing roof and wall insulation and new windows, we've not only significantly lowered carbon emissions, but also reduced residents' energy bills. Work has now started on the second wave which will improve a further 6,500 homes. A total of 24,386 homes, which are currently below EPC C, are earmarked for improvement as part of our planned maintenance programme.

We fitted new electric vehicle charging points in line with our plans to electrify our vehicle fleet by 2030, bringing our total number of estates with EV charging points to 31. We replaced 3,000 boilers with A-rated models, replaced 150 Heat Interface Units, brought the combined heat and power units at an estate in Lewisham back online and started a programme to upgrade very old boilers at an older person's housing complex in West London. We also upgraded 1,063 windows to double glazing, helping to keep warmth in residents' homes. But we won't meet our goals through retrofitting alone, so we're looking at other ways to make our homes more sustainable. We currently have 220 heat networks. Improving the efficiency of these will reduce our emissions, the quality of energy we procure and fuel bills for residents. As technology develops and communal boilers come to the end of their lifespan, we'll look to install a low-carbon energy centre plant to reduce our emissions.

Sustainable finance

We have five sustainability-linked loans that provide cost savings tied to achieving social and environmental objectives. These include improving the energy efficiency of residents' homes (currently at an average SAP of 73.71), increasing the number of employees in the leadership team from a BAME background (currently at 20 percent), and developing new affordable homes (during the year we built 322 homes for social rent, 91 for affordable rent, 313 for London Affordable Rent, 16 for intermediate market rent, 478 for shared ownership, and 161 for market sale). The measures also include increasing the number of new estates with at least one electric vehicle charging point (currently 31) and maximising residents' income (known as income maximisation outcomes) by helping them apply for the relevant benefits, improve their skills, and find work or increase their working hours (1,323 residents helped during the year). Our Sustainable Finance Framework sets out how we plan to use the proceeds to help achieve our main objectives.

Looking ahead

Passive house standards are widely accepted by the industry as the standard to aim for. They cost about 90 percent less to run than a regular building and 75 percent less than a typical new home. So we're designing all our new schemes to meet passive house standards. We then assess the costs and decide if the scheme is viable. We recently announced plans for one of the largest single-phase passive house projects in the UK at Deptford Landings in South East London. Residents will benefit from reduced energy costs and a significant improvement in comfort and air quality.

Carbon footprint

Decarbonisation represents an opportunity to re-evaluate business processes to reduce our carbon footprint and be more efficient. So we're working hard to make homes more energy efficient, enhance the diversity of green spaces and encourage individuals to do their bit.

During the year our carbon footprint (scopes 1, 2 and 3) increased. This is due in part, to the emissions associated with the extra maintenance and retrofitting work we carried out on residents' homes, better access to data and the addition of some TCH homes that weren't previously included.

Our scope 1 emissions – direct emissions from our operations and activities – rose 11 percent during the year. Our scope 2 emissions – indirect emissions from our operations, jumped 22 percent, while our scope 3 emissions – those associated with our supply chain, basically other people's scope 1 and 2 emissions, were up 2.9 percent.

Looking ahead

In April 2024, we started work to establish our levels of climate risk and opportunities using the International Financial Reporting Standards (IFRS S1 and S2) methodology. We're also assessing the carbon reduction plans of the top 15 percent of our suppliers.

Using drones to help our greener homes programme in Potters Bar, Hertfordshire

With financial pressures coming from all angles, it's essential that energy efficiency improvements are made to the homes that will benefit most. So we've partnered with Innovate UK and start-up Kestrix to pilot cutting-edge thermal imaging technology to help us identify the homes that need upgrading.

State-of-the-art cameras fitted to aerial drones take pictures that show the surface temperature of the building. Then, with the help of artificial intelligence (AI) software, we're able to determine the existing levels of heat loss and what improvements need to be made.

This not only saves time and helps us prioritise our retrofit activities, but ultimately helps us achieve our goals of lowering residents' energy bills (by as much as £400 a year) and reducing our carbon footprint.

Sustainable Peabody

Sustainable places and new homes

1,381
new homes completed

88%
were for social, affordable or intermediate market rent or low-cost ownership

5,800
homes under construction

We're continuing to deliver new homes where we can, to help tackle the housing emergency in London and the South East.

We prioritise building in local areas where we already own and manage homes and make sure that we add long-term value to all communities. By delivering new homes and attractive open spaces, we're unlocking social value and economic benefits, as well as delivering wider environmental improvements.

Building social and affordable homes

During the year, we completed 1,381 homes. Of those, 322 were for social rent, 313 were for London Affordable Rent, 91 were for affordable rent outside of London, 16 were intermediate market rent and 478 were for low-cost ownership, including shared ownership, shared equity and rent-to-own or buy. 161 were for market sale, helping to fund social homes in the future.

Of the total built, 67 received an energy efficiency rating of EPC A. The rest met our target of EPC B.

We have 5,800 homes currently under construction and a pipeline of more than 6,000 homes on land we already own. We have a masterplan to build a further 15,000 new homes at Thamesmead and are currently working with the government and other partners to explore ways of funding this pipeline.

Regeneration is important to us as we focus on the bigger picture of providing affordable homes where people want to live and can thrive. We're leading the regeneration of several estates, from inner-London neighbourhoods such as Wornington Green in Kensington and St John's Hill in Wandsworth through to areas outside the capital like Blackbird Leys in Oxford. Across them all, we're taking a whole-place approach, looking at the different elements needed to create not just homes but also communities.

Biodiversity and sustainable places

We're doing what we can to improve residents' access to green space and regenerate local ecosystems. By focusing on creating sustainable places, we're improving biodiversity, engaging residents in sustainable projects and helping to improve everyone's health and wellbeing. We're also making sure we get the basics right by providing safe, secure and affordable homes in places people want to live.

We continue to carefully manage the 1,200 hectares of open space we own. This includes more than 55,000 trees, grazing marsh, canals, lakes, woodlands and 14 sites of nature conservation interest. We've started two biodiversity pilot projects, formed a biodiversity group to improve working practices and are delivering on our Living in the Landscape strategy at Thamesmead.

Going forward, all new developments will improve the quality or quantity of the surrounding natural habitat by at least 10 percent in line with new planning regulations. And we'll put in place plans to manage the habitat for 30 years.

Scan here

to read Living in the Landscape, our long-term plan for Thamesmead

Thamesmead

Our work in Thamesmead, where we own two-thirds of the town, including more than 5,600 homes, is a blueprint for our whole-place approach. We've been working with communities and partners since 2018 to improve, grow and look after the town for the long-term. We split our work into five key themes:

- Town management.
- Building new homes and improving old ones.
- Improving and enhancing the landscape.
- Making Thamesmead a home for culture.
- Supporting communities to thrive.

Elsewhere across the town we continue to develop and deliver dozens of plans, projects and programmes. And we're now looking at how we can apply the same principles to help us create sustainable neighbourhoods elsewhere.

Maintaining momentum

Building on the work we've already done in Thamesmead, the priorities for the second five-year plan for 2023-28 are:

- Delivering ongoing training for our environmental services colleagues to work as horticulturalists.
- Encouraging local people to help develop health and wellbeing programmes and cultural activities across the town, including the Thamesmead Festival which attracted a record 8,000 visitors in summer 2023.
- Continuing the regeneration of South Thamesmead, where in 2023 we began groundworks for the construction of 329 new homes.
- Completing our £4m South Thamesmead Garden Estate programme, co-designed with the community to transform three hectares of under-used green spaces into flourishing parkland.

Everyone's involved in improving blue spaces in Thamesmead

In February, local residents and school children helped plant more than 400 plants in and around Gallions Lake in West Thamesmead to help increase the biodiversity of the local landscape. They helped choose the plants – all of which are native to Thamesmead – and used them to create a new wetland system. Together the chosen species, which include Forget-Me-Not and Yellow Iris, will provide food, cover and habitat for a range of wildlife, as well as help attract pollinators like bees, birds and moths.

Thamesmead is home to 7km of canals and five lakes. The recent £170,000 improvements at Gallions Lake add to the 1,100sqm of floating reedbeds that Peabody has created in many of these areas. "This type of co-creation and collaboration with the community is an extension of the wider work we've been doing in Thamesmead over the past few years," said Jack Gower, Peabody's Landscape Activation Manager for Thamesmead.

Residents have been "involved in a range of exciting activities like tree planting, landscape design and stewardship of community gardens."

Sustainable Peabody

Sustainable communities

Working with partners to save residents money on their energy bills

Boosting residents' earnings potential with careers advice and access to post-school education

Helping generate £12m of social value in communities through our suppliers

Doing the right things for residents

Our Peabody Community Foundation plays a critical role in providing support to residents and the communities in which they live. Our aim is to build, grow and support communities that are strong and resilient so that residents learn to use and adapt their own skills so they can flourish.

We work with households to save money and boost their income, using partnerships such as those with Pocket Power and Local Energy Advice Partnership (LEAP). During the year, we referred 376 people to these services, including 204 people who saved on average £233 each as a result of advice from Pocket Power.

We work closely with local and national organisations to maximise our impact. And we speak to residents as much as possible to make sure we're targeting areas where the need is greatest.

We offer help to people looking for work, inspiration on their next career step and advice on how to improve their qualifications. During the year, we worked with partners like Career Ready, who've helped more than 2,700 young people since 2021 explore their career options. And we worked with YouthBuild UK, who've helped hundreds of 18-24-year-olds gain new qualifications and skills in construction, as well as providing pastoral support and mentoring.

We also support residents who are struggling to pay for food. We now have 29 food pantries across the capital, including the Cook for Good Community Kitchen and Cafe in Islington and Food Pantry at Darwin Court in Southwark. All the locations provide free or discounted food for local people, as well as an opportunity to meet other locals and maintain residents' mental wellbeing.

Supporting our communities

This year, 26,275 people benefited from our care and support services. We play an important role in helping people with care and support needs to gain stability and skills, achieve independence, improve their quality of life, stay safe, and flourish.

Our specialist homes provide support to help people with their daily challenges, preparing them for a more independent future. We also work with over 40 local authorities and NHS Trusts and the ongoing cost of living crisis has shown how crucial these services are.

During the year, we've transformed our services following the merger and modernised our ways of working. Our teams have shown adaptability and commitment to collaboration, learning, and our customers. As a result, we've secured several new contracts and renewed existing ones, reflecting the impact of our services.

Creating social value

In 2022, we implemented a 20 percent social value weighting requiring all significant suppliers of new contracts to demonstrate clear social and economic benefits to residents and communities, as well as delivering quality and value for money. This year, the programme's first full year in operation, it generated more than £12m of social value. This included things such as suppliers taking on apprentices, financing a hardship fund and supporting careers events for young people.

During the year, we also continued to work closely with our partners, including local authorities, the voluntary sector and other stakeholders who share our values and want to help make a positive impact. Together we're bringing more services to a wide range of communities, using our expertise to help empower residents and communities to shape and drive change.

Darwin Court food bank provides much-needed support

The Darwin Court food bank in Southwark provides an essential service for about 90 residents each week, with the ages ranging from 16 to 94. Thanks to partnerships with Purdy, one of our maintenance contractors who's helping fund the project, and charities, The Felix Project and City Harvest who provide food donations, residents are able to pick up cupboard staples such as eggs, milk and bread.

For many (160 families are registered) it's also a chance to get out of their homes, meet their neighbours and have a chat.

With living costs continuing to rise and a reported 385,000 people using food banks last year, services like this are an important part of our commitment to providing help and support so residents can flourish.

It's never too late to learn

Billy Bennett isn't shy to admit he should have worked harder at school. At 23 years old, he's just passed his maths GCSE and says it was much harder to do now while working. But thanks to one of our partners, YouthBuild Ventures UK, Billy has had the chance to prove it's never too late to learn.

Billy, who grew up in Abbey Wood in Thamesmead, works four days a week as an apprentice electrician on a construction site for homebuilder Durkan. He spends one day a week at college working towards a functional skills qualification – designed to help people develop their essential maths, English and ICT skills.

Billy is now on track to become a qualified electrician. And while he's not in any hurry to leave the security and support of his trainee role, he's excited by the potential his apprenticeship has given him.

"By the time I'm 40 I want to be higher up the ladder," he says when asked about the future. "I now know that things don't just get given to you. You have to show that you're willing to work hard for what you want."

Asked if he'd recommend doing an apprenticeship: "Definitely," he says. "It's so worthwhile."

Town & Country Housing (TCH)

The financial year started with an exciting period of growth as we completed the merger with Rosebery Housing Association and the transfer of five extra care schemes from Rapport Housing and Care. During the year, we've learnt from each other and combined the best of our approaches and practices to create a new, cohesive organisation.

Combined, TCH now employs more than 350 colleagues and supports residents in over 13,600 properties in four counties across the South East.

Supporting residents

During the year, our Tenancy and Money Support team helped more than 1,000 residents to either write-off or restructure a combined £173,079 of unmanaged debt into affordable repayment agreements. The team also helped residents access a range of internal and external funding.

The team provides valuable support to the Income team, which, thanks to its proactive and personalised approach, was able to collect 99.37 percent of rents, with just 1.1 percent arrears outstanding.

Creating communities

Our Community Safety team dealt with 837 new cases of antisocial behaviour, closing, on average, each case in 70 days. This compares with a target of 75 days.

We've also been proactively supporting communities through our community investment work. We spent just under £83,000 on community activities and projects, as well contributing significant social value through our partner contractors.

Continued growth

During the year, we let 736 homes to households in need, 140 of which were new homes.

We're continuing to develop new homes through our Showfields project in Tunbridge Wells, where we're replacing 110 older properties with 146 modern, affordable homes. We've helped all residents in phase one of the development find a new home before the work begins.

Resident scrutiny panels

The Kent panel conducted independent investigations into our community safety service and our approach to damp and mould, while Epsom's scrutiny panel looked at complaints. Each have made recommendations for service improvements to our Board that have directly impacted the way we provide and plan services.

We've developed a new resident engagement strategy to make sure that residents shape our services at both an operational and strategic level. We've already consulted with more than 500 residents, who gave us their feedback to help shape the future development of our estate services work.

Change at the top

Bob Heapy, our Chief Executive, left TCH in April 2024 after 13 years at the helm. Colin Lissenden, who has been with TCH for 24 years, most recently as Development and Property Director, was appointed Managing Director and is building on Bob's approach to ensure we continue to help people flourish across our communities.



Getaway Garden

This Dover-based initiative is billed as 'a place where people and plants can grow'. It aims to support wellbeing and learning in a calm environment, and is a joint project between Dover Counselling Centre, TCH, Dover District Council and Future Skills.

TCH has helped to fund and support the initiative in various ways, including colleagues using Peabody Promise Days to volunteer at the site.

The project has also been supported by TCH Repairs who donated scaffold boards that have been turned into planters, a skip, gardening tools and other useful equipment.

Swale provided plumbing expertise and George Jones provided £15,000 of electrical works as part of their social value contribution.

Hospital Discharge Service

NHS Trusts can refer any resident to our Hospital Discharge Service if they need help preparing their home for their return following a hospital stay. Our support can be minor or more involved.

While the initial referral was for a deep clean, it soon became clear that more support was needed. The resident's home had no heating and a family of 15 cats had caused extensive damage throughout. Once our team had built up trust with the resident, we were able to work with partner agencies to secure funding and make the home safe for her return.

Our 2024 *performance*

	Providing safe, secure and sustainable homes	Providing a satisfactory landlord service	Responding to complaints in a timely manner
Our performance	2024 spent £371m 2023 spent £356m	2024 58%* 2023 58%	2024 56%* 2023 54%
2024 progress and 2025 outlook	Maintaining and improving residents' homes was one of our key priorities during the year. We carried out routine repairs and maintenance, alongside building safety upgrades and energy efficiency improvements. This ensured value for money and minimal disruption for residents. We spent £171m on routine repairs and maintenance, £50m on building safety, and £150m improving the condition and environmental performance of residents' homes. This included things like installing new kitchens and bathrooms, replacing windows and boilers and adding insulation.	Residents were most concerned about us listening to them and responding to their requests. They also felt that some of the systems and processes didn't meet their needs. During the year, we focused on addressing these issues, working hard to improve the way we engage with residents and deliver support and services locally. We held co-design sessions to get feedback on services like our Contact Centre, which led to us changing its name and adjusting its hours to suit residents. We also held regional listening events and consulted residents on rehousing and other issues. We implemented programmes to improve our repairs and complaints processes and will be working through these and tracking our progress against specific targets into 2025 and beyond. * Satisfaction amongst residents of social rented homes.	Our response rate was affected by the overall increase in volume of complaints – up 85 percent over the year – and the capacity of the team to cope with demand. The main focus of the complaints (51 percent) was repairs, and in particular issues relating to leaks, and damp and mould. We take complaints seriously. We've expanded our Complaints team and are implementing more than 80 initiatives as part of a Complaints Improvement Plan, prioritising damp and mould repairs and streamlining processes. * Responded to within 10 working days.
Key risks	Failure to provide safe, secure and sustainable homes.	Failure to provide an acceptable service to residents, and the possibility of not meeting the regulatory requirements of the newly introduced Tenant Satisfaction Measures.	Failure to provide an acceptable service to residents, and the possibility of not meeting the regulatory requirements of the newly introduced Tenant Satisfaction Measures.
Link to strategy			

Strategic objectives

Getting the basics right | **All about people** | **Sustainable Peabody**

Investing in our communities so residents can flourish

2024 £10m

2023 £10m

During the year, we continued to invest in our communities, providing locally focused support, advice and activities tailored to residents' needs. This included giving grants to local organisations, opening two new community spaces, providing emergency financial and food support, and working with partners to offer education and career advice. Going forward, our aim is to continue to help residents become healthier, wealthier and happier by supporting wellbeing, tackling poverty and helping people feel connected to their community. We're focusing on collaborative working, partnering with residents and other organisations to shape and drive positive change.

Not being able to support our communities.

Board diversity

2024 23%

2023 21%

We're working hard to increase the diversity of the Board and leadership team. We have two resident Board members who represent the views of residents and help make sure their voices are heard. Our communities are made up of people from a wide range of different backgrounds and we're committed to increasing the diversity of our Peabody colleagues to reflect this. During the year, we set up a Co-Design Action Group to change the way we work with, and listen to, residents, and a Resident-Led Strategic Panel to work with our Resident Engagement team to help ensure we take on a wide range of ideas and opinions and are as inclusive as possible.

Failure to have a diverse Board which represents the communities we serve.

Building new affordable homes

2024 1,204

2023 1,874

Eighty-eight percent of our newly built homes were for affordable rent and shared ownership. Higher interest rates and increasing cost pressures mean we're having to be prudent in where we spend our money and, in some areas, focus first on improving our existing homes. We're still committed to building new affordable, sustainable homes to help alleviate the housing crisis and are investigating the most efficient ways to fund this, working with government and other partners.

Failure to effectively manage cost pressures, hindering our ability to build new affordable homes.

Improving the energy efficiency of homes to EPC A-C

2024 78.6%

2023 77.9%

During the year, we continued to invest in energy efficiency improvements alongside routine maintenance, spending £1m a day on our existing homes. We completed the first wave of the government's SHDF, improving the energy efficiency of 56 homes in Islington. Work has started on the second wave, which will improve a further 6,500 homes. We also replaced 3,000 boilers, replaced 1,063 windows and fitted new charging points on our estates.

Failure to improve our data and prioritisation capacity, and to find the right skills to carry out the required work. Rising costs and a lack of consistency and clear guidelines in funding opportunities.

Working together with our *partners*

Government

We saw housing move up the political agenda this year with a strong focus on standards, repairs, damp and mould, and complaints. We now have a new government, but the housing crisis continues, and we must do everything we can to make sure housing remains firmly on the agenda. The scale of the challenge is huge and there's no doubting the role we and other not-for-profit housing associations have to play alongside local councils and the private sector.

The government also plays an important part in supporting housing associations to invest in homes. Our strong relationships with Homes England, the GLA and other government departments are key in enabling us to deliver excellent-quality homes and services for residents.

Our priority is investing in improving residents' homes and services, which has an impact on our ability to deliver new homes. We firmly believe that by working in partnership to find innovative ways to address the housing crisis now will not only help reduce poverty and boost growth and social mobility, but also alleviate pressure on the NHS and create new futures for communities across the country. Done correctly, it will also help with the transition to net zero.

Local partners

Our focus this year has been on getting closer to residents through locally focused teams and services. To do this, we've worked with local authorities, alongside elected officials and officers, other housing associations, community groups, charities and agencies.

By listening to residents and the people in our communities, we're developing detailed neighbourhood plans that address the issues affecting individual areas. And through these, we can focus investment and make plans to improve particular services or offer targeted programmes in areas where they're most needed. At a time when funding for central services is more stretched than ever, teamwork in local communities is crucial to making these plans a success.

Our Peabody Community Foundation works with a wide range of local partners on projects such as the London Food Insecurity Network (see page 19). By working together we're better able to meet the needs of communities.

Regulators

Social housing providers rightly operate in a highly regulated environment. The Regulator of Social Housing continues to provide clear and robust financial regulation. It ensures housing associations are well governed and financially viable organisations that meet high standards of customer service through compliance with the new consumer standards. Re-shaping our organisation in line with these is one of our top priorities and we're working closely with the Regulator to ensure we get it right.

We're also committed to improving our service with direction from the Housing Ombudsman. Where we have received maladministration findings, we've worked closely with the Ombudsman to put a comprehensive plan in place to improve and learn from previous mistakes.

Value for *money*

We adopt a value for money (VfM) approach so we can achieve the best possible value and outcomes for residents while working towards our goal of helping people flourish. We want to achieve the best return possible from every pound we spend and that means we don't look just at the cost of delivering a service to residents but also at the quality of the outcome for them.

Our Group Strategy affirms our priorities of getting the basics right, being all about people and creating a sustainable Peabody. It also outlines what we consider to be good value for money: weighing up the costs and benefits of different choices and options and selecting those that achieve the best balance across the areas of economy, efficiency, effectiveness, equity and the environment (see right).

The overall responsibility for ensuring we achieve value for money sits with the Peabody Board. But value for money principles are integral to how we work and are embedded in every part of the organisation. This ensures that we're always creating value for residents.

Every change and investment we make should have a positive impact. And our value for money strategy is key to monitoring and measuring the change we're delivering. We use benchmarking and specialist advice to identify opportunities across the business to drive better value within simplified and streamlined operational processes.

Economy: careful use of resources to save expense, time or effort. This means we secure competitive prices for the quality of services provided.

Efficiency: delivering the same level of service for less cost, time or effort. We continue to streamline processes or partner with other organisations to achieve a better outcome in terms of quantity or quality.

Effectiveness: delivering a better service or getting a better return for the same amount of expense, time or effort. We aim to deliver services at the right time to meet the needs of residents.

Equity: spending fairly and promoting fairness so that we can demonstrate a meaningful impact to those who are not the direct beneficiaries.

Environment: delivering a positive and sustainable environmental impact.

VfM – where does it fit?

Our values

- Do the right thing
- Pull together
- Celebrate diversity
- Love new ideas
- Be kind
- Keep our promises

Our corporate priorities

- We are all about people
- Get the basics right
- Sustainable Peabody

VfM Strategy

Corporate strategies

- Sustainability
- People
- Asset Management
- Community Investment

- Placemaking & Regeneration
- Governance
- Group Support Services
- Development
- Property & Assets
- Customer Operations
- Care & Supported Housing
- Finance

Monitoring value for money

To support the Board and to monitor value for money, we:

- Report internal value for money measures to the Finance and Treasury Committee each quarter. This facilitates thorough scrutiny of performance and delivery plans.
- Drive efficiency across the organisation through our Business Operational Leadership team. The team identifies key business functions and processes and initiates a thorough investigation to find the root cause of any inefficiencies. It then oversees the development and the implementation of any required improvement plans.
- Set specific value for money targets at directorate level. The budget is developed from the bottom up to ensure that targets are clearly defined and owned by the relevant people.
- Review management information at meetings of the Executive Committee, Finance and Treasury Committee and Peabody Board each month. This ensures that value for money measures embedded into directorate budgets are effectively monitored and improvement plans are delivered so that gains can be realised.
- Provide comprehensive 'vital signs' reports with a suite of financial and operational KPIs to the Executive Committee. These reports can be used to assess the organisation's overall health and serve as an early warning system for areas requiring intervention or further investigation.

Our achievements

The economic environment continues to be challenging and residents face financial pressures with high energy bills and inflation continuing to contribute to the high cost of living. This environment means it's even more important that we deliver value for money. During the year, we've achieved value for money in a variety of different ways, including:

- We continue to keep rent levels at or below the target set by the Regulator of Social Housing. For affordable rents, we are mindful of our charitable purpose in setting rents at the London Affordable Rent. This is lower than we are allowed to charge but is genuinely affordable for residents on low incomes and equates to an annual subsidy of £721m against market rent.
- By proactively working with residents, our Financial Inclusion team helped boost residents' income by £2.2m. This equates to a return on investment of £2.59. Put simply, for every £1 spent, we increased resident household income by £2.59.
- Our in-house Tax team reduced the reliance on external advisors. This, combined with getting an agreement from HMRC on costs related to specific building works, resulted in a combined saving of £1.7m.
- We recovered £1.1m through a review of our National Non-Domestics Rates obligations across our sites and ensuring that all relevant discounts were applied.
- We received £10m of sustainability funding from the GLA, which we will match fund. During the year, we used £4m to install new windows, insulation and solar panels, and upgrade heating systems.
- We continued to implement our new local operating model, which will bring us closer to residents. Our Housing Management teams now operate in smaller patch sizes and have a greater visibility and presence on our estates, targeting support where it's needed most.
- We actively explore new technologies and automation to make us more efficient. During the year, we used an automated invoice processing software which saved 11,000 hours and £0.2m.
- We have invested in our data, which has meant we've been able to identify potential issues earlier, and make quicker and more informed decisions about homes and services.

Our performance against value for money measures

Over the last two years, we've taken the opportunity to review and rebase our value for money priorities within the context of the external and economic environment. The Group has adopted a revised value for money strategy which targets the following areas by 2026:

- Improve the overall energy efficiency rating of homes to a SAP rating of 75.5.
- Improve overall customer satisfaction as measured by the Tenant Satisfaction Measures to 70 percent.
- Increase the number of repairs that are fixed on the first visit by a contractor to 90 percent.
- Achieve commercial investment returns of five percent.
- Reduce the financial losses from missed rent and service charges when properties are empty to 1.3 percent.

We didn't achieve all our FY24 targets as we focused much of our time and resources on integrating systems, data, and people, and finding new ways of working following our merger. But the revised targets have now set the platform from which we expect significant improvement in performance to come and reflect the hard work and dedication of our colleagues.

As a result, we have decided to extend our timeline to achieve the Year 3 targets to FY27 and adjust our FY25 targets accordingly.

Measure	FY24 actuals	FY24 target	Looking ahead target (Year 2)	FY27 target (Year 4)
1. SAP rating	73.9	74.0	74.5	75.5
2. Overall satisfaction (TSM: TP01 definition)	52.4%	64%	60%	70%
3. Responsive repair first time fixes	51.4%	75%	70%	90%
4. Commercial investment rental return	3.2%	3%	3.5%	5%
5. Residential void loss %	1.9%	1.3%	1.7%	1.3%

Improve overall energy efficiency rating of our homes

Our target for the year was a SAP rating of 74, which we came close to achieving with an overall score of 73.9. For the year as a whole, our average SAP rating was 85.2 on new homes, with almost 99 percent achieving a SAP rating of 81 (EPC B) or better. In terms of average SAP score, we are on target to meet our upgraded sustainability goals in the years to come.

During the year, we used the money from the first wave of the SHDF to retrofit 56 units in Islington with new windows and cavity wall and loft insulation, completely transforming the thermal performance of the building. In this example, modelling suggests about 57 tonnes of CO_2 reduction per year once the measures are installed and roughly 2,400 tonnes over the lifetime of the installed changes. The funds secured through the second wave (£25m) and our match funding, will bring about further significant improvement.

Improving overall customer satisfaction as per the Tenant Satisfaction Measures (TSMs)

We're focused on improving satisfaction levels and that remains a key driver behind our local model. The Group ended the year with an overall customer satisfaction score, as set out in the TSMs, of 52.4 percent against an in-year target of 64 percent. Overall, these scores are not where we want them to be.

Feedback from our residents shows the primary driver of dissatisfaction is the speed of repairs and unresolved repair issues. Our regional operational model aims to address this issue by implementing a Local Repairs Service and a new system for engaging contractors. It will start in the autumn and will focus on speed and effective management of outstanding repairs.

Responsive repair first-time fixes

The percentage of repairs fixed the first time a repairs contractor visits a resident's home was 51.4 percent for the year, below our target of 75 percent. Some of this can be attributed to data issues as we spent time moving all of our repairs information to one electronic platform. However, this data-related work is now complete, so with a new system for recording and tracking all repairs and plans to bring in new repairs contractors, we look forward to improved and better performance in the future.

We also captured residents' perceptions through surveys conducted throughout the year. Residents reported a 69 percent satisfaction rate for repairs being fixed the first time a contractor visits their home.

Commercial investment return

We achieved a 3.2 percent return on commercial investments, compared with our 3 percent target, however we still have a lot of work to do. We'll continue to look for opportunities to improve performance, such as reducing the length of time properties are empty between tenants, increasing the rental income each time a property is re-let, and reducing operating costs.

Reduce losses in relation to empty homes

During the year, we experienced some delays in letting our homes at some of our larger schemes due to delays in receiving nominations from the local authority. There were also delays in re-letting empty properties. We've reviewed how we deal with empty homes and are implementing a plan to improve the process. Our initial focus is on gaining earlier access to properties so we can start any required work earlier.

How do we compare with others?

We participate in the Sector Scorecard initiative which uses an agreed set of metrics for housing associations to compare their performance and check they are providing value for money. We assess our performance relative to our peer group, the G15 group of London-based housing associations. The Sector Scorecard is supported by both the National Housing Federation and the Chartered Institute of Housing and more information can be found at www.sectorscorecard.com. Some of the metrics and definitions we use at Peabody and as quoted elsewhere in this document may be different to these.

Seven of the Sector Scorecard measures overlap with the value for money metrics used by the Regulator for Social Housing (RSH) in its value for money standard. The following table shows our performance relative to our peers using both the Sector Scorecard and the regulatory metrics:

Business health	Group 2024	Group 2023	G15 median 2023[1]
1. Operating margin – overall[2]	**17%**	17%	16%
2. Operating margin – social housing lettings[2]	**23%**	24%	20%
3. EBITDA MRI % – social housing[2, 3]	**44%**	74%	74%
Development (capacity and supply)			
4a. New supply delivered units – social housing	**1,204**	1,874	814
4b. New supply delivered units – non-social housing	**177**	525	517
5a. New supply delivered % – social housing	**1.1%**	1.8%	1.2%
5b. New supply delivered % – non-social housing	**0.1%**	0.5%	0.3%
6. Gearing[4]	**42%**	41%	46%
Outcomes delivered			
7. Customer satisfaction – social housing	**58%**	58%	76%
8. Reinvestment %	**6.0%**	5.5%	6.0%
9. Investment in communities (£m)	**10**	10	3.1
Effective asset management			
10. Return on capital employed	**1.9%**	2.1%	2.2%
11. Occupancy	**97.9%**	97.4%	99.0%
12. Ratio of responsive repairs to planned maintenance	**39%**	35%	62%
Operating efficiencies			
13. Headline social housing cost per unit (£ per annum)	**7,758**	6,808	6,239
14. Rent collected as % of rent due (general needs)	**99.3%**	98.6%	99.6%
15. Overhead costs as % of turnover	**10.5%**	9.1%	11.2%

RSH sector-wide value for money metric

1 G15 data per L&Q benchmarking (latest available)
2 Excludes surplus/deficit on all asset disposals
3 Earnings before interest, tax, depreciation, amortisation, major repairs (including capitalised) included
4 Net debt as % of housing properties at cost (excludes investment properties)

What do these metrics show us?

It has again been a challenging year, and our performance typifies the Group's financial resilience and the fact that we've continued to invest in residents' homes and communities in a difficult economic climate. We expect to see the benefits of this investment in future years. The current results of our peers in the G15 relate to 2023.

Business health

We have maintained our overall operating margin and social housing lettings operating margin at the same level as 2023. Our underlying performance remains resilient despite an extremely challenging economic environment and increased demand for our repairs and landlord services. Our performance is especially resilient considering our below-target level rents, which would add a further £51m to our turnover, and the seven percent rent cap increase across the majority of our regulated stock. We also decided to voluntarily cap shared ownership rent increases to the same level. This demonstrates our effective cost management, as well as beginning to realise the efficiencies from the merger. We continue to be a significant provider of lower-margin care and support services, which are a core part of our strategy and commitment to our communities and helping people flourish. This requires almost half of our total colleague headcount.

Similarly, we make important discretionary investments in the communities we serve and prioritise this area, acknowledging the impact the cost of living crisis pressures are having on residents and communities. These investments are mainly funded from our operating surpluses.

Excluding both care and support and community investment, our overall margin increased to 19 percent from 17 percent. Our performance in these measures is better than the median of our G15 peer group.

Our EBITDA MRI interest cover has significantly decreased and is notably lower when compared with our G15 peer group results from 2023. This reduction reflects our ongoing commitment to prioritise building safety and investment in residents' homes. Including building safety works, we invested £200m in improving our existing homes, as well as a further £171m on planned and routine maintenance. Our interest payable costs increased due to a sustained period of higher interest rates and a strategic decision to exit a loan early at a cost of £6m. This will reduce interest costs in future years. EBITDA MRI was further impacted by £16m of development impairments and write-downs. It is also important to note that the metric excludes surpluses from the sale of fixed assets, which delivered £153m of cash (18 percent of total revenue) and helped us continue with our planned investment in existing homes. Our performance in relation to our G15 peers on these measures puts us in the top quartile for overall operating margin, mid quartile for Social Housing Letting Margin and lower quartile for EBITDA MRI Interest Cover.

Development (capacity and supply)

In the prior financial year to the end of March 2023, we were proud to have delivered the most social homes in the country. During the most recent financial year to the end of March 2024, we continued to be a significant provider of much-needed social homes, ranking in the in top 10 of house builders of this tenure against a backdrop of significant challenges. We place in the top quartile for the delivery of social homes when compared with our G15 peers.

Our gearing ratio measures the level of debt compared to the value of our housing assets. We've seen a marginal increase in our gearing ratio to 42 percent from 41 percent, reflecting our commitment to the delivery of new homes and investment in our existing homes. Our gearing remains low and in the top quartile when compared with G15 peers.

Outcomes delivered

Our customer satisfaction score of 52 percent for social housing tenants is lower than last year. The figure reflects resident dissatisfaction, principally with the speed of repairs and the number of repairs outstanding, followed by the way we listen and act. We have a lot of work to do in this area, and our local model is an integral part of our improvement plan, which aims to bring us closer to residents and provide a better, more agile and responsive customer service.

Our reinvestment rate slightly increased during the year to six percent (2023: 5.5 percent), reflecting our commitment to both investing in the supply of new homes as well as continuing to invest record amounts into our existing homes. This score puts us in the upper quartile compared with the G15 median.

Investing in our communities and delivering positive outcomes for residents remain a priority. This is demonstrated by our £10m investment (unchanged from FY23) in communities in what is a challenging economic environment and where there are considerable constraints on our resources. Our level of investment is one of the highest in our G15 peer group.

Effective asset management

Return on Capital Employed (ROCE), which measures how effectively we're managing our capital and generating returns on our investments, fell to 1.9 percent from 2.1 percent. The decrease is driven by the substantial continued investment in our homes in both revenue repairs and capital investment. We are in the lower quartile for this measure compared with our G15 peer group.

Occupancy improved during the year to 97.9 percent from 97.4 percent. This measures how effective we are in managing our empty properties and our relationship with local authorities in turning nominations into tenancies. We are in the lower quartile on this measure in our G15 peer group, and we have implemented plans to speed up the time it takes to re-let empty homes and the referral process from local authorities.

Our ratio of responsive to planned maintenance increased during the year as we saw a rise in demand for our repairs service and we proactively targeted cases of damp and mould. Our score of 38 percent is still well below our G15 peers and demonstrates the significant investment we've made in planned and major works in our existing homes and on building safety improvements.

Operating efficiencies

Our Headline Social Housing operating cost per unit has risen to £7,758 (2023: £6,808). This increase is driven by a rise in all aspects of the cost base as a result of high inflation, constraints on our supply chains and contractor capacity, as well as our ongoing investment in homes and communities. While we aim to reduce costs in this area, we are committed to being local and visible in the communities we serve. Our position in the lower quartile of our G15 peer group, can be partly attributed to our significant, lower margin, care and support business where our residents have complex and specific needs requiring additional resources.

Rent collected

Rent collections increased to 99.3 percent from 98.6 percent. This is due in part, to the proactive help and support our Collections and Financial Inclusion teams have given to residents to sustain their tenancies.

Financially *responsible,* resilient and sustainable

£137
Average weekly rent

£51m
Annual subsidy against target rent

£151
Average weekly target rent

Highlights

This was the second year of trading incorporating Catalyst Housing Limited and its subsidiaries as part of the Peabody Group and the first year of trading following the transfer of engagements of Catalyst Housing Limited into Peabody Trust and Rosebery Housing Association Limited into Town & Country Housing. Whilst the economic circumstances have remained very challenging, we've continued to improve our existing services and homes for residents, deliver new homes where we can but remain financially responsible and resilient.

We continued to incur planned costs in relation to the merger, but the consolidation of our structure and integration has progressed well. This has allowed us to move towards the next phase of transformation, getting closer to residents through responsive, locally focused services, and better use of data and technology across our operations.

Our focus during the year has been on getting the basics right and making residents' homes better places to live. So we've prioritised existing homes, investing £150m in residents' homes and £50m on building and fire safety related work. This brings our total spend on safety over six years to £276m. Almost 80 percent of our homes are now rated EPC C or above as we make the changes necessary to help us meet our net zero targets.

Demand for our maintenance services remained high, and during the year we spent £171m on cyclical and routine maintenance.

Our overall spend on existing assets is consistent with our expectations of £2bn over a five-year period.

Statement of comprehensive income (£m)	2024	2023
Turnover including sales	**989**	1,111
Operating surplus by source:		
Social housing activities (excluding shared ownership sales)	**177**	172
Development and sales (including shared ownership)	**(2)**	21
Other social and non-social housing	**(4)**	(8)
Sale of fixed assets (including staircasing)	**73**	72
Investment property movement in valuation	**–**	(50)
Operating surplus	**244**	207
Net finance costs	**(172)**	(129)
Movement in fair value of derivative financial instruments	**–**	4
Pension scheme exit	**(8)**	–
(Cost)/Gift on acquisition	**(6)**	1,833
Tax	**(1)**	7
Surplus for the year	**57**	1,922
Pension scheme movements	**4**	48
Change in value of hedged instrument	**–**	6
Total comprehensive income	**61**	1,976

Turnover including sales

Our turnover for the year was £989m. Overall revenues reduced due to planned lower levels of sales in the year. Turnover from core operations increased to £897m, including £768m from social housing lettings. Sales income was £92m. A further £40m of contracted sales were anticipated but these have carried over to 2024-25 due to delays on site. Sales margins improved to 12 percent, up from 10 percent previously, reflecting careful management of our development programme, which saw low levels of unsold properties at the year end.

Peabody's rents remain at low levels and provide a substantial subsidy to market rents of £721m. At the start of the year, the majority of our regulated and shared ownership homes saw rent increases capped at 7 percent, which was below the level of inflation on our underlying cost base. Despite this, we managed to maintain social housing margins at 23 percent through careful cost control and management, whilst continuing to deliver better local services to our residents.

Our Financial Inclusion teams continue to work closely with residents in financial difficulty, supporting them with flexible payment plans and helping to boost their income.

Surplus

The Group's surpluses have been reinvested in full, alongside an additional £286m of debt funding. Margins are lower as we continued our investment programme in residents' homes and absorbed the impact of rising costs to improve and deliver our services.

Development and sales

During the year we invested £495m in our new homes land-led development programme, completing 1,381 new homes.
The tenure mix was:

Social rent:

322

London Affordable Rent:

313

Affordable rent:

91

Intermediate market rent:

16

Shared ownership:

478

Market sale:

161

We made 1,157 starts on site, continuing to do what we can to help tackle the affordable housing supply challenges in London and the South East. We carefully managed our development programme, maintaining appropriate flexibility on the level of future spend and commitments.

Our careful stewardship of the development programme has enabled margins on first tranche shared ownership and market sale homes to increase to 12 percent (2023: 10 percent). The cash contribution from staircasing sales fell to £54m (2023: £81m) as we saw a move to partial staircasing rather than outright purchase.

We've continued with our delivery programme thanks to a combination of strategic grant partnerships, long-term debt funding and surpluses from homes for sale. But we recognise that we need to find more innovative solutions in the future to deliver the scale of new homes that are needed.

Business combination

As this is the second year following the merger with Catalyst Group, we have, where appropriate and in accordance with accounting standards, reassessed the assets and liabilities that came into the Peabody Group on 1 April 2022. This has resulted in a charge to the Statement of Comprehensive Income (SOCI) in the year of £6m.

The completion of the transfer of engagements into Peabody Trust, and Rosebery into Town & Country Housing, are an integral part of our journey towards consolidating and simplifying the Group. Once complete, it will allow us to release more resources to focus on residents' needs.

Strong ESG investment proposition

We published our third report under the Sustainable Reporting Standard for Social Housing in October and secured our third consecutive accreditation as a Certified Sustainable Housing entity from RITTERWALD, achieving frontrunner status in two of the three categories.

In September, we published our updated Sustainability Strategy which was followed in April 2024 by our Sustainability Action Plan, which included detailed emissions data. These documents set out the specific actions that we'll take over the next three years to deliver the foundations for our journey to net zero carbon emissions.

Long-term creditors

Long-term creditors comprise debt £4,849m (2023: £4,623m), grants £2,073m (2023: £1,894m) and other creditors. The increase during the year can be attributed to investment in the development programme.

Pension liabilities

We have several defined benefit pension schemes. A number of these are in Local Government Pension Schemes, some are in the Social Housing Pension Scheme and others in the Ealing Family Housing Association Pension Scheme.

During the year, we exited the London Pensions Fund Authority (LPFA) scheme and continue to assess our obligations with regard to other defined benefit pension schemes.

The past year saw limited movements in pension deficits, reflecting continued higher levels of gilt and bond yields and consistent long-term inflation expectations. The Group's net pension liability under FRS 102 at the end of March was £23m (2023: £24m) with an actuarial gain for the year of £4m (2023: £48m) being recognised in other comprehensive income.

Highlights	**FY 2024**	FY 2023
Social housing lettings: turnover	**78%**	64%
Operating margin on social housing lettings	**23%**	24%
Overall operating margin before investment property valuation	**25%**	23%
Operating surplus before investment property valuation	**£244m**	£257m
RSH EBITDA MRI interest cover	**44%**	74%
Gearing	**40%**	40%
Debt: turnover	**4.8**	4.1

Financing and capital structure

We retain very strong access to liquidity, with £1.3bn of cash and undrawn facilities to ensure we can continue to operate sustainably and deliver for the benefit of residents in challenging times. During the year, we published the Admission Particulars to our £1bn note fully secured programme, which will facilitate our access to the public debt markets in the future. We also took decisive action in September to simplify our debt structure when the opportunity arose at a cost that offered value for money.

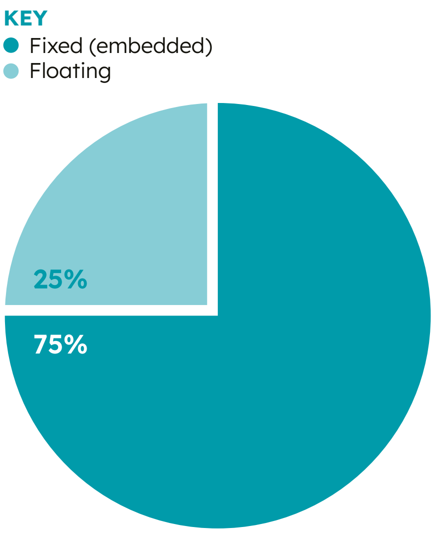
Outlook

There is no doubt that the last few years, including 2023-24, have seen some of the toughest financial challenges that Peabody, and the sector as a whole, has had to face. But we expect to see gradually improving performance from our strong base and we look forward to continuing to improve our services, get closer to our residents and invest in our existing homes from a financially resilient position.

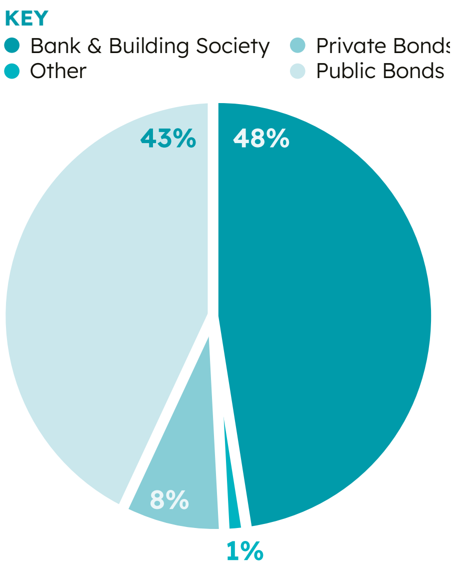
We will do this in a way that is financially responsible, working closely with our partners and seeking new and innovative ways to deliver where our capacity is constrained. We'll align our operations to meet these challenges and make sure that Peabody is in every sense, a sustainable organisation. This will always be subject to meeting a set of robust performance targets which are closely monitored by the Board.

Statement of financial position (£m)	2024	2023
Non-current assets		
Fixed assets including housing properties	**11,725**	11,228
Investment properties	**522**	509
Investment in joint ventures	**79**	71
Other investments and debtors	**161**	141
Net current assets	**158**	249
Total assets less current liabilities	**12,645**	12,198
Long-term creditors	**(6,986)**	(6,598)
Provisions	**(27)**	(28)
Derivative financial instruments	**(4)**	(4)
Pension liabilities	**(23)**	(24)
Reserves	**5,605**	5,544

Fixed/floating mix



Facility mix



Repayment profile

Navigating risk to meet our purpose in challenging *circumstances*

Risk management in an environment of increasing regulatory expectations and external headwinds

Our risk, internal control and assurance framework

The Peabody Trust Board (the Board) is accountable for ensuring that threats and opportunities are managed appropriately. Supported by the Audit and Risk Committee and the Executive Committee, they help facilitate a more predictable operating performance and create and protect the long-term value of the organisation. The members of the Executive Committee are responsible for effective risk management within their areas of responsibility and collectively as part of their operational leadership.

To continually improve our risk culture and awareness (i.e. risk maturity) and, in particular, embed risk management in a heightened regulatory environment, we've continued to make progress on a number of initiatives. This helps ensure that our approach is fit for purpose and aligned to best practices in enterprise risk management.

Evolving risk exposure

Risk management is a dynamic process at Peabody, and we continue to set out and mitigate our most significant risks through our Group Risk Register. This was reviewed by our Executive Committee, Audit and Risk Committee and Board throughout the year, with the assessment of risk continuously informed by the external and internal environment, as well as the strength of our controls. There have been some changes in the net assessments of these risks throughout the year.

We have an 'averse' appetite to the crystallisation of Group Risk 1: Health and Safety, and the safety of residents, colleagues and contractors is of paramount importance. We have strong controls in place, which have been assessed and found to be operating well for a consistent period. To reflect our steady assessment, the net risk rating reduced in likelihood during the year to reflect the reduced probability of an incident in this area.

Following our in-depth assessment by the Regulator of Social Housing, we maintained our G1/V2 rating. Furthermore, an internal audit into our governance effectiveness and compliance achieved the highest rating of 'satisfactory'. As a result, an assessment of our net risk exposure found it had reduced in likelihood. However, later in the year consideration was given to the increasing regulations being placed on the sector, in particular in relation to the new consumer standards, the regulator's enforcement powers and the wider requirements of the Building Safety Act and Building Safety Regulator. It was therefore agreed that our net risk exposure had returned to its earlier position.

> **As well as transformation, the risk recognises the need for continual improvement, including a specific focus on the cultural change needed for our core activities to become more resident focused.**

The net risk rating for Group Risk 9: Major Change, reduced in net risk impact during the year. This was due to the end of integration work and the move into a transformation phase reducing the scale and scope of organisational change. As well as transformation, the risk recognises the need for continual improvement, including a specific focus on the cultural change needed for our core activities to become more resident focused in line with the expectations of the new consumer standards.

The new consumer standards and increased regulatory powers

We're currently assessing our readiness for new regulation and looking to identify any gaps in our controls to ensure we're able to demonstrate our compliance with the standards. Our internal audit providers PricewaterhouseCoopers (PwC) has reviewed our readiness project and have made suggestions to help us demonstrate compliance and to facilitate ongoing internal assurance in relation to the consumer standards.

Putting residents front and centre in risk management

A review of the Group Risk Register found that it captured the right information, focused, as it should, on achieving resident outcomes and that the risks reflect the needs of residents. To strengthen this further, additional Key Risk Indicators were added to monitor Group Risk 7: Service Delivery trends, and the focus of the risk was shifted to better demonstrate how outcomes are delivered for residents. As a key mitigation, compliance with our own internal standards is assessed across our local model to ensure that consistent and good outcomes are achieved throughout the organisation.

Interdependencies with the Directorate Risk Registers

We enhanced the regular review of our operational-level Directorate Risk Registers with a study of the common interdependencies between planned control improvements across the risks. This follows on from work undertaken during the prior financial year to identify interdependencies across the Group Risk Register. By extending this work to the directorates, we can get a better overall profile of our aggregate risk and share risk mitigations and best practice across the organisation.

Continued economic pressures in the operating environment

We continue to operate in uncertain economic conditions. We refreshed the Group Risk Register early in the year to fully identify and mitigate against our exposure to counterparty risk following an earlier workshop focused on this area. We also strengthened controls and made provision for enhanced due diligence before any new significant contracts are awarded.

We gave regular consideration to the sustained interest rate rises early in the year and discussed the idea of managing it as a new standalone risk. Ultimately, it was decided that the most effective approach was to continue identifying and mitigating this risk via its impact across our existing Group risks.

Looking ahead

Looking ahead, we'll seek to manage any risks associated with our increased focus on improving resident engagement and the services we offer. Risk management is a dynamic process that evolves in response to, and in conjunction with, the external environment. We regularly refresh and update our risk registers to account for changing organisational needs and the changing risk profile in the external environment. As a result, we'll continue to work on qualifying and mitigating against our aggregate risk exposure across the organisation at various levels.

Changes in the regulatory environment emphasise the importance of placing residents at the heart of our actions, and our refreshed Group Strategy and core objectives ensure that we do this in a controlled way to prepare for the years ahead.

1. Health and safety:
Failure to maintain an effective Health and Safety Management System, which supports safe employment and delivery of safe services, resulting in injury, harm or death to the public, employees, contractors or residents.

Key controls:
Our health and safety framework embeds a safety culture via Group-wide policies and procedures, including Building Safety, Construction Design and Management (CDM), Procurement, Sickness Absence and Wellbeing policies. It is continually informed by employee surveys. Our Safety Management System provides a consistent approach to managing Health and Safety risk across the Group. It includes an Accident and Incident reporting system, which is actively monitored and audited. This risk continues to be monitored using KPIs and by reporting to the Health and Safety Committee. Key mitigating controls are tested by the Health and Safety Audit programme.

2. Laws and regulations:
Non-compliance with laws and regulations resulting in significant sanctions, losses, fines or reputational loss.

Key controls:
We use in-house expertise to provide training and guidance to the rest of the business to ensure compliance with laws and regulations and help maintain an open and effective relationship with our key regulators. We consult external experts when required. Key compliance controls across the Group are tested bi-annually through the Control Self-Assessment process. E-learning modules for key compliance areas, such as the Data Protection Act, are mandatory for all employees, and training compliance is monitored. We use weekly vital signs reporting to keep the Executive Committee informed on numbers of disrepair and complaints cases.

3. Funding and liquidity:
Inability to operate within the funding envelope and maintain liquidity, as a result of internal and/or external factors, leading to non-achievement of operational and strategic targets.

Key controls:
We continue to monitor cash flow closely and liquidity is available from diverse funders to mitigate the external economic risks. A look ahead to the next 18 months assesses any fluctuating impacts on liquidity, and stress testing is performed on cash flows where required, with the findings reported to the Finance and Treasury Committee (FTC) and the Development Committee. We've updated our Long-Term Financial Plan (LTFP) and investment strategy to account for the changing economic conditions, and we've sought specialist advice for our major transactions.

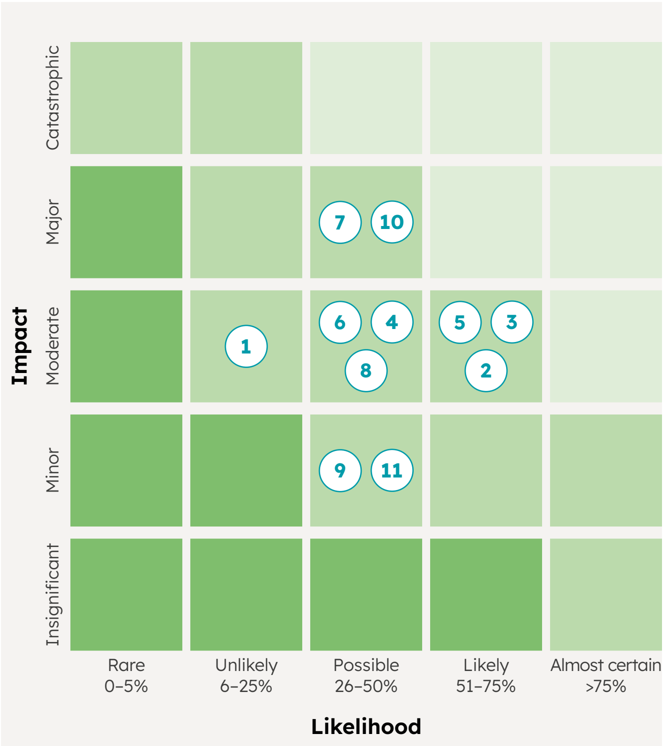
4. Information security and technology:
Failure to put in place the appropriate protections and to ensure that IT capability is aligned to business needs, either through modernisation or day-to-day IT operations, resulting in negative impact on business operations and customer service.

Key controls:
The final stages of integration are underway, with all colleagues now working on one operating system and any residual actions being incorporated into business as usual. We've implemented a new technology strategy, with the overall aim of moving data from our own servers to cloud-based infrastructure. We've undertaken a number of disaster recovery desktop exercises during the year. The refreshed business continuity programme is well underway, with the majority of initial business impact assessments completed, with processes in place to monitor and manage business continuity going forward. Ongoing refresher training is in place through quick training modules.

5. Data quality:
Failure to appropriately manage the quality of data or develop a culture which appreciates the value of data impacting on operational outputs, resident service delivery and the ability to measure business outcomes.

Key controls:
The new data management framework focuses on the ownership of, and accountability for, data, with data owners and stewards having a responsibility to update data on the systems they are responsible for. Targets for critical data elements are in place, ensuring that improvements can be focused on the areas of data most in need. We've introduced data scorecards and a new data-quality tool to identify discrepancies across systems as they're rolled out. External expertise is used to inform best practice and provide assurance by auditing current data governance and processes.

Group risks



6. Development strategy:
Failure to maintain and deliver our development programme (in line with the Board-approved LTFP and development strategy) due to operational, third-party performance or market issues resulting in loss of investor, stakeholder and customer confidence.

Key controls:
Oversight of this risk is maintained through regular scrutiny of the development strategy and programme at executive level, by the TCH Development Committee for TCH, and by the Group Development Committee for the programme as a whole. This committee oversight is complemented by a multitude of first-line controls, such as monthly development review meetings, tracking of departmental KPIs, programme forecasting and monitoring, and the implementation of building safety requirements. The quality of new build properties is reviewed at key stages of development. We undertake increased due diligence prior to entering new contracts with third parties and have improved data quality by merging and updating systems used for record keeping.

7. Service delivery:
Dissatisfaction, increase in complaints, loss of confidence resulting from not maintaining our homes and buildings and/or not delivering an effective operational service for residents that meets their expectations.

Key controls:
We've made updates to ensure the focus of this risk is on residents and the services outcomes we deliver. A gap analysis was conducted to assess readiness for the new consumer standards, as well as a number of third-party reviews into service delivery and complaints handling. We now have action plans in place to implement the recommendations. The Regulator of Social Housing and the Housing Ombudsman have been given increased regulatory powers, and we've implemented additional mitigations to account for this and learn from any findings. Service levels are monitored through weekly vital signs reports, monthly KPI reporting, and resident satisfaction levels, and this data is used to drive improvements. Data is reviewed and compared across the localities to ensure service levels are met and consistent across the organisation. There is a strong focus on reducing and resolving complaints. A Resident-Led Panel is in place monitoring and suggesting improvements for resident engagement activity across Peabody.

8. People:
We fail to ensure we attract, develop, and retain the right people to deliver the Group Strategy, resulting in poor outcomes for our customers and employees.

Key controls:
The Nominations and Remuneration Committee helps provide challenge and scrutiny for this risk. Our first-line controls include a number of policies, processes and procedures, such as the Code of Conduct and the Recruitment and Selection Policy. We have a Managers Toolkit which provides holistic and comprehensive guides on effective management, and strategic business partners across the organisation can assist with change management and achieving directorate objectives. We have a dedicated health and wellbeing plan for colleagues, and directorate dashboards covering people metrics, such as sickness, absence and equality, diversity and inclusion. These are shared so that decision making can be guided by data. The development of the Peabody Academy will enable colleagues to meet the government's proposed Competence and Conduct standard, and allow for further colleague training and development.

9. Major change:
Major change is not effectively governed, prioritised or delivered resulting in a lack of business engagement, outcomes and benefits not being realised and negative impact on the resident experience.

Key controls:
The Change Board (an executive-level committee) helps with challenge and scrutiny of this risk, provides oversight of the change delivery plan and makes recommendations to the Executive Committee. The change framework rollout continues to increase change maturity across the organisation and a new transformation plan has been approved. A prioritisation matrix determines which change projects are most pertinent to delivering the biggest impact and value for residents.

10. Asset compliance, building and fire safety:
Inadequate risk assessment of any type of building-related risk, leading to death, serious injury, prosecution or regulatory sanction. Inadequate management of asset compliance activities.

Key controls:
This risk receives scrutiny from the Building Safety Board (an executive-level committee with cross-directorate representation) as well as the Asset Management Committee and the Peabody Trust Board. We have a suite of compliance metrics that we track to identify, and where needed rectify, improving or worsening trends.

We have a data-driven approach to investigating and remediating cladding and other building safety issues. The number of buildings with outstanding fire remediation works are closely monitored and a robust programme of works ensures that this risk remains well managed and understood.

11. Sustainability, net zero, and carbon retrofitting:
Failure to reduce carbon emissions in the pursuit of mitigating climate change and creating a sustainable Peabody amongst competing demands of building safety, asset investment and the provision of new homes.

Key controls:
A third-party climate gap risk analysis is underway to identify a range of future climate risk scenarios and possible mitigations that we could implement. This will allow us to make long-term decisions on investments and strategy. We're also working to identify our total carbon footprint and provide guidance for reaching our target of being net zero by 2050. Properties are built and refurbished on a fabric-first basis to ensure they are fit for the future, and contractors must demonstrate sustainable methods of working. Flood risk is mitigated by the implementation of Sustainable Drainage Systems in our new homes and refurbishing the flood mitigations for our existing homes.

Lenders are placing an increasing importance on showing ESG credentials, and we undertake regular meetings to demonstrate our commitment to meeting these metrics. During the year, we reported our ESG credentials against the Sustainability Reporting Standard for Social Housing and were awarded RITTERWALD's Certified Sustainable Housing label for a third year in a row.

Effective leadership with strong *governance*

Committee membership key

●	Chair	D	Development
○	Member	FT	Finance and Treasury
AM	Asset Management	NR	Nominations and Remuneration
AR	Audit and Risk	RE	Resident Experience
C	Communities	T	Thamesmead
CS	Care and Support		

Caroline Corby
Chair

Caroline joined as Chair on 1 April 2024. With a professional background in finance and investment, and extensive experience in social housing, care and support and regulatory standards, she brings with her a wealth of knowledge. Caroline is well placed to scrutinise performance, champion equality, diversity and inclusion and drive continuous improvement as Peabody negotiates the ongoing challenges of today's social housing sector.

David Hardy
Vice Chair

David joined the Peabody Board in June 2016 and took on the role of Interim Chair on 8 August 2023, following the death of Lord Kerslake the previous month. His in-depth knowledge of treasury, funding and regulatory matters means he is well placed to scrutinise and challenge Peabody's financial plans and arrangements with lenders, and provide insight on governance and strategy. Having trained as an accountant, David has over 35 years' experience in corporate finance, mergers and acquisitions and fundraising across social, economic and environmental infrastructure.

Ian McDermott
CEO

Ian joined Peabody as Chief Executive Officer on 1 October 2021 and joined the Board on 1 April 2022. He steered the merger with Catalyst which formally completed in April 2022. Ian has over 30 years' experience in the sector having previously been CEO at Stonebridge Housing Action Trust, Shaftesbury Housing Association, Aldwyck Housing Association and Catalyst Housing Group. Ian is an alumni of the Harvard Business School, a chartered surveyor and a board member of the Chartered Institute of Housing.

Phillipa Aitken
Board member

Phillipa has over 30 years' experience working in planning and development. She started her career in local government before working for several global property advisory firms. Phillipa joined the Family Mosaic board in November 2015 and joined the Peabody governance structure when Family Mosaic joined the Peabody Group in June 2017.

Peter Baffoe
Resident Board member

With a background firmly rooted in the community, Peter has been a resident member of the Peabody Board since May 2018. He currently works as a Faith and Community Development Officer for the Methodist South London Mission. In his role as a school governor, Peter acts as the link governor for disadvantaged pupils.

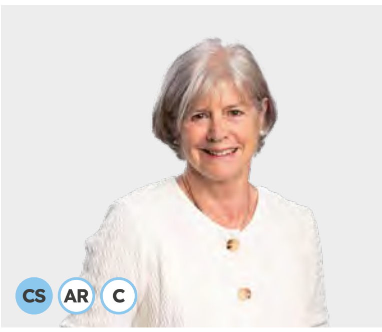
Ann Bentley CBE
Board member

Ann joined the Peabody Board in December 2022. She has 40 years' experience in the construction and property industry, with particular emphasis on the residential sector, project management, area regeneration, master planning and delivering value. She is a Chartered Member of the Institution for Civil Engineers, a Fellow of the Royal Institution of Chartered Surveyors, and holds an Honorary Doctorate from Birmingham City University. Ann has held several roles supporting cross-industry initiatives and has recently retired from Rider Levett Bucknall where she was the global chair and on the UK board.

Martyn Burke
Board member

Martyn joined the Peabody Board in September 2023 and is the Chair of Town & Country Housing which he originally joined in 2020. He is a qualified Chartered Accountant with 35 years of finance and leadership experience across the private and public sectors, including senior roles within retail, property investment, pensions and the NHS. Martyn has a portfolio of non-executive Board roles, including audit & risk committee Chair remits, within organisations with a strong social purpose.

Helen Edwards CBE CB
Board member



Helen joined the Peabody Board in July 2016. She brings a wealth of experience from the community and voluntary sector, as well as central and local government. Working initially as a social worker and then for Save the Children, Helen went on to have an extensive career at the top levels of the Ministry of Justice and the Home Office. She also led the National Offender Management Service and Nacro, the national crime reduction charity.

Terry Hartwell
Board member

Terry joined the Catalyst Board in November 2016, and joined the Peabody Board when Catalyst joined the Peabody Group in April 2022. Terry has significant experience in the property industry, having worked in a range of roles in the commercial sector for over 35 years. Trained as a chartered surveyor with a degree in Valuation and Estate Management and as a fellow of the Royal Institution of Chartered Surveyors, Terry has advised many large corporates on property-related matters.

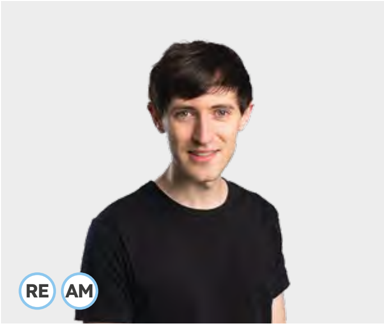
Committee membership key

	Chair	D	Development
	Member	FT	Finance and Treasury
AM	Asset Management	NR	Nominations and Remuneration
AR	Audit and Risk	RE	Resident Experience
C	Communities	T	Thamesmead
CS	Care and Support		

Bob Kerslake
Board member until 1 July 2023

Lord Kerslake (Bob) joined the Board as Chair in June 2015. During his career he held senior positions including Head of the Civil Service, Permanent Secretary of the Department for Communities and Local Government (DCLG), and Chief Executive of Sheffield City Council and the Homes and Communities Agency. He was made a Peer in 2015. He was Chair of the Board of Sheffield Hallam University and of Be First, a regeneration company in Barking and Dagenham. Bob sadly passed away in July 2023.

Matthew Martin
Resident Board member

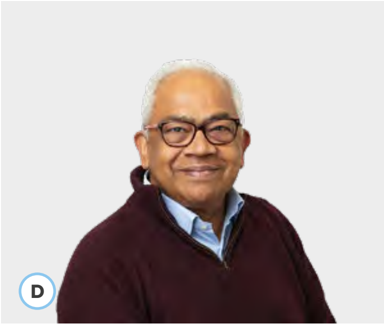


Matthew joined the Peabody Board as a resident member in December 2022. He previously served on Catalyst's Customer Experience Committee before the merger with Peabody. With over 10 years' professional experience in learning, development and customer experience, Matthew brings a unique perspective to the Board. As a shared owner, he's also passionate about putting the voice of residents at the heart of Peabody's decision making.

Deidre Moss
Board member until 30 June 2024

Deirdre joined the Family Mosaic board in September 2014 and joined the Peabody Board when Family Mosaic joined the Peabody Group in June 2017. She stepped down as Chair of TCH in September 2023. She has led major change initiatives involving large diverse workforces and constantly championed diversity issues. Deidre has worked in the insurance industry for over 25 years and has her own HR consultancy.

Ravi Rajagopal
Vice Chair and Board member until 31 October 2023



Ravi joined the Catalyst board in November 2020, serving as Chair, and joined Peabody Board as Vice Chair when Catalyst joined the Peabody Group in April 2022. Ravi took on the Acting Chair role after the death of Lord Kerslake between 1 July 2023 and 7 August 2023. Ravi has a rich and varied background of international and UK commercial and philanthropic experience.

Cary Wakefield
Board member

Cary joined the Catalyst board in September 2017 and joined the Peabody Board when Catalyst joined the Peabody Group in April 2022. She brings over 20 years' experience delivering high levels of customer engagement and satisfaction in FTSE, public sector and not-for-profit organisations in the UK and Europe. Cary specialises in business transformation, particularly in relation to developing digital services.

Graham Woolfman
Board member

Graham joined the Catalyst board in September 2017 and joined the Peabody Board when Catalyst joined the Peabody Group in April 2022. Graham has a professional background as a chartered accountant and brings a wealth of financial and governance experience to the Peabody Board, with a particular focus on the social housing sector. He's helped grow companies across a range of sectors, including energy, technology, consumer, and financial services.

Eustace Xavier
Board member

Eustace joined the Peabody Board in September 2023. He is a qualified chartered accountant with over 20 years of finance experience. Eustace has held audit, corporate finance and mergers and acquisitions roles. He also brings more than 10 years' listed entity experience and has held finance director positions across several sectors such as retail, food services and facilities management.

Board meetings

Board member	Meetings attended
David Hardy (Interim Chair August 23-March 24)	9/10
Ian McDermott (CEO)	10/10
Phillipa Aitken	9/10
Peter Baffoe	10/10
Ann Bentley	10/10
Martyn Burke	6/6
Helen Edwards	7/10
Terry Hartwell	10/10
Matthew Martin	10/10
Deirdre Moss	7/10
Cary Wakefield	8/10
Graham Woolfman	10/10
Eustace Xavier	6/6
Ravi Rajagopal (Vice Chair – stepped down 31 October 2023)	3/5
Bob Kerslake (Chair – passed away 1 July 2023)	3/3

The Board has at least six scheduled meetings each year. During the financial year ended 31 March 2024, there were additional meetings called at shorter notice to consider urgent issues. Where this was the case, it was not always possible to identify a time where every member could attend, due to existing prior commitments which could not be re-scheduled. Contribution to Peabody is measured across multiple factors, of which attendance at Board meetings is only one. For example, each Board member is also a member of one or more Group Committees, which met regularly during the year, with high levels of attendance. Board members also visit sites and schemes and are involved in working groups and events involving residents and other stakeholders.

A passionate and accomplished *leadership team*

Ian McDermott
CEO

Ian joined as Chief Executive of Peabody in October 2021. He was previously Chief Executive of Catalyst. A chartered surveyor, Ian has over 30 years' experience in the housing sector. He's a member of the Chartered Institute of Housing and an alumnus of the Harvard Business School.

Stephen Burns
Executive Director Care, Supported Housing and Inclusion

Stephen joined Peabody in 1998 and became a director in July 2006. He's worked in community regeneration, training and employment since 1991 and was a director of a national training company from 1993 to 1997. Prior to 1991, Stephen was a computer professional involved in satellite and telecommunications.

Sarah Cameron
General Counsel and Company Secretary

Sarah leads the Legal, Governance, Risk and Regulatory Compliance teams for the Peabody Group. She joined Peabody in 2014 as Director, Legal and Governance. Prior to joining Peabody, Sarah was Group Company Secretary of technology company, Smiths Group plc. Sarah is a qualified solicitor, with considerable experience in commercial contracts, mergers and acquisitions, dispute resolution, governance and business ethics.

Peter Evans
Executive Director, Property Services and Assets

Peter joined Peabody from Catalyst, where he was Group Director of Property Services. He's worked in property and construction for over 35 years in a range of different sectors and capacities. He's held senior positions with a large social housing provider in the south of England and has worked in housing management and property services. He also established an in-house new build construction service.

Bob Heapy
CEO Town & Country Housing until April 2024

Bob joined TCH as Chief Executive in October 2010 and following TCH's merger with Peabody in 2019, was an Executive Director of the Group. Bob became the Chief Executive of Rosebery on 1 July 2022 following Peabody and Catalyst joining together. He has successfully led major organisations in the public and private sectors and has more than 30 years' experience in construction and social housing sectors. Bob stepped down as an Executive and TCH CEO in April 2024.

Elly Hoult
Chief Operating Officer and Deputy Chief Executive Officer

Elly joined Peabody in January 2023 to lead on the integration of Peabody and Catalyst. She became Chief Operating Officer in April 2023. With over 25 years' experience in the housing sector, Elly has worked her way up from the role of a supported housing officer to executive-level roles. She was the Group Director, Assets and Sustainability at Notting Hill Genesis and has also worked at Orbit and A2 Dominion. Elly is a board member and vice president of the Chartered Institute of Housing and currently chairs the Knowing Our Homes Group (part of the Better Social Housing Review). In April 2024, Elly has added the role of Deputy Chief Executive to her remit.

Eamonn Hughes
Chief Financial Officer until June 2024

Eamonn joined Peabody in 2018 as Finance Director for Development and Regeneration and became the Chief Financial Officer in February 2020.

Before joining Peabody, Eamonn was a finance director at the Berkeley Group. His previous experience includes seven years with KPMG where he worked across the firm's audit, transactions and restructuring practices. Eamonn is a member of the Institute of Chartered Accountants for England and Wales. Eamonn left Peabody at the end of June 2024 and was replaced by Phil Day in September.

Philip Jenkins
Executive Director, Development

Philip joined Peabody with the Catalyst merger, having been the Group Director of Development. With a property development career spanning more than three decades across the private, public and not-for-profit sectors, he brings a wealth of housing experience. He's also worked for companies including Taylor Wimpey, CityWest Homes, The John Lewis Partnership and SPAR.

David Lavarack
Executive Director, Group Support Services

David leads the People, IT, Communications and Occupational Health and Safety teams. He joined Peabody in March 2007 from Barclays Bank, where he held several senior posts, including Small Business Banking Director and Chief Operating Officer for the marketing and communications functions. He has extensive experience in strategic change management and organisational development.

John Lewis
Executive Director, Sustainable Places

John is leading our work to develop sustainable places – neighbourhoods that bring about lasting social, economic and environmental benefits to communities. Using the learning from our ongoing regeneration of Thamesmead, John is working with teams across Peabody to define the best ways to improve and look after other neighbourhoods for the long term. John is a professional member of the Royal Institute of Chartered Surveyors and has a Master of Arts in Urban Regeneration. He has been leading the Thamesmead regeneration since 2016. Before this, John led the expansion of Letchworth Garden City and Milton Keynes.

Do the *right thing*

The Board is responsible for the effective governance of the Group. Our Governance Framework was reviewed during the year to ensure it would support the delivery of the Group's purpose and strategic objectives and reflect the changing external and internal economic, risk and regulatory environments.

Overview of corporate governance

The Peabody Trust Board (the Board) is responsible for the effective governance of the Peabody Group (the Group) while day-to-day management is delegated to the Executive Committee.

As of 31 March 2024, the Board had 12 non-executive members and one executive member, the CEO. At the time of publication of this report, the Board has 13 members in total. The following non-executives stepped down from the Board during the last 18 months: Ravi Rajagopal on 31 October 2023 and Deidre Moss on 30 June 2024.

Following the sad passing of Chair Robert Kerslake on 1 July 2023, David Hardy was appointed Interim Chair in August. From 1 April 2024 Caroline Corby was appointed the Peabody Trust Board Chair, with David Hardy taking the role of Vice Chair. The Board members bring a broad range of skills, experience and knowledge to their roles, including expertise in finance, business, customer service and lived experience.

Employees of the Group (usually members of the leadership team) may be appointed to subsidiary Board or Committee appointments in the Group subject to appropriate review and approval by the Nominations and Remuneration Committee or Peabody Board.

All Board and Committee members have the same legal status and duties, irrespective of whether they are an employee or not. However, the Group recognises that there is a heightened risk of conflict or perceived conflict or undue influence where the individual is also an employee. Boards, committees and employees remain alert to this risk at all times. Employees cannot be appointed as a member of committees responsible for nominations, remuneration or audit.

During the year, the Board was kept updated on, and provided oversight and challenge in relation to, the Group's compliance with the Regulator of Social Housing (RSH) Regulatory Framework. The Board takes its responsibilities under regulation and relevant good practice guidance very seriously and has taken appropriate steps to ensure compliance with the requirements set out in the Regulatory Framework. A comprehensive action plan to ensure compliance with the new consumer standards is being monitored through to completion by the Board. Peabody and its subsidiaries are committed to transparent and timely communication with the RSH.

In summer 2023, Peabody was subject to an In-Depth Assessment by RSH, the outcome of which was published in September 2023 and confirmed Peabody's G1 rating for governance and V2 for viability. The credit ratings for Peabody are A3 (stable) by Moody's and A- (negative outlook) by Standard & Poor's (Global Rating).

Compliance with the National Housing Federation (NHF) Codes

Peabody has adopted the NHF Code of Governance 2020 and the Group was substantially compliant during the year to 31 March 2024. In fulfilling its obligations under the code, the Group follows good practice drawn from supporting guidance. An independent review of governance was undertaken in 2023. This confirmed that Peabody was substantially compliant with the code, noting two areas of explanation (more details below). The review made recommendations to streamline and enhance governance arrangements. The Board has agreed an action plan to implement the findings of the review.

The following paragraphs explain relevant principles of decision making during the period 1 April 2023 to the signing of the accounts.

Board tenure

The Board and the Nominations and Remuneration Committee (NRC) determined that while six-year terms would be applied for new Board and Committee members appointed after the adoption of the NHF Code on 1 April 2021, subject to annual evaluation, existing members could continue beyond six years up to a maximum of nine years, if it was considered in the best interests of the organisation to do so in line with the provision of the NHF Code to this effect. Having carefully considered the particular skills and experience provided by individual Board members and the future requirements and best interests of the Group, the Board approved several Board members continuing to serve beyond six years.

As explained in previous annual reports, given their skills and experience, Richard Stevens and Keith Clancy continue to serve on the board of Charlton Triangle Homes, a registered provider subsidiary with a constitutionally agreed board comprising Peabody Trust, local authority and resident nominees.

The role of the Board and its Committees

The Board is responsible for:

- Determining the strategic direction of the Group and setting out its mission, vision and values.
- Approving higher-level strategies, long-term plans and objectives to achieve the vision.
- Financial control and risk management.
- Governance and the system of delegation.
- Monitoring the Group's performance.
- Accountability to stakeholders.

Board size and diversity

The Board's size during the year was above the NHF Code maximum guidance of 12 members: at 31 March 2024 the Board comprised 13 members. Since then, one member has joined the Board and another member has left. At the time of publication of this report, the Board comprised 13 members, with one member due to finish their term of office in November 2024, at which point the Board will achieve compliance with the code. The Board's first priority is to maintain good governance through ensuring the right skill set and aptitudes are in place on the Board and Committees, whilst also meeting its goals for Board diversity. Opportunities to reduce the Board size to comply through planned departures are being balanced against ensuring the Board commitment of having two resident Board members is always met and making sure adequate skills coverage is in place, with appropriate strength in depth for subsidiary board and Group Committee chair succession.

While the Board and NRC consider skills and relevant experience to be the primary factors for recruitment, succession planning and good governance, another very important dimension is Board diversity, and ensuring our Boards and Committees are more representative of the people we serve. Peabody has committed to 30 percent of the Board being Black, Asian or minority ethnic (BAME) by December 2025. Currently, the Board of 13 is 23 percent BAME. To achieve the 30 percent target the Board is willing to accept that full NHF Code compliance in terms of Board size may not be achievable until after 2025.

Compliance with the Governance and Financial Viability Standard

A detailed internal review undertaken in July 2024 provided evidence of compliance. The Board confirms that an assessment of the Group's compliance with the Governance and Financial Viability Standard has been completed and certifies that the Group is compliant with this standard.

Leadership and control

The Board directs the affairs of Peabody in accordance with its objects and rules and is responsible for the effective governance of the Group and has ensured that the Governance Framework of the Group continues to evolve in order to reflect the changing external and internal economic, risk and regulatory environments.

The nine committees at 31 March 2024:

1. Audit and Risk Committee

Responsible for overseeing internal and external audit, monitoring and challenging the Group Risk Register and the proposed mitigations. Also responsible for undertaking deep dives on specific risk areas, overseeing the effectiveness of the internal controls and reviewing the financial statements.

2. Nominations and Remuneration Committee

Responsible for overseeing the Group's arrangements for remuneration, recruitment, retention, succession and governance to ensure they meet regulatory and good practice requirements.

3. Finance and Treasury Committee

Responsible for exercising oversight and scrutiny of the financial viability of the Group and delegated authority in relation to certain finance and treasury activities. This ensures the Group adopts sound treasury management, borrowing, investment and risk management policies and strategies, and maintains financial viability, including liquidity, at all times.

4. Development Committee

Responsible for providing oversight of the Group's development programme and delivery of its development strategy.

5. Resident Experience Committee

Responsible for providing assurance to the Peabody Board on the performance, quality and value for money of all services provided to the Group's current and future customers. It also ensures compliance with the consumer standards.

6. Communities Committee

Responsible for the strategic oversight of community investment and community development activities.

7. Care and Support Committee

Responsible for overseeing and scrutinising the care and support activities within the Group. It also approves the Care and Support Strategy.

8. Thamesmead Committee

Responsible for oversight and delivery of the Thamesmead Strategic and Delivery Plans.

9. Asset Management Committee

Responsible for providing oversight of the Group's asset management programme, delivery of its asset management strategy and compliance with decent homes and building safety requirements.

Policies and strategies

The Board considers and approves certain key policies and strategies relating to the financial framework and viability for the Group (including the 30-year long term financial plan, Treasury Management Policy and the Budget) and other key areas (such as the asset management strategy, development strategy, investment strategy, people strategy and value for money strategy).

Group structure

During the financial year, the Group included six registered providers of social housing (RPs): the parent entity, Peabody Trust, plus TCH (the Group's wholly owned subsidiary operating in Kent and Sussex); Charlton Triangle Homes Limited (a small RP operating in the Royal Borough of Greenwich) Peabody Developments Limited (PDL), which owns newly built social housing on an interim basis until all units on a scheme or phase are completed, Catalyst Housing Limited (Catalyst) and its subsidiary Rosebery Housing Association, which owned homes in Surrey and West Sussex. During the year, the Peabody and Catalyst Boards approved the consolidation of Catalyst and Peabody via a statutory transfer of engagements of Catalyst to Peabody. This was completed on 3 April 2023.

Rosebery Housing Association transferred its engagements to TCH on 4 April 2023. At the time of publication of this report, there are four active RPs in the Group: Peabody Trust, TCH, PDL and Charlton Triangle Homes. Details of other subsidiaries are provided in the notes to the financial statements.

Governance framework

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.

The Group's Governance Framework supports the 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 compromised service delivery, damage to our reputation or non-compliance with law or regulation, as further set out in the Risk section of this report. The Board keeps the corporate structure under review and will consider further changes to streamline the enlarged Group, while managing risk, protecting social housing assets and delivering quality services to customers and others, and making sure the Group has both the capacity and capability to deliver its vision.

Corporate responsibility

Peabody embeds corporate responsibility and sustainability across the organisation. This includes working with suppliers to embed sustainable practices and our commitment to openness and transparency in the way we conduct our business and interact with our customers. Peabody is committed to achieving equality and diversity in all aspects of its operations, and our policies, strategies and practices reflect this.

Peabody has a Group Equality, Diversity and Inclusion (EDI) Strategy to make sustainable progress towards our goal of embedding equality and diversity throughout the full breath of our work.

Board evaluation, skills, induction, development and appraisals

The Chair is responsible for managing the performance of the Board and the Chief Executive. The performance of the Chair is the responsibility of the Board.

The Board, supported by the Group's NRC, regularly reviews Board and Board Committee composition, and carries out an annual self-assessment of its performance, with an independent evaluation of Board effectiveness approximately every three years.

An independent review of the Group's governance, including Board effectiveness was undertaken in 2023. This concluded that the Board had managed Peabody's agenda well and made recommendations to create capacity and strengthen the Board's focus. An action plan has been agreed for implementation during 2024-25.

An independent skills assessment was also undertaken in 2023. This indicated that Peabody Trust Board members possess a wide range of skills, and with sufficient depth to fulfil the Peabody Trust Board's governance responsibilities. Some potential skills gaps, areas of potential overreliance on a single member and skills loss exposure risks in the next three years were identified. The information collated from skills assessments is considered regularly by the NRC in conjunction with the views of the Board, Committee Chairs, and internal and external factors, including the Group's strategic and operational priorities, the key risks to the Group and the sector, legal and regulatory requirements, and the wider challenges of the external environment.

Stakeholders, transparency and diversity

The Group continues to build relationships with a range of stakeholders and policymakers. Our relationship-building approach has helped us to deliver our strategic goals and to achieve the social purpose of our mission statement.

Peabody is committed to being open and transparent in the way the business is conducted and in interactions with our residents and customers. 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 information (including detailed information on complaints) on its website for all Peabody's stakeholders.

Peabody provides specific information about the Group's work, on request, unless there are good reasons not to, for example for legal reasons or on the grounds of data protection, personal confidentiality, commercial confidentiality or practicality.

Peabody modern slavery and human trafficking statement

As a responsible employer and business, and as an organisation dedicated to improving the lives of our residents and the communities we serve, Peabody is committed to doing everything possible to prevent slavery and human trafficking in our business and supply chain. A statement outlining how Peabody and its subsidiaries deliver its commitment is available to read on the Peabody website at www.peabody.org.uk.

What the Board did this year

The Board met 10 times during the financial year ended 31 March 2024 to ensure that key risks and challenges for the Group and the housing sector were considered and effectively mitigated. The Board also:

- Looked at legal and regulatory requirements (including the regulatory focus on consumer standards, and the new and upcoming requirements of new legislation), and the wider challenges of the external environment.
- Assured the financial viability of the Peabody Group.
- Reviewed key performance indicators and delivery of the Group's strategic goals.
- Continually reviewed, managed and mitigated against the organisation's key risks with particular focus on fire and building safety and finance.
- Oversaw the implementation of the local Peabody model and getting closer to our customers strategy.
- Reviewed governance arrangements post the merger with Catalyst in 2022-23.

Future Board focus

Gain a broader and deeper insight into what it means to be a Peabody resident and ensure the customer voice is heard to inform decision making.

Continue to embed a local approach to delivering services and the customer digital journey to ensure delivery of the strategic priority to get the basics right.

Ensure that the wellbeing and safety of Peabody's residents remains paramount as the Group progresses its building safety programmes and meets the requirements of the Building Safety Act and other legislation and regulation in relation to fire safety.

Monitor the impact on Peabody of external stresses by regularly reviewing the Budget and long-term financial planning with appropriate adjustments to ensure Peabody meets its financial commitments and agreed metrics.

Promote resilience and the prevention of homelessness by continually evaluating the social impact of community development work.

Consider approaches to make our business activities and homes (new and existing) more sustainable, tackle climate change and monitor progress towards our carbon neutral and sustainable Peabody goals.

Ensure our homes and buildings are safe and well maintained by understanding the condition of our stock and the demands on asset management.

Deliver for the most vulnerable by balancing investment in existing homes with the delivery of new homes.

Measure the progress we make working towards diverse, inclusive, engaged and creative teams that reflect the communities we work with in line with our EDI goals.

Champion and track how we embed a culture that creates a sense of belonging and empowers our teams to do the right thing.

Consider progress against the Group Strategy goals and priorities, and agree any changes required to reflect the challenging external environment and feedback from customers and colleagues. Develop the next three-year Group Strategy.

Review and assess changes to align activities with the new consumer standards and our own expectations to deliver for customers.

Review and assess the effectiveness of governance and risk management, risk appetite and emerging risks, including ensuring the governance framework remains fit for purpose through regular review.

Determine and implement a streamlined governance structure, which builds on the current strong foundations and strengthens the focus on delivery of Peabody's strategic ambitions.

Leadership

Board

Collectively responsible for the long-term success of the Group.

Governance and compliance

- Reviews of Board performance and effectiveness.
- Governance updates.
- Legal and regulatory issues.

Strategies and policies

Approves policies and strategies, including:

- Group Strategy.
- Asset Management Strategy.
- Development Strategy.
- Investment Strategy.
- People Strategy.
- Sustainability Strategy.
- Treasury Strategy.
- Health and Safety Policy.

Residents and stakeholders

- Considers impacts of proposals on residents.
- Considers the views of residents and other stakeholders.
- Monitors the Tenant Satisfaction Measures and other feedback from residents.

Financial and investment decisions and risk management

- Monitors financial performance.
- Approves Long-Term Financial Plan, budgets and forecasts.
- Monitors financial risk and treasury reports.
- Approves Group Risk Register.
- Approves material financial investments (e.g. development schemes, significant income and capital spend) above agreed thresholds.

Operational performance

Monitors:

- KPIs.
- Reviews of operational areas.
- Complaints and Housing Ombudsman performance.

Peabody behaviours

Monitors and reinforces:

- Tone from the top.
- Our values.
- Peabody Code of Conduct.
- Employee engagement.

Chief Executive

Responsible for managing the overall performance of the business and ensuring an effective and motivated leadership team is in place. Also leads on developing and implementing strategy.

The Board has delegated the operational management of Peabody and its subsidiaries to the Chief Executive, the Executive Committee and the Capital Management Group.

Executive Committee

Responsible for formulating the Group's strategy within the parameters set by the Board, and for delivering the strategic objectives of the business. It is also responsible for:

- The day-to-day running of the business, ensuring the Group's good governance and championing its values.
- Ensuring that the Group delivers good financial and operational performance to meet the needs of customers, regulators and other stakeholders.
- Assessing and controlling risk and identifying and assessing opportunities.
- Prioritising and allocating capital and resources.

Operates on behalf of the Peabody Board and the Boards of other subsidiaries in the Group.

Capital Management Group

- Approves and monitors major projects and activities that the Group undertakes. Some projects reviewed and approved by the Capital Management Group will subsequently be provided to the Development Committee, Thamesmead Committee or relevant Boards or Committees within the Group for further consideration and approval.
- Ensures approved projects deliver agreed objectives within agreed parameters, programme KPIs and that the risks associated with such projects are monitored and managed to ensure that they do not adversely impact on project delivery or any part of the Peabody Board's activities.
- Approves investment in new development and regeneration opportunities, property and land acquisitions and new business proposals within set levels of delegated authority.
- Ensures appropriate levels of investment are made in the Group's properties in line with the asset management strategy.
- Ensures the appropriate financing of all investment activities.
- Scrutinises the cumulative value of the Group's investments and their impact on key business plan ratios, including interest cover, gearing and on-lending.

Committee membership (excluding Board members)

including changes during the financial year ended 31 March 2024 and up to the date of publication of this report.

		ARC	FTC	REC	NRC	DevCo	CSC	ComCo	AmCo	TMC
Gossica Anichebe (Ngozika)	Peabody Committee Member			✓						
Lydia Benedek-Koteles	Peabody Committee Member						✓			
Phyllida Culpin	Peabody Committee Member			✓						
Brian Darling	Peabody Committee Member		✓							
Michelle Edwards	Peabody Committee Member						✓			
Zebrina Hanly	Peabody Committee Member								✓	
Shreya Hewett	Peabody Committee Member							✓		
Marianne Ismail	TCH Board Member				✓					
John Kehoe	Peabody Committee Member			✓						
Gaylene Kendall	TCH Board Member		✓							
Valerie Marshall	TCH Committee Chair	✓			✓					
Susan Martin	TCH Board Member			✓						
Karima Mbarak (Uba Amiri)	Peabody Committee Member							✓		
Arita Morris	Peabody Committee Member					✓				
Catherine O'Kelly	Peabody Committee Member							✓		
Nigel Perryman	Peabody Committee Member									✓
Joe Seet[1]	Peabody Committee Member	✓	✓							
Hari Sothinathan	Peabody Committee Member					✓				✓
Thelma Stober	Peabody Committee Member							✓		✓
Janet Sutherland	Peabody Committee Member						✓			
Lindsay Todd	TCH Board Member					✓			✓	
Christine Turner[2]	TCH Vice Chair							✓		
Katharina Winbeck	Peabody Committee Member							✓		

1 Joe Seet retired on 31 October 2023.
2 Christine Turner stood down from REC on 4 April 2023.

Key

ARC Audit and Risk Committee
FTC Finance and Treasury Committee
REC Resident Experience Committee
NRC Nominations and Remuneration Committee
DevCo Development Committee
CSC Care and Support Committee
ComCo Communities Committee
AmCo Asset Management Committee
TMC Thamesmead Committee

Remuneration of non-executive Board and Committee members

Peabody Board	Peabody Board
Ravi Rajagopal	£16,333
Cary Wakefield	£18,500
David Hardy	£27,894
Deirdre Moss	£6,750
Graham Woolfman	£18,500
Helen Edwards	£18,500
Peter Baffoe	£18,500
Phillipa Aitken	£18,500
Terry Hartwell	£18,500
Ann Bentley	£15,000
Matthew Martin	£15,000
Eustace Xavier	£8,750

Committee Members	Peabody Committee
Zebrina Hanly	£7,500
Joe Seet	£3,750
Brian Darling	£7,500
Gaylene Kendall	£7,500
Nigel Perryman	£7,500
Ngozika Anichebe	£7,500
Phyllida Culpin	£7,500
Lindsay Todd	£7,500
Uba Mbarak	£7,500
Katharina Winbeck	£7,500
Shreya Hewett	£7,500
Janet Sutherland	£7,500
Lydia Benedek-Koteles	£7,500
Michelle Edwards	£7,500
Hari Sothinathan	£7,500
Arita Morris	£7,500
Thelma Stober	£7,500
Christine Turner	£9,028

Bob Kerslake, John Kehoe and Catherine O'Kelly waived their right to remuneration.

Martyn Burke became Chair of Town & Country Housing (TCH) in mid-September 2023, and joined the Peabody Board when he took on the TCH Chair role. He is remunerated by TCH. Christine Turner is Vice Chair of TCH and serves as a Peabody Committee member and is remunerated through Peabody. Valerie Marshall and Susan Martin are TCH Board members and serve as Peabody Committee members. They are remunerated by TCH. Deirdre Moss served as a member of the Peabody Board for the whole financial year, standing down in June 2024. She was Chair of TCH for part of the year until mid-September 2023, and was remunerated by TCH for that period.

Approach to executive remuneration

Peabody sets senior executive pay based on independent professional advice and sector benchmarks, taking into account the need to attract and retain people qualified to lead an organisation of Peabody's size and complexity. This includes senior leaders in the fields of finance, development, housing, care and community investment, and corporate services. At the tier below, leaders and specialists are recruited in fields such as IT and human resources, as well as leaders in development, regeneration, housing, finance and other fields. The overall framework is agreed by the NRC, which also makes decisions about bonus payments to senior executives. The Board has responsibility for agreeing the pay of the Chief Executive.

Detailed information on the amounts paid to non-executive Board members and the Chief Executive, Ian McDermott, during the financial year are set out in the financial statements. With regards to other employees, information is provided about the number of employees in each salary band above £60,000.

Auditor

KPMG LLP has indicated its willingness to continue in office as external auditor of the Group. Therefore, after due consideration of the recommendation of the Audit and Risk Committee at a meeting held on 27 August 2024 and the requirements under section 93 of the Co-operative and Community Benefit Societies Act 2014, the Board reappointed KPMG LLP as auditor of Peabody Trust on 9 September 2024.

Internal control and risk management

The Board is responsible for the system of risk management and the internal control framework across the Group, as well as 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 Audit and Risk Committee (the Committee) provides oversight on behalf of the Board regarding the system of risk management and the internal control framework, and regularly reviews their effectiveness.

The risk review process

The Board and Committee regularly reviewed the Group's strategic risk register as detailed in the Risk Management section of the Strategic Report.

Internal audit

The Group's internal audit function is outsourced to PricewaterhouseCoopers (PwC) and the internal audit function for TCH is outsourced to Forvis Mazars for the year ending 31 March 2024.

The annual programme of internal audit work for the Group approved by the Committee seeks to address the key risks identified across the Group on a three-year cycle and includes a continuous auditing programme of our core financial and asset compliance controls.

PwC reported its overall conclusion on completion of the Group's 2023-24 internal audit plan at the Committee's 16 July 2024 meeting, noting an overall decrease in the number of audit findings, alongside a consistently high implementation rate of internal audit actions, taking both to be an indicator of a robust control environment.

The Committee was also presented with Forvis Mazars' overall conclusion of TCH's 2023-24 internal audit plan at the same meeting, which included a limited assurance opinion. This resulted from an increase in internal audit actions following the merger with Rosebery as audits were focused on areas where problems had been found, combined with a decrease in the completion rate of actions. The Committee received assurances from management that urgent action was being taken to clear the outstanding issues and ensure robust internal controls.

Based on the accelerated remediation of any issues, and the relative magnitude of the TCH findings in relation to the Group's internal controls which were found to be robust, the Committee was satisfied to report to the Board that there was no significant detriment to the Group's control environment.

Monitoring, control environment and control procedures

Managers are aware of the requirement to promptly report any suspected breach or weakness of controls via line management or in accordance with the Whistleblowing Policy, if necessary. Peabody also operates a formal process of regular self-assessment of controls, designed to ensure potential risks and weaknesses in the control environment are escalated. The Chief Executive provides an annual assurance report, based in part on this self-assessment process, to the Committee and the Board.

Key health and safety issues are reported to the executive-led Health and Safety Committee, and reports on health and safety (including the outcome of specialist audits) are provided regularly to the Committee and at least annually to the Board.

The external auditor provides independent assurance on the control environment and advises the Committee in writing of any weaknesses in internal control identified through the course of its work, along with recommendations for improvement.

Information and financial reporting systems

The Group's Long Term Financial Plan, financial performance and KPIs linked to the Group Strategy are monitored regularly by management and the Board to ensure that the business remains financially sound and that financial and non-financial targets are met. The Committee received reports on the Group's information risks and data quality, and data protection compliance.

Fraud, anti-money laundering, anti-bribery and whistleblowing

Peabody is committed to maintaining the highest ethical standards in all our business activities and we adopt a zero-tolerance approach to fraud, bribery, money laundering or any form of financial misconduct or impropriety. This is set out in our Code of Conduct and is embedded through bespoke policies, procedures and mandatory training for all colleagues. To support this, we maintain an impartial whistleblowing channel to ensure that all colleagues, volunteers and contractors can confidentially raise concerns which are thoroughly investigated. We also have an Anti-Money Laundering Officer, to whom any suspicious transactions can be reported, and who will pass any concerns onto the National Crime Agency where required.

The Committee receives regular reporting on all such instances or potential instances (including tenancy fraud and attempted fraud) as well as details on any resultant control improvements or initiatives.

Board statement on the effectiveness of the system of internal control for the period ending 31 March 2024

The Board acknowledges its ultimate responsibility for ensuring that the Group has an internal control system that is appropriate to the various business environments in which it operates. This is designed to manage, rather than eliminate, the risk of failure to achieve our strategic priorities and can only provide reasonable and not absolute assurance against material misstatement or loss. The processes in place for identifying, evaluating, and managing the significant risks faced by the Group are ongoing and have been in place throughout the period commencing 1 April 2023 up to the date of approval of the financial statements.

Key elements of the system of risk management and internal control throughout the period included:

- Regular reporting of risk information and mitigation to the Audit and Risk Committee and Board.
- Board approved terms of reference and delegated authorities for the Group's Committees.
- A review of legal and regulatory compliance provided annually to the Board.
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks.
- Robust strategic and business planning processes, with detailed financial budgets and forecasts.
- Formal recruitment, retention, training and development policies for all colleagues.
- Formal board evaluation and appraisal procedures.
- An annual review of compliance with the NHF Code of Governance.
- Established authorisation and appraisal procedures for significant new initiatives and commitments.
- Committee approved internal audit plan and internal audit reporting at Committee meetings.
- Approval by the appropriate Committee or Board of key policies.
- Reporting of key health and safety issues to the Health and Safety Committee at least once a year to the Board.
- A detailed Group approach to treasury management.
- Regular updates and reporting by external auditors.
- Regular reporting to the appropriate committee on key business issues, objectives, targets and outcomes.
- Regular monitoring of loan covenants and requirements for loan facilities.
- Twice-yearly self-assessment by management, of effectiveness of controls tailored to evidence key controls.
- Chief Executive's assurance to the Committee and the Board.
- Policies and arrangements to reduce the risk of fraud, bribery and money laundering.
- Reporting to the Audit and Risk Committee of instances of fraud, whistleblowing, bribery and money laundering.
- Periodic review and assessment of compliance with the RSH regulatory standards.

The Board has delegated the regular review of the effectiveness of the Group's system of internal control to the Audit and Risk Committee, while maintaining ultimate accountability for the system of internal control.

The Audit and Risk Committee reviewed the effectiveness of the Group's system of internal control for the period commencing 1 April 2023 up to the date of approval of the financial statements, including the annual report of the internal auditor, and reported to the Board that it found no significant weaknesses in the system of internal control.

Going concern

The Board has considered whether it's appropriate to prepare the financial statements on a going-concern basis. It has determined that it is, for the reasons set out in note 2.4 to the financial statements.

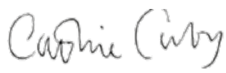
Statement of the Board's responsibilities in respect of the Board's report and the financial statements

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

- Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board has elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.
- The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Association and of the income and expenditure of the Group and the Association for that period.
- In preparing these financial statements, the Board is required to:
  - Select suitable accounting policies and then apply them consistently.
  - Make judgements and estimates that are reasonable and prudent.
  - State whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements.
  - Assess the Group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
  - Use the going concern basis of accounting unless it either intends to liquidate the Group or the Association or to cease operations or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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



Caroline Corby
Chair

12 September 2024

1. Our opinion is unmodified

We have audited the financial statements of Peabody Trust ("the Association") for the year ended 31 March 2024 which comprise the Group and the Association's Statement of Comprehensive Income, the Group and the Association's Statement of Financial Position, the Group and the Association's Statement of Changes in Reserves, the Group Statement of Cash Flow, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Group and the Association as at 31 March 2024 and of the income and expenditure of the Group and the Association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit and Risk Committee.

We were first appointed as auditor by the Board on 30 April 2015. The period of total uninterrupted engagement is for the nine financial years ended 31 March 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality:		£8.3m (2023: £21.9m)
financial statements as a whole		0.85% (2023: 2.0%) of Group total revenues
Coverage		98% (2023: 98%) of Group total revenues
Key audit matters		**vs 2023**
Recurring risks	Recoverability of stock and work in progress	^

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Recoverability of stock and work in progress **Group** (Group £428m; 2023: £469m) *Refer to page 95 (accounting policy and financial disclosures)*	**Subjective estimate** Property held in stock and current assets work in progress comprises properties which are speculatively developed for shared ownership or outright sale. UK accounting standards requires these properties to be recognised at the lower of cost or net realisable value. In order to assess the net realisable value of property held in stock and work in progress, site appraisals are prepared which include forecast revenue and costs and provide an indication of the recoverability of property held in stock and work in progress. Site appraisals include a number of judgements that could have a significant effect on the net realisable value of the property. The effect of these matters is that, as part of our risk assessment, we determined that the recoverability of stock and work in progress has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The severity of this risk has increased since the prior period due to greater levels of economic uncertainty in the housing market, including in relation to potential reductions in house prices as a consequence of increased interest rates and inflationary pressures on household budgets.	Our procedures included: • **Tests of detail:** Obtaining the Group's working schedules to calculate the net realisable value of its stock and WIP, agreeing key inputs to supporting evidence (such as floor areas, tenure, location) and recalculating the outputs. • **Personnel interviews:** Identifying schemes with unusually high or low forecast prices or costs per unit area in comparison to the wider portfolio for enquiries with development scheme managers. • **Our sector expertise:** Assessing the rationale for forecasted sales prices and consideration of sales conditions within the geographical area with reference to market data. • **Sensitivity analysis:** Performing sensitivity analysis over the forecasted costs and expected sales and analysing the results to determine if there was be a material risk around recoverability of the sites. We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Our results** We found the resulting estimate of the recoverable value of stock and work in progress to be acceptable (2023: acceptable).
Valuation of defined benefit plan obligations for certain pension schemes **Group and Association** (Group: £199m; 2023 £310m; Association; £170m; 2023 £227m) *Refer to page 101 (accounting policy and financial disclosures)*	**Subjective valuation:** The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Group's pension liability could have a significant effect on the financial position of the Group. The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Group in completing the year end valuation of the pension surplus/deficit and the year on year movements. The Group has previously given notice to the London Pensions Fund Authority (LPFA) to cease participation in it and to recognise this at 31 December 2023. There is an elevated risk of error in the valuation and accounting for related pension adjustments. The Group will need to appropriately describe the impact of accounting disclosures during the period, since the balance sheet position will be nil the cessation of participation.	Our procedures over EFHAPS and SHPS included: • **Assessing actuary's credentials:** We assessed the competence, independence, and expertise of the pension scheme actuaries used by the Group. • **Benchmarking assumptions:** We challenged with support of our own actuarial specialists, the key assumptions applied in the valuation of the year-end obligations, being the discount rate, inflation rate, and mortality/life expectancy against externally derived data. • **Assessing transparency:** We assessed the adequacy of the Group's and Associations' disclosures in relation to the key assumptions used in valuing the pension scheme obligations. Our procedures over LPFA cessation included: • **Cessation Testing:** We obtained an understanding of cessation, settlement and data accounting processes. There was a review of actuarial calculations and, where necessary, challenging the accounting treatment applied in respect of this event, with the support of our own actuarial specialists. **Our results** • We found the resulting valuation of the Group's defined benefit plan obligations for the EFHAPS and SHPS schemes to be acceptable (2023: valuation of the Group's defined benefit plan obligations for the EFHAPS, LPFA and SHPS schemes acceptable). • We found the resulting valuation of the Association's defined benefit plan obligations for the SHPS scheme to be acceptable (2023: acceptable). • We found the resulting accounting treatment of the cessation of LPFA to be acceptable. (2023: Not applicable)

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £8.3m (2023: £21.9m), determined with reference to a benchmark of Group total revenues, of which it represents 0.85 percent (2023: 2.0 percent).

Materiality for the parent Association financial statements as a whole was set at £6.2m (2023: £8.9m), determined with reference to a benchmark of Association total revenues, of which it represents 0.85 percent (2023: 2.0 percent).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75 percent (2023: 75 percent) of materiality for the financial statements as a whole, which equates to £6.2m (2023: £16.4m) for the Group and £4.65m (2023: £6.67m) for the parent Association. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £415k (2023: £1,095k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 33 (2022: 33) reporting components, we subjected 5 (2023: 5) to full scope audits for group purposes.

The components within the scope of our work accounted for the percentages illustrated opposite.

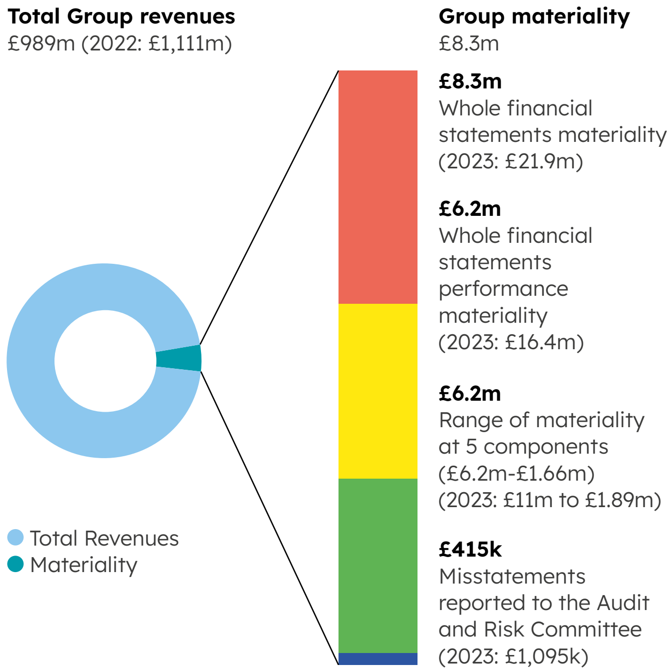
The remaining 2 percent (2023: 2 percent) of total Group revenue and 1 percent (2023: 3 percent) of total Group assets is represented by 28 (2023: 28) of reporting components, none of which individually represented more than 1 percent (2023: 1 percent) of any of total Group revenue or total Group assets. For the residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back.

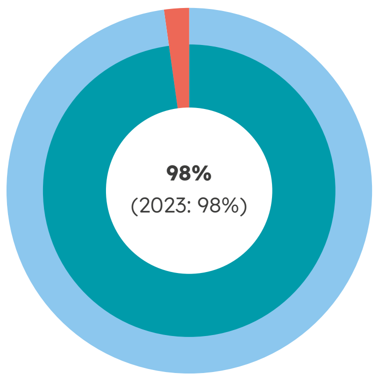
The Group team approved the component materialities, which ranged from £6.2m to £1.66m (2023: £11m to £1.89k), having regard to the mix of size and risk profile of the Group across the components. The work on one of the five components (2023: one of the five components) was performed by component auditors and the rest, including the audit of the parent Company, was performed by the Group team.

Video and telephone conference meetings were held with the component auditor for the 1 (2023: 1) component. At these meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

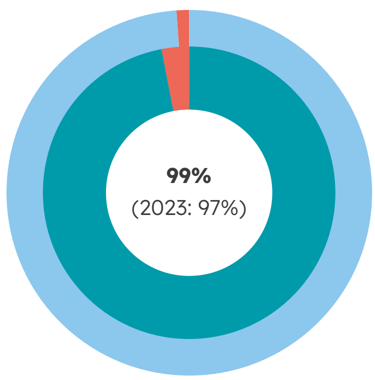
The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.



Group revenue



Group total assets



- Full scope for group audit purposes 2023
- Full scope for group audit purposes 2022
- Residual components

4. Going concern

The Association's Board has prepared the financial statements on the going concern basis as it does not intend to liquidate the Group or the Association or to cease their operations, and as it has concluded that the Group's and the Association's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Association's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Association's available financial resources and/or metrics relevant to debt covenants over this period were:

- The impact of high inflation rates on costs, particularly in a scenario where social rent increases are capped below the rate of inflation.
- The impact of reductions in property sales prices.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

Our conclusions based on this work:

- We consider that the directors' 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 directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Association's ability to continue as a going concern for the going concern period.
- We found the going concern disclosure in note 1.3 to be acceptable.

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 Group or the Association will continue in operation.

5. 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, the Audit and Risk Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading the Board and the Audit and Risk Committee minutes.
- Considering remuneration incentive schemes and performance targets.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reading a copy of the Group's fraud register.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as the assumptions used in the value of housing stock held in current assets. On this audit we do not believe there is a fraud risk related to revenue recognition because of the low degree of complexity and subjectivity in the Group's material revenue streams leading to limited opportunity for revenue to be fraudulently manipulated. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted to unusual account combinations with cash and revenues.
- Evaluating the business purpose of significant unusual transactions.
- Assessing whether the judgements made in the accounting estimates are indicative of potential bias including assessing the assumptions used in the value of housing stock held in current assets.

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.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the Group's procedures for complying with regulatory requirements.

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

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related Co-operative and Community Benefit Societies legislation, social housing legislation and the requirements imposed by the Regulator of Social Housing), taxation legislation, pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety and data protection laws, recognising the regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud 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.

6. We have nothing to report on the other information in the Annual Report

The Association's Board is responsible for the other information, which comprises the Board's Strategic Report and Corporate Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or 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.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

- The Association has not kept proper books of account.
- The Association has not maintained a satisfactory system of control over its transactions.
- The financial statements are not in agreement with the Association's books of account.
- We have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

8. Respective responsibilities

Board's responsibilities

As explained more fully in their statement set out on page 65, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and the Association'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 it either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.

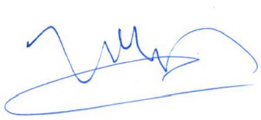
Auditor's responsibilities

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.

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

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it 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 Association, for our audit work, for this report, or for the opinions we have formed.



Harry Mears
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

12 September 2024

Statement of comprehensive income

	Note	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Turnover	3.1	**989**	**766**	1,111	724
Operating costs	3.1	**(818)**	**(664)**	(926)	(621)
Surplus on sale of fixed assets	7	**73**	**58**	72	69
Operating surplus before change in investment properties		**244**	**160**	257	172
Change in value of investment properties	16	**–**	**(6)**	(50)	(23)
Operating surplus	3.1, 8	**244**	**154**	207	149
Interest receivable and similar income	9	**4**	**78**	1	69
Interest payable and similar charges	10	**(176)**	**(210)**	(139)	(175)
Movement in fair value of derivative financial instruments	28	**–**	**–**	4	4
Share of operating loss of joint ventures	20	**–**	**–**	9	–
Pension scheme exit	30	**(8)**	**(8)**	–	–
Cost on acquisition	34	**(6)**	**(8)**	1,833	(24)
Surplus before taxation		**58**	**6**	1,915	23
Gift aid and charitable donations	11	**–**	**9**	–	38
Taxation	12	**(1)**	**–**	7	–
Surplus for the year		**57**	**15**	1,922	61
Other comprehensive income					
Pension scheme actuarial gain/(loss)	30	**4**	**1**	48	47
Change in value of hedged instrument	28	**–**	**–**	6	6
Total comprehensive income for the year		**61**	**16**	1,976	114

The Peabody Trust comparatives for 2023 have been restated to include the Transfer of Engagements of Catalyst Housing Limited to Peabody Trust on 03 April 2023. Results now show the combined entity position for the year; further information relating to the transfer can be found at note 34.

All operations are continuing activities.

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board on 9 September 2024 and signed on 12 September 2024 on its behalf by:

Caroline Corby
Chair

Ian McDermott
Chief Executive

Sarah Cameron
Secretary

Statement of financial position

	Note	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Non-current assets					
Intangible assets	13	**49**	**49**	48	48
Pension assets	30	**2**	**2**	–	3
Tangible fixed assets – housing	14	**11,576**	**9,887**	11,080	9,486
Other tangible fixed assets	15	**98**	**70**	100	73
Total fixed assets		**11,725**	**10,008**	11,228	9,610
Investment properties	16	**522**	**278**	509	278
Other investments	17	**10**	**125**	8	123
Homebuy loans receivable	18	**71**	**71**	74	74
Starter homes initiative investment	19	**3**	**3**	3	3
Investment in joint ventures	20	**79**	**–**	71	–
Total investments		**685**	**477**	665	478
Debtors due in more than one year	21	**77**	**1,278**	56	1,223
Total non-current assets		**12,487**	**11,763**	11,949	11,311
Current assets					
Stock	22	**428**	**44**	469	56
Debtors due in less than one year	23	**132**	**172**	145	201
Cash and cash equivalents		**133**	**90**	142	105
Total current assets		**693**	**306**	756	362
Creditors: amounts falling due within one year	24	**(535)**	**(514)**	(507)	(557)
Net current assets/(liabilities)		**158**	**(208)**	249	(195)
Total assets less current liabilities		**12,645**	**11,555**	12,198	11,116
Creditors: amounts falling due after more than one year	25	**(6,986)**	**(6,567)**	(6,598)	(6,150)
Provisions for liabilities and charges	29	**(27)**	**(7)**	(28)	(1)
Derivatives financial instruments	28	**(4)**	**(4)**	(4)	(4)
Pension liabilities	30	**(23)**	**(22)**	(24)	(22)
		(7,040)	**(6,600)**	(6,654)	(6,177)
Net assets		**5,605**	**4,955**	5,544	4,939
Income and expenditure reserve		**4,662**	**3,828**	4,601	3,812
Revaluation reserve		**926**	**1,112**	926	1,112
Cash flow hedging reserve		**17**	**15**	17	15
Reserves		**5,605**	**4,955**	5,544	4,939

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board on 9 September 2024 and signed on 12 September 2024 on its behalf by:

Caroline Corby
Chair

Ian McDermott
Chief Executive

Sarah Cameron
Secretary

Statement of changes in reserves

Group	Note	Income and expenditure reserve £m	Revaluation reserve £m	Cash flow hedging reserve £m	Total reserves £m
Balance at 1 April 2023		4,601	926	17	5,544
Surplus for the year		57	–	–	57
Pension scheme actuarial gain	30	4	–	–	4
Total comprehensive income for the year		**61**	**–**	**–**	**61**
Balance at 31 March 2024		**4.662**	**926**	**17**	**5,605**
Balance at 1 April 2022		2,642	926	–	3,568
Surplus for the year		1,911	–	11	1,922
Pension scheme actuarial gain	30	48	–	–	48
Movement in fair value of derivative financial instruments	28	–	–	6	6
Total comprehensive income for the year		1,959	–	17	1,976
Balance at 31 March 2023		4,601	926	17	5,544

Peabody	Note	Income and expenditure reserve £m	Revaluation reserve £m	Cashflow hedging reserve £m	Total reserves £m
Balance at 1 April 2023 combined		3,812	1,112	15	4,939
Surplus for the year		15	–	–	15
Pension scheme actuarial gain	30	1	–	–	1
Total comprehensive income for the year		**16**	**–**	**–**	**16**
Balance at 31 March 2024		**3,828**	**1,112**	**15**	**4,955**
Balance at 1 April 2022 combined		3,704	1,112	9	4,825
Surplus for the year		61	–	–	61
Pension scheme actuarial gain	30	47	–	–	47
Movement in fair value of derivative financial instruments	28	–	–	6	6
Total comprehensive income for the year		108	–	6	114
Balance at 31 March 2023 combined		3,812	1,112	15	4,939

The accompanying notes form part of these financial statements.

Statement of cash flows

Peabody Trust is a social landlord regulated by the RSH. The parent as a standalone entity is exempt from preparing a cash flow. The Peabody Group cash flow is shown below.

	Note	**Group 2024 £m**	Group 2023 £m
Net cash generated from operating activities	38	**311**	475
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets	7	**153**	134
Proceeds from redemption of Homebuy loans and other loan activities	7	**5**	8
Purchases of intangible fixed assets	13	**(19)**	(23)
Purchase of tangible fixed assets		**(659)**	(585)
Purchase of investment assets	16	**(11)**	(29)
Investment into joint ventures	20	**(22)**	(24)
Proceeds received from joint ventures	20	**14**	42
Receipt of government grant	26	**135**	40
Repayment of government grants	26	**(1)**	(3)
Receipt of non-government grant	26	**33**	4
Interest received	9	**4**	1
Cost of a acquisition		**(2)**	(27)
Cash acquired on acquisition		**–**	98
Net cash used in investing activities		**(370)**	(364)
Cash flows from financing activities			
New bonds and bank loans		**445**	291
Repayment of bank loans		**(159)**	(202)
Interest paid		**(230)**	(183)
Loan break costs/termination costs		**(6)**	–
Net cash from financing activities		**50**	(94)
Net decrease in cash and cash equivalents		**(9)**	17
Cash and cash equivalents at beginning of year		**142**	125
Cash and cash equivalents at end of year		**133**	142

Statement of cash flows continued

Reconciliation of net cash flow to movement of debt	Note	Group 2024 £m	Group 2023 £m
Movements in the year			
Decrease in cash in year		**(9)**	17
Increase in debt due to acquisition		**–**	(1,525)
Cash received from loan advances (net)		**(273)**	(89)
Cash outflow from movement in liquid resources		**9**	(17)
Change in debt		**(273)**	(1,614)
Debt at 1 April		**(4,731)**	(3,117)
Debt at 31 March		**(5,004)**	(4,731)

Consolidated analysis of changes in net debt	01/04/2023 £m	Cash flows £m	31/03/2024 £m
Cash in hand and at bank	142	(9)	**133**
Debts due within 1 year	(16)	(47)	**(63)**
Debts due after 1 year	(4,715)	(226)	**(4,941)**
Total net debt	(4,589)	(282)	**(4,871)**

The accompanying notes from part of these financial statements.

1. Legal entity

The association is registered under the Cooperative and Community Benefit Society Act 2014 and is a registered provider of social housing (number 7741) and with the Regulator of Social Housing (number 4878).

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (March 2018) ('FRS 102'), Statement of 2018 Recommended Practice for Social Housing Providers ('the SORP'), the Accounting Direction 2022 for Private Registered Providers of Social Housing 2019 ('the Accounting Direction') and the Co-Operative and Community Benefit Societies Act 2014.

The financial statements have been prepared under the historical cost convention, with modifications for the fair value of certain investments and financial instruments.

The principal accounting policies adopted in the preparation of these financial statements are set out in the relevant notes and have been applied consistently in dealing with items which are considered material in relation to Peabody Trust consolidated ('Group') and individual ('Peabody') financial statements. Accounting policies not specifically attributed to a note are set out below.

The financial statements are presented in Sterling (£).

2.2 Basis of consolidation

The Group is required by the Co-operative and Community Benefit Societies Act 2014 to prepare consolidated financial statements. The consolidated financial statements incorporate the financial statements of Peabody and entities (including special purpose entities) controlled by the Group (its 'Subsidiaries'). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are de-consolidated where control ceases. Group entities are detailed in note 35 to the financial statements.

2.3 Disclosure exemptions

Peabody Trust has taken advantage of the exemptions in FRS 102 for the following disclosures:

(i) A parent cash flow statement and related disclosures,.

(ii) An assessment of parent exposure to Pillar Two income tax rules.

2.4 Going concern

The combined new Group's budgets and forecasts for 2024-25, approved by the Board in March 2023, and the Long-Term Financial Plan, approved by the Board in May 2024, have taken into account the increased size of the operations and integration plans are mindful of the inflationary environment. The resilience of the business plan is supported by:

(i) Capital at Risk thresholds which are monitored on a quarterly basis to ensure there is capacity to absorb a 20% downturn in the property market,

(ii) Stress testing across a range of severe but plausible stress scenarios, both in isolation and in combination,

(iii) Identified risk mitigations which can be implemented in a stressed scenario, and

(iv) Prudent liquidity policies, including a requirement for cash and available facilities to cover 18 months of expenditure from contracted income only.

Trading in the year to date is in line with expectations reflected in our budgets and the Group continues to generate surpluses in the current environment. We continued to receive strong interest in reservations for homes and reservations continue to progress to completion. We have maintained strong liquidity, with cash balances and unutilised loan facilities similar to the 31 March level of £1.3bn.

The Board believes that the Group and Trust has sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios. Consequently, the Board is confident that the Group and Trust will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. They therefore have prepared the financial statements on a going concern basis.

2.5 Segmental reporting

For the purpose of segmental reporting, the chief operating decision maker (CODM) is considered to be the Executive Leadership Team. In line with the segments reported to the CODM, the presentation of these financial statements and accompanied notes are in accordance with the Accounting Direction for Private Registered Providers of Social Housing from January 2022 and is considered appropriate. Information about income, expenditure, and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group. This is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates. The CODM do not review disaggregated financial information of assets and liabilities at this level of operating segment. Refer to notes 3.2 and 3.3 for further disclosed information.

2.6 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, in hand, deposits, short-term investments. Any bank accounts in overdraft are included within the overall cash balance.

2.7 Service charge sinking fund

Under the terms and conditions of their leases, leaseholders are required to contribute to a sinking fund for future provision of communal facilities. These funds are invested in separate bank accounts in order to meet future commitments. Interest received is credited to these funds.

2.8 Property managed by others

The Group has a number of agreements with third parties to manage schemes on its behalf. Where a transfer of the risks and benefits attached to schemes has taken place, the transactions managed by the agents are not included in these financial statements.

2. Accounting policies continued

2.9 Property managed for others
The Group manages some schemes on behalf of third parties. Where a transfer of the risks and benefits attached to schemes has taken place, the transactions managed by the Group are included in these financial statements.

2.10 Joint ventures
Jointly controlled entities are those in which the Group holds a long-term interest, these involve the establishment of a corporation, partnership or other entity which the Group has rights to the net assets through contractually agreed sharing of control. The Group's interest in joint ventures is accounted for using the equity method of accounting. Under this method, the investments are initially recognised at cost and subsequently adjusted to reflect the Group's share of the profit or loss. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred.

2.11 Joint operations
Joint controlled operations are those that establish joint control of an arrangement without a separable entity. Parties to the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. All attributable assets, liabilities, income and expenditure are included, on a proportionate basis, in the Group's Statement of Comprehensive Income and Statement of Financial Position.

2.12 Value Added Tax
The Peabody Trust is partially exempt in relation to Value Added Tax (VAT), and accordingly can recover from HMRC part of the VAT incurred on expenditure. The Statement of Financial Position includes VAT recoverable and payable at the year end. The Group includes irrecoverable VAT in the Statement of Comprehensive Income.

2.13 Reserves
The revaluation reserve was established on transition to FRS 102 on application of the deemed cost model, which allowed first-time adopters to elect to measure an item of fixed assets at its fair value at the date of transition and use that fair value as its deemed cost at that date. Movements in the revaluation reserve relate to disposals in the year of homes held at deemed cost.

2.14 Transfer of engagements
Peabody Trust was the receiving party to a transfer of engagements in the year. On 3 April 2023, the assets, liabilities, and activities of Catalyst Housing Limited ('CHL') transferred to Peabody Trust ('PEA'). The transfer has been treated in line with merger accounting, per FRS 102 PBE34.80 to PBE34.86. The two entities have been treated as though they were always a singular entity. To comply with this, the 2023 comparatives in the financial statements and notes to the accounts have been restated accordingly. See note 34 for further details.

2.15 Goodwill
Goodwill on business combinations is initially measured as the acquisition cost less the share of the net amount of the acquired entity's identifiable assets, liabilities and contingent liabilities, with fair value revisions used where feasible. Following initial recognition, goodwill is measured at cost less accumulated amortisation and impairment losses.

2.16 Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements

In preparing these financial statements, the Directors have made the following key judgements:

Impairment triggers: There are several judgements made when determining potential impairments:

i. Identifying a trigger for impairment review present within our asset base.

ii. Assessing the smallest identifiable group of assets that generate cash inflows independent of cash inflows from other assets i.e. a cash generating unit (CGU).

iii. Estimating the recoverable amount of the cash generating unit with reference to fair value and value in use.

iv. Comparing the carrying amount to the recoverable amount to assess if an impairment has occurred.

Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the CGU. Management is particularly required to apply judgement where a development or scheme has a defect or risk which is still under review at the reporting date. When an impairment trigger is identified, the estimation of the amount of impairment is determined by calculating a recoverable amount, this is typically based on discounted future cash flow under the Existing Use Value – Social Housing (EUV-SH) model. Management have also calculated a depreciated replacement cost to determine a Value In Use Service Potential (VIU-SP) as per the requirements of Housing SORP 2018, and applied the higher of EUV-SH or VIU-SP in impairment estimations. Where the CGU is a long-term void, in our judgement, this is deemed to have diminished service potential and therefore the recoverable amount defaults to EUV-SH.

Carrying value of inventories

Classification of properties: Properties that are held to earn commercial rentals or for capital appreciation, or both, must be treated as investment properties and accounted for in accordance with section 16 of FRS 102. There are several tenure types of housing property where it is a matter of judgement whether they should be categorised as investment property or property, plant, and equipment. The intended use of the property needs to be determined when categorising different tenure types of housing property providing due consideration to the level of rent charged and with consideration of the charitable objectives of the Group.

Development classification: Judgement is required to classify development schemes between housing properties (social rent, affordable rent and shared ownership retained share) and inventories (shared ownership first tranche and outright sale tenure properties) based on the expected tenure being developed.

Between the acquisition of development sites, obtaining planning permission and constructing the properties, the expected tenures will often change based on ongoing discussions with planning authorities, expected levels of grant and appraisal metrics. To minimise transfers and reclassifications between housing properties and inventories, management apply trigger points to determine the classification.

Typically, trigger point is judged to be when development schemes reach the 'start on site' milestone and the design and build contract has been entered into, and prior to this;

development sites are classified as housing properties in accordance with the Housing SORP 8.11, as this is considered the best known primary intended use.

Gift aid payments: Where gift aid distributions from subsidiary undertakings are expected to be paid within 9 months of the financial year end, management consider that such payments are probable. As a result, the income tax effects of any such gift aid distributions are accounted for during the year and no deferred tax liabilities with respect to gift aid payments are recognised.

Building safety: Provisions for building safety requires judgement to be made as to whether a constructive or legal obligation exists. Management performs this assessment at a scheme level, with reference to the specifics of each scheme. The key judgements are:

i. **Legal obligation:** A provision will only be recognised where there is a legally enforceable obligation to undertake specific remediation, and there are no realistic alternatives to settling the obligation.

ii. **Constructive obligation:** A provision will only be recognised where the Group have made specific communications or commitments to residents, such as public statements, these create valid expectations that certain remedial works will be undertaken.

There are no schemes that meet the criteria at financial year end.

Estimation uncertainty
The key areas of estimation are as follows:

Useful economic lives: Tangible fixed assets, other than land, shared ownership assets and investment properties, are depreciated over their useful lives, our estimates for these are set out in note 13 to note 15. The actual lives of the assets and residual values are assessed periodically and may vary depending on several factors, such as technological innovation, product life-cycles and maintenance programmes. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Provisions: The Group makes assumptions to determine the timing and its best estimate of the quantum of its liabilities for which provisions are held. The Group continually reviews its utilisation of the provision, releasing it in line with expenditure that was provided for, or adjusting as necessary in line with the remaining obligation at the reporting date.

Inventory classification: An assumption is made to estimate the first tranche sales percentage of shared ownership property developments in a development scheme or programme. This percentage is determined based on historic trends and market data providing our best estimate of the portion of the development that should be classified as inventories.

Assumptions in investment property valuations: Investment properties are independently and professionally valued, by third-party RICS qualified surveyors applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2017 ('Red Book') with a valuation date of 31 March 2024.

The Group's completed investment properties are valued using a yield methodology approach, and the Group's properties under construction are valued using a residual valuation approach with certain unobservable inputs.

The significant unobservable inputs used in the valuations are, where relevant, the estimated rental value (ERV) and the market capitalisation rate (yield) of the properties in their completed state and any estimated costs to complete. The ERVs are determined by reference to rents currently achieved on existing leases and the rents being asked by landlords advertising properties of a similar specification in that geographical region. The yields are determined by reference to evidence derived from comparable market transactions.

There is an inevitable degree of judgement involved because each property is unique, and value can only ultimately be reliably tested in the market itself. Management consider that the estimates used in the valuations are reasonable, and the risk of a material misstatement is low.

Defined benefit pension valuations
The valuation of defined benefit pension schemes has been carried out by independent qualified actuaries based upon assumptions. While key assumptions used in the valuations are based upon published information, there is a degree of judgement involved in selecting the most appropriate financial variables for each scheme. The cost of these benefits and the present value of the obligation depend on several factors including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors, using qualified actuaries, in determining the net pension obligation in the balance sheet. The assumptions are disclosed in note 30.

3. Turnover and operating surplus

Turnover is measured at the fair value of the consideration received or receivable for goods supplied or services rendered net of recoverable VAT.

Turnover represents rental and service charge income receivable (net of rent and service charge losses from voids), income from shared ownership first tranche and open market sales, services rendered, revenue grants and the amortisation of social housing grant.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Rental income under operating leases is recognised as it falls due. Income from first tranche and market sales is recognised at the point of legal completion of the sale.

First tranche sales and open market sales are sales of stock and are recognised at the point of completion based on the proportion of equity sold.

Revenue grants are receivable from local authorities and other governing organisations. Revenue grants are recognised using the accrual model to match income in the same period as the relevant grant expenditure which the grant is intended to compensate.

Capital grants are amortised over the useful economic life of the assets that the grant is intended to fund.

Income from gift aid and other donations is recognised when associated performance-related conditions are met; or when received or receivable where no such performance-related conditions exist.

3. Turnover and operating surplus continued

Income from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Income and costs are allocated to different tenures where identifiable. Income and costs that cannot be easily identified with a specific tenure are allocated based upon an assessment of the activities and size of that tenure group.

3.1 Turnover and operating surplus

Group	Turnover 2024 £m	Operating costs 2024 £m	Operating surplus/ (deficit) 2024 £m	Turnover 2023 £m	Operating costs 2023 £m	Operating surplus/ (deficit) 2023 £m
Social housing lettings	**768**	**(591)**	**177**	711	(539)	172
Other social housing activities						
First tranche shared ownership sales	**102**	**(92)**	**10**	113	(102)	11
Charges for support services	**26**	**(26)**	**–**	25	(25)	–
Other	**1**	**(2)**	**(1)**	2	(9)	(7)
	129	**(120)**	**9**	140	(136)	4
Non-social housing activities						
Market sale	**28**	**(23)**	**5**	200	(179)	21
Development	**6**	**(23)**	**(17)**	6	(9)	(3)
Community regeneration	**2**	**(10)**	**(8)**	2	(10)	(8)
Other	**56**	**(51)**	**5**	52	(53)	(1)
	92	**(107)**	**(15)**	260	(251)	9
Total	**989**	**(818)**	**171**	1,111	(926)	185
Surplus on sale of fixed assets			**73**			72
Operating surplus before change in investment properties			**244**			257

Peabody	Turnover 2024 £m	Operating costs 2024 £m	Operating surplus/ (deficit) 2024 £m	Turnover 2023 Combined £m	Operating costs 2023 Combined £m	Operating surplus/ (deficit) 2023 Combined £m
Social housing lettings	**670**	**(537)**	**133**	624	(491)	133
Other social housing activities						
First tranche shared ownership sales	**27**	**(29)**	**(2)**	49	(46)	3
Charges for support services	**26**	**(26)**	**–**	23	(23)	–
Other	**1**	**(9)**	**(8)**	3	(18)	(15)
	54	**(64)**	**(10)**	75	(87)	(12)
Non-social housing activities						
Development	**1**	**(12)**	**(11)**	–	(7)	(7)
Community regeneration	**–**	**–**	**–**	3	(3)	–
Other	**41**	**(51)**	**(10)**	32	(43)	(11)
	42	**(63)**	**(21)**	35	(53)	(18)
Total	**766**	**(664)**	**102**	734	(631)	103
Surplus on sale of fixed assets	**–**	**–**	**58**	–	–	69
Operating surplus before change in investment properties			**160**			172

3.2 Particulars of turnover and operating costs from social housing lettings

Group	Housing accommodation 2024 £m	Supported and older people 2024 £m	Shared ownership 2024 £m	Intermediate rent 2024 £m	Total 2024 £m	Total 2023 £m
Rents receivable	**530**	**45**	**67**	**35**	**677**	618
Service charges receivable	**39**	**19**	**15**	**1**	**74**	73
Gross rental income	**569**	**64**	**82**	**36**	**751**	691
Voids	**(7)**	**(4)**	**–**	**(1)**	**(12)**	(9)
Net rental income	**562**	**60**	**82**	**35**	**739**	682
Amortised government grants	**15**	**1**	**1**	**–**	**17**	14
Revenue grants	**–**	**–**	**4**	**–**	**4**	9
Other income	**4**	**2**	**2**	**–**	**8**	6
Total turnover from social housing lettings	**581**	**63**	**89**	**35**	**768**	711
Service charge costs	**(72)**	**(16)**	**(21)**	**(4)**	**(113)**	(88)
Management	**(148)**	**(15)**	**(17)**	**(7)**	**(187)**	(148)
Routine maintenance	**(92)**	**(7)**	**(1)**	**(4)**	**(104)**	(93)
Cyclical maintenance	**(55)**	**(2)**	**(9)**	**(1)**	**(67)**	(84)
Bad debts	**(4)**	**(1)**	**–**	**–**	**(5)**	(4)
Depreciation	**(111)**	**(10)**	**12**	**(6)**	**(115)**	(122)
Operating costs on social housing lettings	**(482)**	**(51)**	**(36)**	**(22)**	**(591)**	(539)
Operating surplus on social housing lettings	**99**	**12**	**53**	**13**	**177**	172

Peabody	Housing accommodation 2024 £m	Supported and older people 2024 £m	Shared ownership 2024 £m	Intermediate rent 2024 £m	Total 2024 £m	Total 2023 Combined £m
Rents receivable	**455**	**39**	**60**	**32**	**586**	538
Service charges receivable	**35**	**16**	**14**	**1**	**66**	65
Gross rental income	**490**	**55**	**74**	**33**	**652**	603
Voids	**(7)**	**(4)**	**–**	**(1)**	**(12)**	(9)
Net rental income	**483**	**51**	**74**	**32**	**640**	594
Amortised government grants	**16**	**1**	**1**	**–**	**18**	18
Revenue grants	**–**	**–**	**4**	**–**	**4**	9
Other income	**4**	**2**	**2**	**–**	**8**	3
Total turnover from social housing lettings	**503**	**54**	**81**	**32**	**670**	624
Service charge costs	**(64)**	**(15)**	**(19)**	**(4)**	**(102)**	(89)
Management	**(130)**	**(13)**	**(20)**	**(11)**	**(174)**	(128)
Routine maintenance	**(83)**	**(6)**	**(1)**	**(4)**	**(94)**	(86)
Cyclical maintenance	**(46)**	**(2)**	**(9)**	**(1)**	**(58)**	(74)
Bad debts	**(4)**	**(1)**	**–**	**–**	**(5)**	(4)
Depreciation	**(100)**	**(9)**	**10**	**(5)**	**(104)**	(110)
Operating costs on social housing lettings	**(427)**	**(46)**	**(39)**	**(25)**	**(537)**	(491)
Operating surplus on social housing lettings	**76**	**8**	**42**	**7**	**133**	133

3. Turnover and operating surplus continued

3.3 Operating segments

	Group			Peabody		
	Turnover 2024 £m	**Surplus 2024 £m**	**Assets 2024 £m**	**Turnover 2024 £m**	**Surplus 2024 £m**	**Assets 2024 £m**
Housing for rent	768	177	12,010	670	133	10,251
Development of housing for sale	139	7	507	28	5	1,341
Other activity	82	60	663	68	22	477
	989	**244**	**13,180**	**766**	**160**	**12,069**

	Group			Peabody		
	Turnover 2023 £m	Surplus 2023 £m	Assets 2023 £m	Turnover 2023 Combined £m	Surplus 2023 Combined £m	Assets 2023 Combined £m
Housing for rent	711	172	11,249	624	133	9,754
Development of housing for sale	319	101	768	52	57	1,377
Other activity	81	(16)	688	58	(18)	542
	1,111	257	12,705	734	172	11,673

'Other activity' includes the work of Peabody Charitable Foundation in the commercial and regeneration work of Thamesmead, and central overheads.

4. Accommodation owned and in management

At 31 March	**Group 2024 Units**	**Peabody 2024 Units**	Group 2023 Units	Peabody 2023 Combined Units
Social	**63,325**	**53,878**	63,311	53,950
Affordable	**8.600**	**6,919**	8,191	6,692
Shared ownership	**11,654**	**10,270**	11,307	9,955
Intermediate market rent	**3,285**	**2,932**	3,264	2,928
Supported housing	**5,388**	**4,750**	5,362	4,782
Leasehold managed	**11,565**	**10,505**	11,102	10,054
Non-social housing	**2,321**	**2,184**	2,115	1,975
Total units owned and managed	**106,138**	**91,438**	104,652	90.336
Managed on behalf of others	**779**	**722**	879	822
Total units in management	**106,917**	**92,160**	105,531	91,158
Units owned managed by others	**1,906**	**1,858**	1,918	2,047
Total	**108,823**	**94,018**	107,449	93,205

5. Emoluments of Board members, non-executive and executive officers

	Group 2024 £	Peabody 2024 £	Group 2023 £	Peabody 2023 Combined £
Non-executive board and committee members received emoluments totaling	**473,937**	**363,096**	463,417	365,917
Non-executive board and committee members' expenses	**10,412**	**9,842**	1,662	1,552

The remuneration paid to the Peabody Executive Officers and the Group Chief Executive was as follows:

	Group 2024 £	Peabody 2024 £	Group 2023 £	Peabody 2023 Combined £
Total emoluments to executive directors and former directors (including pension contributions and benefits in kind)	**2,934,372**	**2,530,585**	3,042,948	2,826,405
The remuneration paid to the Peabody Executive Officers and the Group Chief Executive was as follows:				
Emoluments paid to the Group Chief Executive	**374,753**	**374,573**	386,348	386,348
Highest paid director	**403,788**	**374,573**	386,348	386,348

In 2024 the highest-paid director was the Chief Executive of Town & Country Housing. In 2023 the highest paid director was the Group Chief Executive.

Payments to the Chief Executive of Town & Country Housing in 2024 include a payment of £191k which was due in respect of loss of office.

6. Employee information

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.

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company 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.

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 entity has made an offer of voluntary redundancy and the cost can be reliably estimated.

The average number of people employed during the year was:

	Group 2024 No.	Peabody 2024 No.	Group 2023 No.	Peabody 2023 Combined No.
Full time equivalents (FTE)	**3,834**	**3,141**	3,760	3,230

FTEs are calculated in terms of the number of hours worked each week. Staff employed are expected to work 35 hours a week.

6. Employee information continued

	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Wages and salaries	**155**	**133**	160	137
Social security costs	**16**	**14**	17	14
Other pension costs (note 30)	**9**	**8**	9	8
Other employee costs	**7**	**7**	6	6
	187	**162**	192	165

The numbers of employees and directors who received remuneration in excess of £60,000 per annum are stated below (including pension contributions and loss of office):

	Group 2024 No.	Peabody 2024 No.	Group 2023 No.	Peabody 2023 Combined No.
£60,001 to £70,000	**209**	**177**	180	157
£70,001 to £80,000	**113**	**101**	96	81
£80,001 to £90,000	**76**	**67**	47	37
£90,001 to £100,000	**48**	**45**	39	34
£100,001 to £110,000	**32**	**31**	36	30
£110,001 to £120,000	**32**	**27**	19	15
£120,001 to £130,000	**18**	**16**	17	13
£130,001 to £140,000	**10**	**8**	13	10
£140,001 to £150,000	**14**	**13**	11	11
£150,001 to £160,000	**10**	**8**	3	2
£160,001 to £170,000	**6**	**6**	7	7
£170,001 to £180,000	**5**	**4**	7	6
£180,001 to £190,000	**6**	**6**	3	3
£190,001 to £200,000	**2**	**1**	1	1
£200,001 to £210,000	**1**	**1**	2	1
£210,001 to £220,000	**2**	**2**	3	1
£230,001 to £240,000	**1**	**1**	1	1
£250,001 to £260,000	**2**	**2**	3	3
£260,001 to £270,000	**1**	**1**	2	2
£270,001 to £280,000	**1**	**1**	1	1
£290,001 to £300,000	**3**	**3**	–	–
£300,001 to £310,000	**1**	**1**	1	1
£310,001 to £320,000	**–**	**–**	1	1
£330,001 to £340,000	**–**	**–**	1	1
£370,001 to £380,000	**1**	**1**	1	1
£380,001 to £390,000	**–**	**–**	1	1
£400,001 to £410,000	**1**	**–**	–	–
	595	**523**	496	421

7. Surplus on sale of fixed assets

Sales of assets are sales of tangible fixed assets. The gain or loss on disposal of housing properties is calculated as being the difference between the proceeds of sale of a property and the carrying value of that property as at the date of legal transfer. Sales of the first tranche of shared ownership properties are included in turnover. Sales of subsequent tranches are included as sales of fixed assets.

	Group				Peabody			
	Proceeds 2024 £m	**Costs 2024 £m**	**Surplus 2024 £m**	Surplus 2023 £m	**Proceeds 2024 £m**	**Costs 2024 £m**	**Surplus 2024 £m**	Surplus 2023 Combined £m
Shared ownership	**54**	**(38)**	**16**	28	**51**	**(35)**	**16**	28
Right to Buy/Right to Acquire	**1**	**–**	**1**	2	**1**	**–**	**1**	1
Disposal of housing properties	**57**	**(22)**	**35**	36	**68**	**(34)**	**34**	30
Social Homebuy	**5**	**(3)**	**2**	4	**5**	**(3)**	**2**	–
Other	**41**	**(22)**	**19**	2	**35**	**(30)**	**5**	10
	158	**(85)**	**73**	72	**160**	**(102)**	**58**	69

8. Operating surplus

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
Operating surplus is stated after charging:				
Depreciation of tangible fixed assets	**115**	**104**	122	106
Depreciation on replaced components	**–**	**–**	–	2
Depreciation of other tangible fixed assets	**12**	**12**	7	6
Amortisation of intangible fixed assets	**18**	**18**	14	21
Operating lease charges	**2**	**2**	3	4
Defined contribution pension cost	**1**	**–**	4	3
Auditor's remuneration:	**£'000**	**£'000**	£'000	£'000
In their capacity as auditor	**731**	**326**	780	330
In respect of non-audit services:				
– Other (Service Charges and Treasury)	**–**	**–**	41	41

9. Interest receivable and similar income

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
Other interest receivable and similar income	**4**	**4**	1	1
Interest received from Group entities	**–**	**74**	–	68
	4	**78**	1	69

10. Interest payable and similar charges

Interest payable on loans is charged to the Statement of Comprehensive Income together with amortisation charges, except to the extent that funds are used to finance specific developments, where interest is capitalised to the date of practical completion of the scheme.

Interest charged between entities within the Peabody Group is charged to the Statement of Comprehensive Income at commercial rates.

Interest is capitalised at a weighted average rate of 4.82%

Charged in surplus for the year	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Interest payable on borrowings	223	168	175	126
Interest payable to Group entities	–	49	–	49
Total interest payable	223	217	175	175
Interest on recycled capital grant	3	3	–	1
Fair value movements and amortised cost adjustments	(12)	–	1	–
Sundry loan costs	3	4	5	8
Loan break costs/termination costs	6	6	–	4
Transfer to Recycled Capital Grant Fund (RCGF)	–	–	–	1
Net interest cost on pension scheme (note 30)	1	1	2	2
	224	231	183	191
Capitalised interest	(48)	(21)	(44)	(16)
	176	210	139	175

11. Gift aid and charitable donations

	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Peabody Developments Limited	–	–	–	21
Tilfen Land Limited	–	4	–	4
Peabody Construction Limited	–	3	–	8
Peabody Group Maintenance Limited	–	1	–	3
CHL Developments Limited	–	1	–	2
Total gift aid and donations	–	9	–	38

12. Taxation

Peabody Trust has charitable status and is therefore not subject to Corporation Tax on surpluses derived from its charitable activities.

Non-charitable subsidiaries are subject to Corporation Tax. The charge for taxation is based on the surplus for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Where possible, taxable subsidiaries will make gift aid payments to mitigate Corporation Tax.

Deferred tax liabilities are recognised, without discounting, in respect of all timing differences which have arisen but not reversed by the reporting date.

A deferred tax asset is only recognised on losses arising if management believe they will crystallise in the foreseeable future.

Analysis of change for the year	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Deferred Tax				
Origination and reversal of timing differences	**1**	**–**	(7)	–
Total deferred tax charge/(credit)	**1**	**–**	(7)	–
Taxation on surplus on ordinary activities	**1**	**–**	(7)	–

Deferred Tax has been provided in the year to reflect the timing difference between accounting and taxable profits on the revaluation of the investment properties held in the Group's corporate subsidiaries. Whilst a full provision has been made based on the unrealised revaluation at the reporting date, it is not expected that any tax charge will actually crystallise or any tax paid in the foreseeable future given that the properties are held as part of the charitable purpose of the Group. If the properties were ever sold, based on current tax rules and legislation, any profit realised would be mitigated by the corporate entities through charitable donation of profit to Peabody Trust. The Deferred tax liability as at 31 March 2024 has been calculated based on the tax rate that is expected to apply to the reversal of the timing differences of 25%.

Reconciliation of tax charge	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Surplus on ordinary activities before taxation	**58**	**16**	1,915	61
Tax on surplus at corporation tax rate of 25% (2023: 19%)	**15**	**4**	365	12
Effects of:				
Non-taxable surplus on charitable activities	**(15)**	**(4)**	(375)	(10)
Income not taxable for tax purposes	**–**	**2**	10	5
Origination and reversal of timing differences	**1**	**–**	(7)	–
Effect of Gift Aid	**–**	**(2)**	–	(7)
Tax charge/(credit) for the year	**1**	**–**	(7)	–

13. Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Research and development costs

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are capitalised from the development phase of a project only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their expected useful economic lives. If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Software development costs

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software development costs five years.

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

13. Intangible assets continued

	Group Computer software £m	Peabody Computer software £m
Cost		
At 1 April 2023	99	109
Additions	19	19
At 31 March 2024	**118**	**128**
Amortisation		
At 1 April 2023	51	61
Charge for the year	18	18
At 31 March 2024	**69**	**79**
Net book value		
At 31 March 2024	**49**	**49**
At 31 March 2023	48	48

14. Tangible fixed assets – housing

Tangible fixed assets are stated at historical cost less accumulated depreciation and impairment losses. The cost of housing properties is their purchase price together with any costs of acquisition, including the incidental costs of development, interest capitalised up to the date of practical completion and directly attributable development costs such as labour.

Interest is capitalised on specific and general borrowings of the Group/Association as a whole, calculated on the net costs incurred during the period of development.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised.

Costs of responsive repairs and planned cyclical maintenance are, to the extent that such costs do not relate to replacing a component, recognised in the Statement of Comprehensive Income as incurred.

Shared ownership

Shared ownership properties under development are split proportionately between current and fixed assets, with the current element relating to expected first tranche sales. The first tranche portion is held in inventories. Sales proceeds are then included in turnover. The unsold balance is classed as a fixed asset with any subsequent sale treated as a disposal of the fixed asset.

Depreciation of assets

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. The estimated useful lives range as follows:

General structure	100 years	Kitchen	20 years
Boiler	15 years	Lift	25 years
Mechanical systems	30 years	Bathroom	25 years
Roofs – flat	25 years	Electrics	30 years
Roofs – pitched	60 years	Windows and doors	30 years

Components and their useful lives are reviewed periodically to ensure they are still appropriate, and benchmarking is carried out with other housing associations to ensure they are in line with sector good practice.

Depreciation is not charged on land and shared ownership assets.

Impairment of assets

The housing property portfolio for the Group is assessed for indicators of impairment at each reporting date. Where indicators are identified a detailed assessment is undertaken to compare the carrying amount of assets or cash-generating units for which impairment is indicated with the recoverable amounts. The carrying amount is taken to be cost less accumulated depreciation, net of amortised grant. The recoverable amount is taken to be the higher of fair value less costs to sell or value in use in respect of their service potential (VIU SP). For social housing assets, existing use value for social housing (EUV-SH) is used as a measure for fair value, and depreciated replacement cost (DRC) is an appropriate measure of VIU SP. Where the service potential is deemed to be extinguished, we default to fair value as a measure of recoverable amount. EUV-SH is calculated by in independent qualified valuer as the net present value of future rental streams, net of costs, discounted at an appropriate rate. DRC is calculated by reference to the current average build cost on similar units (taking into account size, type and location) on recent schemes.

An impairment loss is recognised in the Statement of Comprehensive Income. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income.

The Group defines cash-generating units based on type of property, tenure and location. Where the recoverable amount of an asset or cash-generating unit is lower than its carrying value, an impairment is recognised in the Statement of Comprehensive Income.

	Completed properties		Properties under construction		
Group	Housing properties held for letting £m	Shared ownership housing properties £m	Housing properties held for letting £m	Shared ownership housing properties £m	Total £m
Cost					
At 1 April 2023	9,513	1,503	622	341	11,979
Arising on acquisition of Rapport	22	2	–	–	24
Additions	200	–	325	170	695
Disposals	(30)	(34)	–	–	(64)
Schemes completed	207	142	(207)	(142)	–
Transfer of tenure	1	(13)	(10)	(3)	(25)
Reclassification to other fixed assets	(5)	–	–	–	(5)
At 31 March 2024	**9,908**	**1,600**	**730**	**366**	**12,604**
Depreciation					
At 1 April 2023	878	5	6	–	889
Charge for year	127	(12)	–	–	115
Disposals	(6)	–	–	–	(6)
Transfer of tenure	(7)	7	–	–	–
At 31 March 2024	**992**	**–**	**6**	**–**	**998**
Impairment					
At 1 April 2023	4	–	5	1	10
Charge for the year	–	–	11	–	11
Transfers	–	–	9	–	9
At 31 March 2024	**4**	**–**	**25**	**1**	**30**
Net Book Value					
At 31 March 2024	**8,912**	**1,600**	**699**	**365**	**11,576**
At 31 March 2023	8,631	1,498	611	340	11,080

Development and major works additions and improvements to housing properties during the year include capitalised interest of £48m (2023: £44m).

A number of potential indicators for impairment were assessed during the year and £11m of impairment charges were deemed necessary (2023: £nil).

14. Tangible fixed assets – housing continued

Properties held for security

Peabody Trust had 51,718 (2023: 31,751) properties with a net book value of £4,616m (2023: £3,402m) and EUV-SH of £5,689m (2023: £3,155m) pledged as security.

	Completed properties		Properties under construction		
Peabody	Housing properties held for letting £m	Shared ownership housing properties £m	Housing properties held for letting £m	Shared ownership housing properties £m	Total £m
Cost					
At 1 April 2023 combined	8,670	1,337	471	89	10,567
Additions	188	–	317	88	593
Disposals	(32)	(32)	–	–	(64)
Completed schemes in year	188	102	(188)	(102)	–
Transfers	(6)	–	(10)	(3)	(19)
At 31 March 2024	**9,008**	**1,407**	**590**	**72**	**11,077**
Depreciation					
At 1 April 2023 combined	1,057	10	–	–	1,067
Charge for the year	114	(10)	–	–	104
Disposals	(4)	–	–	–	(4)
Transfers	(2)	–	–	–	(2)
At 31 March 2024	**1,165**	**–**	**–**	**–**	**1,165**
Impairment					
At 1 April 2023 combined	7	3	4	–	14
Charge for the year	–	–	6	–	6
Transfers	–	–	5	–	5
At 31 March 2024	**7**	**3**	**15**	**–**	**25**
Net book value					
At 31 March 2024	**7,836**	**1,404**	**575**	**72**	**9,887**
At 31 March 2023 combined	7,606	1,324	467	89	9,486

Development and major works additions and improvements to housing properties during the year include capitalised interest of £21m (2023: £16m). Additions to fixed assets include expenditure and major repairs costs of £176m (2023: £152m).

15. Other tangible fixed assets

Other tangible fixed assets are included at cost less depreciation, which is provided on a straight-line basis over the expected useful economic lives of the assets as shown below.

Renewable energy assets	10–25 years
Freehold land and buildings	50 years
Leasehold office premises	Remaining life of lease
Other	3–25 years

Expected useful lives are reviewed periodically to ensure they are still appropriate, and benchmarking is carried out with other housing associations to ensure they are in line with sector good practice. Assets which are no longer economically viable are written down as appropriate.

Group	Freehold offices £m	Leasehold £m	Renewable energy £m	Other £m	Total £m
Cost					
At 1 April 2023	71	6	14	58	149
Additions	1	–	–	3	4
Transfers	–	–	–	6	6
At 31 March 2024	**72**	**6**	**14**	**67**	**159**
Depreciation					
At 1 April 2023	17	1	2	29	49
Charge for the year	1	–	1	7	9
At 31 March 2024	**18**	**1**	**3**	**36**	**58**
Impairment					
At 1 April 2023	–	–	–	–	–
Charge for the year	3	–	–	–	3
At 31 March 2024	**3**	**–**	**–**	**–**	**3**
Net book value					
At 31 March 2024	**51**	**5**	**11**	**31**	**98**
At 31 March 2023	54	5	12	29	100

Peabody	Freehold offices £m	Leasehold £m	Renewable energy £m	Other £m	Total £m
Cost					
At 1 April 2023 combined	44	5	5	60	114
Additions	1	–	–	2	3
Transfers	–	–	–	6	6
At 31 March 2024	**45**	**5**	**5**	**68**	**123**
Depreciation					
At 1 April 2023 combined	14	2	–	25	41
Charge for the year	1	1	–	7	9
At 31 March 2024	**15**	**3**	**–**	**32**	**50**
Impairment					
At 1 April 2023 combined	–	–	–	–	–
Charge for the year	3	–	–	–	3
At 31 March 2024	**3**	**–**	**–**	**–**	**3**
Net book value					
At 31 March 2024	**27**	**2**	**5**	**36**	**70**
At 31 March 2023	30	3	5	35	73

16. Investment properties

Investment properties include commercial properties, properties held for market rent and leasehold land.

Investment property is carried at fair value determined annually by external experts (Savils, JLL and CBRE) and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income. Completed Market Rent Properties are valued at Market Value Subject to Tenancy.

	Completed properties			Properties under construction		
Group	Commercial £m	Market rent £m	Leasehold land £m	Commercial £m	Leasehold land £m	Total £m
At 1 April 2023	242	183	14	64	6	509
Additions	–	–	–	11	–	11
Gains on revaluation	2	(2)	–	–	–	–
Completions	3	–	–	–	–	3
Transfers to tangible fixed assets	–	(1)	–	–	–	(1)
At 31 March 2024	**247**	**180**	**14**	**75**	**6**	**522**

	Completed properties			Properties under construction		
Peabody	Commercial £m	Market rent £m	Leasehold land £m	Commercial £m	Leasehold land £m	Total £m
At 1 April 2023 combined	124	141	12	–	–	277
Additions	–	–	–	3	–	3
Gain/(loss) on revaluation	(3)	(3)	–	–	–	(6)
Completions	4	–	–	–	–	4
At 31 March 2024	**125**	**138**	**12**	**3**	**–**	**278**

17. Other investments

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
Investment in subsidiary undertakings	**–**	**115**	–	115
Deposit investments	**7**	**7**	6	6
Other investments	**3**	**3**	2	2
At 31 March	**10**	**125**	8	123

18. Homebuy loans receivable

Concessionary loans are loans made by the Group that are:

- To further its public benefit objective.
- At a rate of interest which is below the prevailing market rate of interest.
- Repayable on demand.

The Group considers Homebuy loans and equity loans under the Starter Homes Initiative to be concessionary loans.

Under the Homebuy scheme, the Group received Social Housing Grant representing a percentage of the open market purchase price of a property in order to advance interest-free loans to a homebuyer. These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income (Homebuy Grant) until the loan is redeemed.

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
At 1 April	**74**	**74**	4	74
Arising on acquisition of Catalyst Housing Group	**–**	**–**	74	–
Transfers	**–**	**–**	–	4
Redemptions	**(3)**	**(3)**	(4)	(4)
At 31 March	**71**	**71**	74	74

19. Starter homes initiative investment

Loans have been made to homeowners as part of the Group's social housing objectives. These are at below market rates of interest and are repayable on demand and so qualify for treatment as public benefit concessionary loans under FRS 102.

Starter home loans are repaid upon re-sale of the properties by the owners.

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
At 1 April	**3**	**3**	5	5
Disposals in the year	**–**	**–**	(2)	(2)
At 31 March	**3**	**3**	3	3

20. Investment in joint ventures

An entity is treated as a jointly controlled entity where the Group is party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control by virtue of voting rights or degree of influence exercisable.

In the consolidated accounts, interests in jointly controlled entities are accounted for using the equity method of accounting. Under this method, an equity investment is initially recognised at the transaction price and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income, and the equity of the jointly controlled entities.

	2024 £m										
	Vulcan Wharf Holdings LLP	**Thamesmead Waterfront LLP**	**Water meadow LLP**	**St John's Hill Ph03 LLP**	**Friary Park 1 – 2 LLP**	**Friary Park 3 LLP**	**Merton Catalyst LLP**	**South Thamesmead Phase 2 JV**	**Dagenham Green JV Phase 1**	**Total 2024 £m**	**Total 2023 £m**
At 1 April 2023	30	2	8	4	14	2	11	–	–	**71**	44
Arising on acquisition of Catalyst Housing Group	–	–	–	–	–	–	–	–	–	**–**	36
Investment	1	–	–	2	2	1	–	9	7	**22**	24
Share of profits/(loss)	–	–	–	–	–	–	–	–	–	**–**	9
Disposal of JV	–	–	–	–	–	–	(9)	–	–	**(9)**	–
Equity repaid	–	–	–	–	(3)	–	–	–	–	**(3)**	(38)
Dividend	–	–	–	–	–	–	(2)	–	–	**(2)**	(4)
As at 31 Mar 2024	**31**	**2**	**8**	**6**	**13**	**3**	**–**	**9**	**7**	**79**	**71**

20. Investment in joint ventures continued

Summary of joint venture holdings are as follows:

Jointly controlled entity	Partner(s)	Group interest	Group voting rights
Gillinder 2 LLP	Mount Anvil Holdings Limited	50% through Peabody Developments Limited	50% through Peabody Developments Limited
Vulcan Wharf Holdings LLP	London Square Limited	50% through Peabody Developments Limited	50% through Peabody Developments Limited
Vulcan Wharf Limited	London Square Limited	50% through Peabody Developments Limited	50% through Peabody Developments Limited
Thamesmead Waterfront LLP	Lendlease Thamesmead Development LLP	50% through Peabody Waterfront Limited	50% through Peabody Waterfront Limited
Watermeadow LLP	Mount Anvil Holdings Limited	50% through Peabody Developments Limited	50% through Peabody Developments Limited
St John's Hill Ph03 LLP	Mount Anvil SJH Limited	50% through Peabody Developments Limited	50% through Peabody Developments Limited
Friary Park 1 LLP	Mount Anvil (Friary Park 1) Limited	50% through Catalyst by Design Limited	50% through Catalyst by Design Limited
Friary Park 2 LLP	Mount Anvil (Friary Park 2) Limited	50% through Catalyst by Design Limited	50% through Catalyst by Design Limited
Friary Park 3 LLP	Mount Anvil (Friary Park 3) Limited	50% through Catalyst by Design Limited	50% through Catalyst by Design Limited
Merton Catalyst LLP	Merton Acquisitions Limited	50% through Catalyst Developments (Wimbledon) Limited	50% through Catalyst Developments (Wimbledon) Limited
One to Four Brentford LLP	Telford Homes Limited	50% through Catalyst by Design Limited	50% through Catalyst by Design Limited
MDP Trinity LLP	Mace Limited and DV4 415 Limited	50% through Peabody Developments Limited	50% through Peabody Developments Limited
Alperton Waterside LLP	London Square Limited	50% through Peabody Developments Limited	50% through Peabody Developments Limited

Peabody Group entered into four new joint ventures in the year: Watermeadow LLP, St John's Ph03 LLP, Alperton Waterside and One to Four Brentford LLP.

The Group has acquired four joint venture entities: Friary Park 1 to 3 LLP, and Merton Catalyst LLP following the acquisition of Catalyst Housing Group. The investment in the acquired entities is held at cost less impairment.

Gillender 2 LLP and Merton Catalyst LLP reached practical completion during the year and are in returning funds to the partners.

21. Debtors due in more than one year

	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Amounts owed by subsidiary undertakings	–	1,257	–	1,223
Other debtors and prepayments	77	21	56	–
	77	1,278	56	1,223

Amounts owed to Peabody by subsidiary undertakings relate to intercompany loans which are secured by fixed or floating charges over the assets of the subsidiaries. The loans are due for repayment between 5 and 30 years and bear interest at a rate determined by reference to Peabody's weighted average cost of capital at the time of each draw down.

22. Stock

Stocks include work in progress, properties held for sale and other inventory.

Stocks are stated at the lower of cost and net realisable value, being selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include costs of labour and attributable overheads.

At each reporting date, stocks are assessed for write-down. If stock is written down, the carrying amount is reduced to its selling price less costs to complete and sell. The loss is recognised immediately in the Statement of Comprehensive Income.

Properties held for sale represents the costs of land held for development, outright sales units and the first tranche proportion of shared ownership units of development schemes currently under construction and commercial properties held for sale.

Impairment reviews are carried out on an annual basis to compare cost and net realisable value. Where necessary write-downs are charged to the Statement of Comprehensive Income.

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
Work in progress	**386**	**43**	401	46
Properties held for sale	**42**	**1**	68	10
	428	**44**	469	56

23. Debtors due in less than one year

Trade and other debtors are measured at transaction price, less any provision for impairment. The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts where there is a risk of non-recovery. Former tenants' rent arrears are provided for in full whilst current tenants' rent arrears are provided for based on the risk associated with the type of tenancy.

Loans receivable, including concessionary loans, are measured initially at fair value net of transaction costs, and are measured subsequently at amortised cost using the effective interest method less any impairment. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
Rent and service charges in arrears	**79**	**74**	69	65
Less: provision for rent and service charge bad debts	**(38)**	**(37)**	(33)	(32)
Amount owed by subsidiary undertakings	**–**	**91**	–	128
Other debtors and prepayments	**99**	**50**	116	46
Less: provision for other bad debts	**(8)**	**(6)**	(7)	(4)
	132	**172**	145	203

24. Creditors: amounts falling due within one year

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
Trade creditors	**23**	**12**	20	13
Recycled Capital Grant Fund (note 27)	**36**	**34**	36	36
Amounts owed to subsidiary undertakings less than one year	**–**	**102**	–	170
Other taxation and social security costs	**9**	**4**	4	3
Accruals and other creditors	**312**	**220**	339	240
Debt falling due within one year (note 28)	**155**	**142**	108	94
	535	**514**	507	556

25. Creditors: amounts falling due after more than one year

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
Grants (note 26)	**2,073**	**1,982**	1,894	1,793
Recycled Capital Grant Fund (note 27)	**15**	**12**	42	38
Debt falling due after one year (note 28)	**4,849**	**3,247**	4,623	3,010
Amounts owed to subsidiary undertakings (note 28)	**–**	**1,263**	–	1,254
Deferred consideration	**–**	**15**	–	15
Other creditors	**49**	**48**	38	40
	6,986	**6,567**	6,597	6,150

26. Grants

Government grant (known as Social Housing Grant) is received from Homes England and the GLA to help finance the development of new homes, including land costs.

Government grants are accounted for under the accruals model for assets measured at cost and under the performance model for assets measured at valuation.

Under the accruals model, grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants received in relation to assets that are presented at deemed cost at the date of transition to FRS 102 have been accounted for using the performance model as required by SORP 2018. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income in the year it was receivable and is therefore included within brought forward reserves.

Grants received from non-government sources are recognised using the performance model. Under the performance model, grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income when the future performance condition has been satisfied. Grants received before the future performance condition has been satisfied are recognised as a liability in the Statement of Financial Position.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Grant amortisation for Group of approximately £19m and Peabody of approximately £19m is expected to be charged in 2024-25.

Group	Government grants £m	Other grants £m	Social Housing Decarbonisation Fund (SHDF) £m	Total £m
Cost				
At 1 April 2023	2,039	54	–	2,093
Grants received in the year	135	23	10	168
Grants repaid	(1)	–	–	(1)
Grants transferred from Recycled Capital Grant Fund (RCGF)	40	–	–	40
Transfers	9	(9)	–	–
Homebuy redemption	(2)	–	–	(2)
Grants recycled on disposals	(6)	–	–	(6)
SHDF – Deferred other grants	–	–	(6)	(6)
At 31 March 2024	**2,214**	**68**	**4**	**2,286**
Amortisation				
At 1 April 2023	199	–	–	199
Amortisation for the year	17	–	–	17
Unwinding following disposal	(3)		–	(3)
At 31 March 2024	**213**	**–**	**–**	**213**
Net grants				
At 31 March 2024	**2,001**	**68**	**4**	**2,073**
At 31 March 2023	1,840	54	–	1,894

Peabody	Government grants £m	Other grants £m	Social Housing Decarbonisation Fund (SHDF) £m	Total £m
Cost				
At 1 April 2023 combined	1,953	32	–	1,985
Grant repaid	(1)	–	–	(1)
Grants received in the year	135	20	10	165
Grants transferred from Recycled Capital Grant Fund (RCGF)	27	–	–	27
Transfers	39	(11)	–	28
Homebuy redemption	(2)	–	–	(2)
Grants recycled on disposals	(6)	–	–	(6)
SHDF – Deferred other grants	–	–	(6)	(6)
At 31 March 2024	**2,145**	**41**	**4**	**2,190**
Amortisation				
At 1 April 2023 combined	192	–	–	192
Amortisation for the year	18	–	–	18
Unwinding following disposal	(2)	–	–	(2)
At 31 March 2024	**208**	**–**	**–**	**208**
Net grants				
At 31 March 2024	**1,937**	**41**	**4**	**1,982**
At 31 March 2023 combined	1,740	57	–	1,797

27. Recycled capital grant fund

On disposal of relevant housing properties, any social housing grant applied to that property is allowed to be retained for eligible reinvestment. This amount is disclosed separately within creditors. If unused within a three-year period, it will be repayable to Homes England or the GLA with interest.

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
At 1 April	**78**	**74**	29	78
Acquisition	**–**	**–**	54	–
Grant recycled	**12**	**11**	15	13
Transfers to other providers	**–**	**(13)**	–	2
Interest accrued	**3**	**3**	2	2
Repayment of Recycled Capital Grant Fund	**(2)**	**(2)**	(1)	(1)
Withdrawals – schemes started on site	**(40)**	**(27)**	(21)	(20)
At 31 March	**51**	**46**	78	74

£36m (2023: £36m) of Recycled Capital Grant Fund for the Group and £34m for Peabody (2023: £36m) is repayable in the 12 months from 1 April 2024 if not used for new development.

28. Financial instruments

Borrowing

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest.

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Bank loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. Where loans and other financial instruments are redeemed during the year, any redemption penalty is recognised in the Statement of Comprehensive Income in the year in which redemption takes place. The initial costs relating to raising finance are amortised over the period of the loan.

Catalyst Housing Group loans were revalued at fair value as defined by section 11 of FRS 102 as at the date of acquisition, 1 April 2022. The fair value impacts Group only.

Non-utilisation fee

Lending arrangements exist between Peabody (as borrower) and Peabody Capital plc and Peabody Capital No 2 plc (as lenders) in relation to the 2034, 2043, 2048 and 2053 bond issues to facilitate the lending of proceeds from the bonds into the Group. These arrangements contain a provision ('non-utilisation fee') for the lenders to recover from the borrower the difference between the interest payable to the 2034, 2043, 2048 and 2053 bond investors and the income realised by the lenders. This income comprises the interest receivable from amounts on-lent to Peabody and investment income earned from permitted investments and bank deposits.

(A) Value of debt

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
Nominal value				
Bank and building society loans	**2,655**	**2,582**	2,326	2,297
Private placement senior notes	**390**	**390**	433	390
Amounts owed to subsidiary undertaking	**–**	**1,257**	–	1,253
2034 Sustainable Bond	**350**	**–**	350	–
2043 Bond	**200**	**–**	200	–
2048 Bond	**350**	**–**	350	–
2053 Bond	**350**	**–**	350	–
Catalyst Bond	**400**	**400**	400	400
TCH Bond 2045	**80**	**–**	80	–
	4,775	**4,629**	4,489	4,340

	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Carrying value				
Bank and building society loans	**2,664**	**2,584**	2,339	2,301
Private placement senior notes	**390**	**390**	433	390
Amounts owed to subsidiary undertaking	**–**	**1,263**	–	1,254
2034 Sustainable Bond	**345**	**–**	344	–
2043 Bond	**206**	**–**	206	–
2048 Bond	**341**	**–**	341	–
2053 Bond	**359**	**–**	359	–
Catalyst Bond 2048	**429**	**429**	430	430
TCH Bond 2045	**101**	**–**	102	–
Fair value adjustments (bank loans)	**167**	**–**	176	–
Fair value adjustments (private placements)	**8**	**–**	10	–
Fair value adjustments (bonds)	**8**	**–**	8	–
	5,018	**4,666**	4,748	4,375
Unamortised issue costs				
Bank and building society loans	**(14)**	**(14)**	(17)	(17)
Net carrying value	**5,004**	**4,652**	4,731	4,358

(B) Maturity of debt

	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Within one year	**155**	**142**	108	101
Between one and two years	**283**	**270**	130	117
Between two and five years	**1,152**	**1,074**	925	854
After five years	**3,428**	**3,181**	3,585	3,303
	5,018	**4,666**	4,748	4,375
Issue costs	**(14)**	**(14)**	(17)	(17)
	5,004	**4,652**	4,731	4,358

(C) Interest analysis

	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Fixed	**3,469**	**3,283**	3,675	3,306
Floating	**1,535**	**1,369**	1,056	1,052
	5,004	**4,652**	4,731	4,358

Derivative Financial Instruments
To manage interest rate risk, the Group manages its proportion of fixed to variable rate borrowings within approved limits and, where appropriate, utilises interest rate swap agreements. Amounts payable and receivable in respect of these agreements are recognised as adjustments to interest payable over the period of the agreement.

These derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Where considered appropriate, the Group applies hedge accounting and has designated each of the swaps against existing drawn debt. Hedges in our portfolio are classified as cash flow hedges.

Where the Group hedges its exposure to variability in cash flows that (i) is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and (ii) could affect profit or loss, the hedging relationship is designated as a cash flow hedge.

28. Financial instruments continued

Hedge relationships are formally designated and documented at inception, together with the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the Group will assess the hedging instrument effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

To the extent the hedge is effective, movements in fair value adjustments, other than adjustments for own or counterparty credit risk, are recognised in Other Comprehensive Income and presented in a separate Cash Flow Hedge Reserve. Any movements in fair value relating to ineffectiveness and adjustments for own or counterparty credit risk are recognised in the Income Statement.

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
At 1 April	**4**	**4**	–	–
Arising on acquisition of Catalyst Housing Group	**–**	**–**	15	15
Change in fair value recognised in the surplus for the year	**–**	**–**	(4)	(4)
Change in fair value charged to cash flow hedging reserve	**–**	**–**	(6)	(6)
At 31 March	**4**	**4**	5	5

Interest rate swap contracts entered into have a weighted average interest rate of 3.9% (2023: 3.9%) with a weighted average maturity of 7 years (2022: 19 years) due to the short dated nature of new swap contracts. The notional balance at 31 March 2024 was £150m (2023: £150m), all in designated hedge relationships.

Bank and building society loans
The Group's bank and building society loans are secured by specific charges over housing properties (note 14). The borrowings bear charges of between 0.5% (plus LIBOR) and 11.5% and are repayable in instalments as disclosed in (B) above.

Bonds
The Group's bonds are also secured by specific charges over housing properties. The bonds bear charges between 2.75% and 5.25%.

Amounts owed to subsidiary undertaking
Peabody Capital plc has made a loan to Peabody with a nominal value of £200m repayable in March 2043. The loan incurs an interest charge of 5.25% per annum, paid semi-annually. Peabody Capital No 2 plc has issued three (2022: three) loans of £350m each to Peabody repayable in March 2023, December 2048 and December 2053. The loans incur interest charges of 2.75%, 3.25% and 4.625% respectively, paid semi-annually.

Peabody Community Foundation has made a loan to Peabody with a nominal value of £4m in March 2020. Peabody Trust is investing the loan into a deposit account to accumulate interest on behalf of Peabody Community Foundation. The deposit account currently receives interest of 0.85% per annum, and Peabody pays this directly to Peabody Community Foundation.

Risks
The main risks associated with the Group's borrowings are interest rate and liquidity risk. The Finance and Treasury Committee reviews and agrees policies for managing these risks which are summarised below:

- Interest rate risk – The Group regularly reviews its policy on the proportion of debt that should be held at fixed and floating interest rates.
- Liquidity risk – Liquidity risk is the risk that the Group might be unable to meets its financial obligations. Expected cash flows from financial assets, in particular its cash resources and trade receivables, are used by the Directors in assessing and managing liquidity risk.

At 31 March 2024 the Group had total undrawn, fully secured facilities of £1,198m (2023: £1,608m) of which £818m is immediately available and £100m retained bonds available to issue. Other secured facilities accessible include deferred private placement, bank funding and private placement shelf facility. A further £125m of facility was undergoing the charging process as at 31 March 2024. The Group had cash of £133m (2023: £142m).

29. Provisions for liabilities and charges

A provision is recognised when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

In relation to the landfill site and other assets of the Group, expenditure will be required for the foreseeable future in order for the Group to fulfil its legal obligations.

	Group					Peabody
	Deferred tax liability £m	Environmental safety provision £m	Legal disrepair provision £m	Health and Safety provision £m	Total £m	Total £m
At 1 April 2023 combined	12	16	–	1	29	1
Increase/(decrease) in provision during the year	1	(9)	6	–	(2)	6
At 31 March 2024	**13**	**7**	**6**	**1**	**27**	**7**

Provisions held at financial year end relate to the following areas:

Deferred tax liability
A deferred tax provision has been raised to reflect the timing difference between accounting and taxable profits on the revaluation of our investment properties held in the Group's corporate subsidiaries. Whilst a full provision has been made based on the unrealised revaluation at the reporting date, it is not expected that any tax charge will actually crystallize or any tax paid in the foreseeable future given that the properties are held as part of the charitable purpose of the Group. If the properties were ever sold, based on current tax rules and legislation, any profit realised would be mitigated by the corporate entities with charitable donation of profit to Peabody Trust. The Deferred tax liability as at 31 March 2024 has been calculated based on the tax rate that is expected to apply to the reversal of the timing differences of 25%.

Environmental safety provision
The brought forward environmental safety provision relates to safety and maintenance obligations for public spaces in the Thamesmead site, held under Tilfen Land Limited and Peabody Land Limited. During the year it was identified that the balance relating to the maintenance portion of the provision was overstated by £9m. As this overstatement related primarily to pre-comparative periods, management do not believe that this represents a material prior period error as we do not think this would impact the decision making of the users of the financial statements. Therefore, we do not propose to adjust the comparatives so the adjustment has been made in full during the current year and has been pulled out on the face of the profit and loss account. The retained provision balance is the Group's best estimate of the costs associated with the capping and aftercare costs in relation to the landfill site.

Legal disrepair provision
As at financial year end, there were open legal cases in relation to the standard of housing provided. The provision held is the Groups best estimate of the liability. The Group will continue to assess this provision at each financial year end for new information, changes in average settlements, and changes in percentage of cases settled, and adjust accordingly.

Health and safety provision
In December 2020, a health and safety incident occurred, this is currently under investigation by the Health & Safety Executive. The provision held is our best estimate of the liability the Group may face.

30. Pension liabilities

The Group currently operates both defined contribution and defined benefit schemes for qualifying employees. The Group participates in two defined contribution schemes and nine defined benefit schemes.

A defined contribution plan is a post-employment benefit plan under which the company 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 benefit plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The 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 Statement of Comprehensive Income.

30. Pension liabilities continued

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period, are also recognised in the Statement of Comprehensive Income.

Asset ceilings

Where the defined benefit pension schemes have been valued as a net pension asset, we have capped all pension schemes with a net asset position to nil, with the exception of Ealing Family Housing Association pension scheme ('EFHAPS'); this is to reflect the true position of the schemes.

If the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a surplus. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

If the scheme rules state that the surplus in the pension scheme belongs to the scheme members, rather than the company, then an asset ceiling adjustment is required to prevent the company recognising a pension asset on the balance sheet. This is typically the case when the administering authority has absolute discretion over how the surplus will be applied.

EFHAPS is an employer-owned pension scheme and so discretion over how the surplus is applied sits with Peabody Trust. The scheme rules state that the surplus in EFHAPS belongs to the company rather than scheme members. As such, we have recognised a pension plan asset of £1.6m as at financial year end.

The Group participates in the following defined benefit schemes:

London Pensions Fund Authority Scheme (LPFA)

The Group participates in the LPFA for those former Peabody 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 on 31 March 2020. As of 1 September 2023, the Group has exited the LPFA scheme. At the point of exit, the plan asset restriction was lifted. In accounting terms, the asset ceiling is the present value of any economic benefits available in the form of refunds or reduced contributions to the defined benefit plan. At exit, this balance is crystallised, resulting in a re-recognition and the release of the total plan asset position. As part of the exit, the London Pensions Fund Authority has issued a deed of release for the property used as security for the legal charges in the pension scheme arrangement. The deed irrevocably re-assigns and releases the property back to Peabody Trust.

Social Housing Pension Defined Benefit Scheme (SHPS)

The scheme is also closed to future accrual and was closed to active members on 31 March 2015. The debt on cessation has not been triggered because the Group has contributing members to the SHPS defined contribution scheme.

Local Government Pensions Schemes (LGPS)

The Group participates in four LGPS: Hammersmith and Fulham, Hackney, Kent and Surrey.

Ealing Family Housing Association pension scheme (EFHAPS)

The pension scheme was closed to future members with effect from 31 March 2007.

TPT Retirement Solution's Growth Plan (The Plan)

The Plan is for voluntary contributions. The Plan is a funded multi-employer pension plan. The Plan is in deficit and the company has recognised a liability of £4k (2023: £8k).

TPT Retirement Solution's CARE Scheme (CARE)

Until 31 March 2016, Peabody Community Foundation also participated in CARE, which is a funded multi-employer defined benefit scheme. The overall provision of the scheme at 31 March 2024 is £153k (2023: £209k). Further details of this fund can be found in the Peabody Community Foundation Annual Report.

Peabody Group schemes summary

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, SHPS, EFHAPS and CARE schemes has been recognised in previous financial years. 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 GMPs is that the schemes 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 schemes 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 2023/24.

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.

The participating employers of the SHPS have been notified that the Trustee of the SHPS Scheme have performed a review of the changes made to the SHPS' benefits over the years and that that there is uncertainty surrounding some of these changes. The SHPS's Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of the 2024 calendar year at the earliest. It is recognised that this could potentially impact the value of SHPS liabilities, but until Court directions are received, no adjustment has been made in these financial statements in respect of this potential issue.

In December 2018, the Court of Appeal ruled the 'transitional arrangements' protection in respect of benefit changes to the Judicial and Fire Fighter Pension scheme amounted to unlawful discrimination (McCloud judgement). This applies to each of the LGPS, 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 2024, we do not believe there are any material differences between the approach underlying the 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, SHPS and LPGS. 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.

Group	EFHAPS £m	LPFA £m	SHPS £m	LGPS £m	Total £m
Present value of the defined benefit obligation	42	–	126	29	197
Fair value of the fund assets (bid value)	(44)	–	(103)	(39)	(186)
Asset ceiling restriction	–	–	–	10	10
Present value of provisions	**(2)**	**–**	**23**	**–**	**21**
Pension scheme actuarial (loss)/gain	1	8	(4)	(1)	4

Peabody	EFHAPS £m	LPFA £m	SHPS £m	LGPS £m	Total £m
Present value of the defined benefit obligation	42	–	121	7	170
Fair value of the fund assets (bid value)	(44)	–	(99)	(11)	(154)
Asset ceiling restriction	–	–	–	4	4
Present value of provisions	**(2)**	**–**	**22**	**–**	**20**
Pension scheme actuarial gain/(loss)	(3)	8	(4)	–	1

LPFA Defined Benefit Scheme

On scheme exit, the plan asset value was £8m, as there will be no further reduced contributions or plan refunds, and our exit settlement was nil. The group has recognised the following transactions on exit from the scheme:

Reconciliation of LPFA	Group 2024 £m	Peabody 2024 £m
As at 1 April 2023	**–**	**–**
Reversal of asset ceiling	**4**	**4**
Movement in present value of the defined benefit obligation	**4**	**4**
As at 31 December 2023	**8**	**8**

Amounts recognised in the Statement of Comprehensive Income in relation to LPFA scheme exit are:	Group 2024 £m	Peabody 2024 £m
Pension costs	**(8)**	**(8)**
Remeasurement in Other Comprehensive Income	**8**	**8**

Amounts recognised in the Statement of Comprehensive Income in relation to LPFA scheme exit are:	Group 2024 £m	Peabody 2024 £m
Net impact on the Statement of Comprehensive Income	**–**	**–**

30. Pension liabilities continued

The pension cost has been treated as an extraordinary item in line with FRS 102 5.10B. In our judgement, this is a transaction that falls outside the ordinary activities of the Trust and pension exits are not common occurrences that happen annually. Therefore, we have chosen to disclose this as a separate line item on the Statement of Comprehensive Income.

Peabody Trust continues to meet its contractual obligations for unfunded benefits in the LPFA scheme; the amount paid in 2024 is £184,000 (2023: £172,000).

In 2023, Peabody Trust recognised the following in relation to LFPA.

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

	Group 2023 £m	Peabody 2023 £m
Equities	85	84
Target return portfolio	27	27
Infrastructure	19	18
Property	11	12
Total Assets	142	141

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

% per annum	Peabody 2023	Peabody Community Foundation 2023
RPI increases	3.3%	3.3%
CPI increases	2.9%	2.9%
Salary increases	2.9%	3.9%
Pension increases	2.9%	2.9%
Discount rate	4.8%	4.8%

The demographic assumptions for the LPFA are consistent with those used for the most recent fund valuation. The post-retirement mortality tables adopted were based on the Club Vita mortality analysis. These base tables are then projected using the CMI 2021 model, allowing for a long-term rate of improvement of 1.25% per annum, smoothing parameter of 7.0, an initial addition parameter of 0% per annum and a 2021 weighting of 5%.

The assumed life expectations are:	Group and Peabody 2023	Peabody Community Foundation 2023
Retiring today – male	86.0	87.3
Retiring today – female	88.8	89.3
Retiring in 20 years – male	87.2	86.4
Retiring in 20 years – female	90.3	88.5

Statement of Financial Position in relation to the LPFA as at 31 March:	Group 2023 £m	Peabody 2023 £m
Present value of the defined benefit obligation	142	141
Fair value of fund assets (bid value)	(142)	(141)
Net defined benefit liability	–	–

Reconciliation of LPFA's opening and closing balances of the present value of the defined benefit obligation	Group 2023 £m	Peabody 2023 £m
Opening defined benefit obligation	200	198
Interest cost	5	5
Change in financial assumption	(66)	(65)
Change in demographic assumption	(6)	(6)
Experience loss/(gain) on defined benefit obligation	14	14
Estimated benefits paid net of transfer in	(5)	(5)
Closing defined benefit obligation	142	141

Reconciliation of LPFA's opening and closing balances of the fair value of fund assets	Group 2023 £m	Peabody 2023 £m
Opening fair value of assets	149	147
Interest on assets	4	4
Return on assets less interest	(2)	(2)
Other actuarial losses	(3)	(2)
Estimated benefits paid plus unfunded net of transfer in	(6)	(6)
Closing fair value of assets	142	141
Actual return on assets	18	18

Amounts recognised in the Statement of Comprehensive Income in relation to LPFA are:	Group 2023 £m	Peabody 2023 £m
Net interest on the defined benefit liability	1	1
Total cost	1	1

Amounts recognised in Other Comprehensive Income in relation to LPFA are:	Group 2023 £m	Peabody 2023 £m
Return on fund assets in excess of interest	(2)	(2)
Change in financial assumptions	66	65
Other actuarial losses	(3)	(2)
Change in demographic assumptions	6	6
Experience loss on defined benefit obligation	(14)	(14)
Actuarial gain recognised in Other Comprehensive Income	53	53

SHPS Defined Benefit Scheme

Peabody participates in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to some 500 non-associated employers. The SHPS is a defined benefit scheme in the UK.

The SHPS is classified as a 'last-man standing arrangement'. Therefore, Peabody 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 last full actuarial valuation for the SHPS was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. To eliminate this funding shortfall, the trustees and the participating employers agreed a revised deficit funding contribution to be paid from 1 April 2022 with the aim of removing the deficit by 31 March 2028, in combination from all employers, to the SHPS. The deficit funding contributions were to increase at 5.5% p.a. with the first increase in April 2023. The aggregate deficit payments made by Peabody Group were £5.1m in the year (2023: £4.9m) and for Peabody only they were £4.9m (2023 combined: £4.7m).

30. Pension liabilities continued

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

	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Global equity	**10**	**10**	2	2
Absolute return	**4**	**4**	2	1
Distressed opportunities	**4**	**3**	3	3
Credit relative value	**3**	**3**	4	4
Alternative risk premia	**3**	**3**	–	–
Emerging markets debt	**1**	**1**	1	1
Risk sharing	**6**	**6**	8	7
Insurance-linked securities	**1**	**1**	3	3
Property	**4**	**4**	4	4
Infrastructure	**11**	**10**	12	11
Private debt	**4**	**4**	4	4
Opportunistic illiquid credit	**4**	**4**	4	4
Cash	**2**	**2**	1	1
Long lease property	**1**	**1**	3	3
Secured income	**3**	**3**	4	5
Liability driven investment	**42**	**40**	47	46
Total assets	**103**	**99**	102	99

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

% per annum	Group and Peabody 2024 £m	Group and Peabody 2023 £m
RPI increases	**3.20%**	3.20%
CPI increases	**2.80%**	2.80%
Salary increases	**3.80%**	3.80%
Discount rate	**4.90%**	4.90%

The demographic assumptions for the SHPS are consistent with those used for the most recent fund valuation, which was carried out as at 30 September 2020. The post-retirement mortality tables adopted are the standard S3PA tables with a multiplier of 104% for males and 109% for females. These base tables are then projected using the CMI 2021 model, allowing for a long-term rate of improvement of 1.25% per annum, smoothing parameter of 7.0, reducing the initial addition parameter to 0.25% per annum for females (maintaining 0.5% per annum for males) and a 2021 weighting of 10%.

At 31 March 2024, the discount rate model was updated from 'The UK Mercer Yield Curve – without options', to 'The UK Mercer Yield Curve – expanded dataset'. A key difference is that the revised model uses extra high-quality corporate bond data, resulting in an assumption that is less volatile and more in line with other market curves.

The assumed life expectations are:	Group and Peabody 2024	Group and Peabody 2023
Retiring today – male	**85.5**	86.0
Retiring today – female	**88.0**	88.4
Retiring in 20 years – male	**86.8**	87.2
Retiring in 20 years – female	**89.4**	89.9

Statement of Financial Position in relation to SHPS as at 31 March:	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Present value of the defined benefit obligation	**126**	**121**	126	121
Fair value of fund assets (bid value)	**(103)**	**(99)**	(102)	(99)
Net defined benefit liability	**23**	**22**	24	22

Reconciliation of SHPS's opening and closing balances of the present value of the defined benefit obligation	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Opening defined benefit obligation	**126**	**121**	119	170
Gain on acquisition	**–**	**–**	58	–
Interest cost	**6**	**6**	5	4
Actuarial losses/(gains) due to scheme experience	**–**	**–**	2	2
Actuarial losses/(gains) due to changes in demographic assumptions	**(1)**	**(1)**	–	–
Actuarial losses/(gains) due to changes in financial assumptions	**(1)**	**(1)**	(53)	(51)
Benefits paid and expenses	**(4)**	**(4)**	(5)	(4)
Closing defined benefit obligation	**126**	**121**	126	121

Reconciliation of SHPS's opening and closing balances of the fair value of fund assets	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Opening fair value of assets	**103**	**99**	101	146
Gain on acquisition	**–**	**–**	50	–
Interest income	**5**	**5**	4	3
Experienced gains on plan assets	**(6)**	**(6)**	(53)	(51)
Employer contributions	**5**	**5**	5	5
Benefits paid and expenses	**(4)**	**(4)**	(4)	(4)
Closing fair value of assets	**103**	**99**	103	99
Actual return on assets	**1**	**1**	50	48

Amounts recognised in the Statement of Comprehensive Income in relation to SHPS are:	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Net interest on the defined benefit liability	**1**	**1**	1	1
Total cost	**1**	**1**	1	1

Amounts recognised in Other Comprehensive Income in relation to SHPS are:	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Return on fund assets in excess of interest	**(6)**	**(6)**	(53)	(51)
Change in financial assumptions	**1**	**1**	53	51
Change in demographic assumptions	**1**	**1**	–	–
Experience loss on defined benefit obligation	**–**	**–**	(2)	(2)
Actuarial (loss)/gain recognised in Other Comprehensive Income	**(4)**	**(4)**	(2)	(2)

30. Pension liabilities continued

LGPS Defined Benefit Schemes

The Group participates in four Local Government Pensions Schemes (LGPS): Hammersmith and Fulham, Hackney, Kent and Surrey. All are closed to future members. The LGPS is subject to the regulations of the Local Government Superannuation Scheme. Contributions to each of the LGPS are determined by a qualified actuary on the basis of the valuations, using the projected unit method. A full actuarial valuation of the each of the schemes was carried out at 31 March 2022 by a qualified independent actuary. Contributions to the scheme are made on the advice of the actuary and with the aim of making good the deficit over the remaining working life of the employees.

The estimated asset allocations for all LGPS schemes as at 31 March are as follows:

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 Combined £m	Peabody 2023 Combined £m
Equities	**22**	**7**	25	7
Gilts	**2**	**–**	–	–
Bonds	**9**	**3**	6	2
Property	**3**	**1**	4	2
Cash	**1**	**–**	–	–
Absolute return	**1**	**–**	2	–
Infrastructure	**1**	**–**	1	–
Total assets	**39**	**11**	38	11

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

% per annum	**Hammersmith & Fulham 2024**	**Hackney 2024**	**Kent 2024**	**Surrey 2024**	Hammersmith & Fulham 2023	Hackney 2023	Kent 2023	Surrey 2023
CPI increases	**2.80%**	**2.80%**	**2.90%**	**2.80%**	3.00%	3.00%	2.9%	3.00%
Salary increases	**3.80%**	**3.30%**	**3.40%**	**3.80%**	4.00%	3.50%	3.4%	4.00%
Pension increases	**2.80%**	**2.80%**	**2.90%**	**2.80%**	3.00%	3.00%	2.9%	3.00%
Discount rate	**4.80%**	**4.80%**	**4.90%**	**4.80%**	4.75%	4.75%	4.8%	4.75%

The demographic assumptions for all the LGPS schemes are consistent with those used for the most recent fund valuations, which were carried out as at 31 March 2022. The post-retirement mortality tables adopted for Hammersmith & Fulham, Hackney and Surrey were based on the Club Vita mortality analysis. These base tables are then projected using the CMI 2021 model, allowing for a long-term rate of improvement of 1.5% per annum, smoothing parameter of 7.0, an initial addition parameter of 0.25% per annum and a 2021 weighting of 10%.

The post-retirement mortality tables adopted for Kent are the S3PA tables with a multiplier of 110% for males and 115% for females. These base tables are then projected using the CMI 2021 model, allowing for a long-term rate of improvement of 1.25% per annum, smoothing parameter of 7.0, an initial addition parameter of 0% per annum and a 2021 weighting of 5%.

The assumed life expectations are:	**Hammersmith & Fulham 2024**	**Hackney 2024**	**Kent 2024**	**Surrey 2024**	Hammersmith & Fulham 2023	Hackney 2023	Kent 2023	Surrey 2023
Retiring today – male	**86.0**	**86.1**	**85.8**	**86.9**	86.2	86.2	86.1	87.0
Retiring today – female	**89.8**	**89.4**	**88.3**	**89.6**	90.0	89.6	88.5	89.8
Retiring in 20 years – male	**84.0**	**86.2**	**87.0**	**86.5**	84.2	86.4	87.3	86.7
Retiring in 20 years – female	**89.3**	**90.2**	**89.7**	**90.5**	89.5	90.4	90.0	90.8

Statement of Financial Position in relation to all LGPS as at 31 March:	**Group 2024 £m**	**Peabody 2024 £m**	Group 2023 Combined £m	Peabody 2023 Combined £m
Present value of the defined benefit obligation	**29**	**7**	30	7
Fair value of fund assets (bid value)	**(39)**	**(11)**	(38)	(11)
Net defined benefit liability/(asset)	**(10)**	**(4)**	(8)	(4)
Asset ceiling restriction	**10**	**4**	8	4
Net defined benefit liability/(asset) recognised	**–**	**–**	–	–

Reconciliation of LGPS opening and closing balances of the present value of the defined benefit obligation	**Group 2024 £m**	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 £m
Opening defined benefit obligation	**30**	**7**	37	10
Gain on acquisition	**–**	**–**	4	–
Interest cost	**1**	**–**	1	–
Actuarial losses/(gains) due to scheme experience	**–**	**–**	2	–
Actuarial losses/(gains) due to changes in financial assumptions	**(1)**	**–**	(13)	(3)
Benefits paid and expenses	**(1)**	**–**	(1)	–
Closing defined benefit obligation	**29**	**7**	30	7

Reconciliation of LGPS opening and closing balances of the fair value of fund assets	**Group 2024 £m**	**Peabody 2024 £m**	Group 2023 Combined £m	Peabody 2023 Combined £m
Opening fair value of assets	**30**	**7**	35	11
Gain on acquisition	**–**	**–**	3	–
Interest income	**2**	**–**	1	–
Asset ceiling restriction	**(2)**	**–**	(8)	(4)
Benefits paid and expenses	**(1)**	**–**	(1)	–
Closing fair value of assets	**29**	**7**	30	7
Actual return on assets	**1**	**1**	2	–

Amounts recognised in the Statement of Comprehensive Income in relation to LGPS are:	**Group 2024 £m**	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 £m
Net interest on the defined benefit liability	**–**	**–**	1	–
Total cost	**–**	**–**	1	–

Amounts recognised in Other Comprehensive Income in relation to LGPS are:	**Group 2024 £m**	**Peabody 2024 £m**	Group 2023 Combined £m	Peabody 2023 Combined £m
Asset ceiling restriction	**(2)**	**–**	(8)	(4)
Change in financial assumptions	**1**	**–**	13	3
Experience loss on defined benefit obligation	**–**	**–**	(2)	–
Actuarial gain/(loss) recognised in Other Comprehensive Income	**(1)**	**–**	3	(1)

30. Pension liabilities continued

EFHAPS Defined Benefit Scheme

During the year, Peabody paid £950,000 (2023: £950,000) into the pension scheme in accordance with the recovery plan agreed with the trustees of the scheme. The scheme is closed and no contributions are payable. The scheme has a small number of insured policies relating to pensioners previously secured through annuities. These policies are excluded from the pension provision as there is no net impact on the balance sheet, statement of comprehensive income, and statement of changes in reserves.

The estimated asset allocation as at 31 March is as follows:

	Group and Peabody 2024 £m	Group and Peabody 2023 Combined £m
Equities	**6**	8
Bonds including liability0driven investments (LDIs)	**36**	33
Insured annuities	**1**	–
Cash	**1**	1
Total assets	**44**	42

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

% per annum	**Group and Peabody 2024 £m**	Group and Peabody 2023 £m
RPI increases	**3.35%**	3.45%
CPI increases	**2.85%**	2.85%
Pension increases	**3.15%**	3.20%
Discount rate	**4.80%**	4.75%

The demographic assumptions are consistent with those used for the most recent fund valuation, which was carried out as at 31 September 2022. The post-retirement mortality tables adopted are the S3NxA tables. These base tables are then projected using the CMI 2019 model, allowing for a long-term rate of improvement of 1.25% per annum, standard smoothing parameter of 7.0 and an initial addition parameter of 0.25% per annum.

The assumed life expectations are:	**Group and Peabody 2024 £m**	Group and Peabody 2023 £m
Retiring today – male	**88.4**	87.6
Retiring today – female	**90.4**	90.0
Retiring in 20 years – male	**89.7**	88.9
Retiring in 20 years – female	**91.7**	91.4

Statement of Financial Position in relation to EFHAPS as at 31 March:	**Group and Peabody 2024 £m**	Group and Peabody 2023 Combined £m
Present value of the defined benefit obligation	**42**	42
Fair value of fund assets (bid value)	**(44)**	(42)
Net defined benefit liability/(asset)	**(2)**	–

Reconciliation of EFHAPS opening and closing balances of the present value of the defined benefit obligation	Group and Peabody 2024 £m	Group and Peabody 2023 Combined £m
Opening defined benefit obligation	**42**	55
Interest cost	**2**	2
Actuarial losses/(gains) due to scheme experience	**–**	1
Actuarial losses/(gains) due to changes in financial assumptions	**–**	(14)
Benefits paid and expenses	**(2)**	(2)
Closing defined benefit obligation	**42**	42

Reconciliation of EFHAPS opening and closing balances of the fair value of fund assets	Group and Peabody 2024 £m	Group and Peabody 2023 Combined £m
Opening fair value of assets	**42**	60
Interest income	**2**	2
Experienced (losses)/gains on plan assets	**1**	(19)
Employer contributions	**1**	1
Benefits paid and expenses	**(2)**	(2)
Closing fair value of assets	**44**	42
Actual return on assets	**–**	(14)

Amounts recognised in the Statement of Comprehensive Income in relation to EFHAPS are:	Group and Peabody 2024 £m	Group and Peabody 2023 £m
Net interest on the defined benefit liability	**–**	–
Total cost	**–**	–

Amounts recognised in Other Comprehensive Income in relation to EFHAPS are:	Group and Peabody 2024 £m	Group and Peabody 2023 Combined £m
Return on fund assets in excess of interest	**1**	(19)
Change in financial assumptions	**–**	14
Experience loss on defined benefit obligation	**–**	(1)
Actuarial loss recognised in other comprehensive income	**(1)**	(6)

31. Capital commitments

	Group 2024 £m	Peabody 2024 £m	Group 2023 £m	Peabody 2023 Combined £m
Development expenditure contracted but not provided for within the financial statements	**1,289**	**536**	1,502	446
Development expenditure authorised by the Board, but not contracted	**305**	**181**	558	136
Total commitment	**1,594**	**717**	2,060	582
Of which:				
Stock commitment	**549**	**176**	456	17
Capital commitment	**1,045**	**541**	1,604	565
	1,594	**717**	2,060	582

The Group will fund the following commitments from:

31. Capital commitments continued

	Group 2024 £m	Group 2023 £m
Debt funding available	**1,198**	1,608
Cash available	**133**	141
Funds to be sourced from future surpluses, debt funding and grant	**263**	311
Total	**1,594**	2,060

32. Commitments under operating leases

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives are recognised as a reduction to the expense over the lease term on a straight-line basis.

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

Total future minimum lease payments under non-cancellable operating leases are due as follows:

	Group 2024 £m	**Peabody 2024 £m**	Group 2023 £m	Peabody 2023 Combined £m
Operating leases which expire:				
Within one year	**3**	**3**	2	2
In the second to fifth years inclusive	**8**	**7**	6	5
Over five years	**5**	**3**	6	4
Total	**16**	**13**	14	11

33. Contingent liabilities

The Group receives grants from Homes England and from the GLA, which are used to fund the acquisition and development of housing properties and their components.

Grants received in relation to assets that are presented at deemed cost at the date of transition to FRS 102 have been accounted for using the performance model as required by SORP 2014. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income in the year it was receivable and is therefore included within brought forward reserves.

On the event of the housing properties being disposed, the Group is responsible for the repayment or recycling of the grant.

The contingent liability as of 31 March 2024 is £1,699m (2023: £1,693m). The movement is driven by the recycling of grants related to the acquisition of Catalyst Housing Limited and Town and Country Housing Limited of £3m, offset by the liability for potential future maintenance of the Thamesmead river wall and public spaces of £9.3m. The released costs represent balances of both uncertain timing and amount, and therefore cannot be measured reliably, a contingent liability has been disclosed in respect of these potential outflows.

34. Transfer of engagement

On 03 April 2023, Catalyst Housing Limited became part of Peabody Trust through a transfer of engagement. As required by FRS 102 PBE34.86, details of the individual entities for the previous year are shown below.

Statement of comprehensive income

	Note	Peabody 2023 £m	Catalyst 2023 £m	Cons. 2023 £m	Combined Total 2023 £m
Turnover	3.1	461	273	(10)	724
Operating costs	3.1	(395)	(236)	10	(621)
Surplus on sale of fixed assets	7	50	19	–	69
Operating surplus before change in investment properties		116	56	–	172
Change in value of investment properties	16	(23)	–	–	(23)
Operating surplus	3.1, 8	93	56	–	149
Interest receivable and similar income	9	63	6	–	69
Interest payable and similar charges	10	(126)	(49)	–	(175)
Movement in fair value of derivative financial instruments		–	4	–	4
Gift on acquisition	34	(6)	(18)	–	(24)
Surplus before taxation		24	(1)	–	23
Gift aid and charitable donations	11	36	2	–	38
Taxation	12	–	–	–	–
Surplus for the year		60	1	–	61
Other comprehensive income					
Pension scheme actuarial gain/(loss)	30	50	(3)	–	47
Change in value of hedged instrument	10	–	6	–	6
Total comprehensive income for the year		110	4	–	114

34. Transfer of engagement continued

Statement of financial position

	Note	Peabody 2023 £m	Catalyst 2023 £m	Cons. 2023 £m	Presented in Statement of Financial Position 2023 £m
Non-current assets					
Intangible assets	13	**42**	**6**	–	48
Pension assets		**–**	**3**	–	3
Tangible fixed assets – housing	14	**6,268**	**3,218**	–	9,486
Other tangible fixed assets	15	**63**	**10**	–	73
Total fixed assets		**6,373**	**3,237**	–	9,610
Investment properties	16	**261**	**17**	–	278
Other investments	17	**123**	**–**	–	123
Homebuy loans receivable	18	**4**	**70**	–	74
Starter homes initiative investment	19	**3**	**–**	–	3
Total investments		**391**	**87**	–	478
Debtors due in more than one year	21	**1,223**	**–**	–	1,223
Total non-current assets		**7,987**	**3,324**	–	11,311
Current assets					
Stock	22	**2**	**53**	–	55
Debtors due in less than one year	23	**103**	**111**	(12)	202
Cash and cash equivalents		**55**	**50**	–	105
Total current assets		**160**	**214**	(12)	362
Creditors: amounts falling due within one year		**(362)**	**(207)**	12	(557)
Net current assets/(liabilities)		**(202)**	**7**	–	(195)
Total assets less current liabilities		**7,785**	**3,331**	–	11,116
Creditors: amounts falling due after more than one year	25	**(4,610)**	**(1,540)**	–	(6,150)
Derivatives financial instruments	41	**–**	**(5)**	–	(5)
Pension liabilities	30	**(16)**	**(6)**	–	(22)
Net assets		**3,159**	**1,780**	–	4,939
Reserves					
Income and expenditure reserve		**2,437**	**1,375**	–	3,812
Revaluation reserve		**722**	**390**	–	1,112
Cash flow hedging reserve		**–**	**15**	–	15
Net assets		**3,159**	**1,780**	–	4,939

Alignment of accounting policies

Catalyst Housing Limited and Peabody Trust were registered providers preparing financial statements in accordance with FRS 102, the Housing SORP 2018, the Accounting Direction for Registered Providers of Social Housing 2022, and the Companies Act 2006.

Due to the similar nature of Peabody and Catalyst's business activities, and the harmonising influence of the Regulator resulting from its reporting requirements, the pre-acquisition accounting policies and estimation methodologies were closely aligned. Any required alignments to accounting policies and procedures were performed in the previous financial reporting period. No further significant accounting adjustments are considered required.

Details of any intercompany adjustments made to the combined position for Peabody Trust are set out below.

1. Elimination of turnover and operating costs between Peabody and Catalyst

Statement of comprehensive income	Total adjustment 2023 £m
Interest receivable and similar income	(10)
Interest payable and similar charges	10
Total adjustment to comprehensive income	–

2. Elimination of loan balance between Peabody and Catalyst

Statement of financial position	Total Adjustment 2023 £m
Debtors due in less than one year	(12)
Creditors: amounts falling due within one year	12
Total adjustment to statement of financial positions	–

Cost of acquisition

Peabody Trust incurred one-off costs associated with the business combination between Groups and the subsequent transfer of engagements from Catalyst Housing Limited to Peabody Trust. These costs were not realised during the financial year ended 31 March 2023. They include the costs of undertaking the due diligence exercise and ensuring that there was a smooth transition to the newly formed entity coming into existence, people costs on business rationalisation, and property valuation adjustments as more information has become available. The one-off costs were exceptional and will not recur going forward as they were incurred to ensure the consummation of this business combination. The costs are comprised of avoidable costs which the Group would not have incurred had the business combination not been pursued.

Below is an analysis of one-off costs:

	Group 2024 £m	Peabody 2024 £m
People	3	3
Legal and due diligence	3	3
Intercompany loan provision	–	2
Total	6	8

35. Legislative provisions, taxation and subsidiary undertakings 23-24

Peabody has the following wholly owned subsidiaries, all of which are established in England and Wales and have been included in the Group results unless indicated:

- Charlton Triangle Homes Limited (registered social landlord, registered charity, charitable Community Benefit Society)
- Dagenham Green Limited (formerly Dagenham Dock Limited)
- George Peabody Donation Fund (registered charity formed under an Act of Parliament)
- Harris Lodge Residents Company Limited *
- Maple Drive Management Company Limited *
- Oxley Close Number 2 Residents Company Limited *
- Peabody Capital plc
- Peabody Capital No 2 plc
- Peabody Central Housing Trust (formerly Create Communities Limited), from 1 April 2021 (registered Community Benefit Society)
- Peabody Community Foundation (registered charity)
- Peabody Construction Limited
- Peabody Developments Limited (registered social landlord, registered Community Benefit Society) and its wholly owned subsidiary:
  - Peabody (Services) Limited
- Peabody Group Maintenance Limited
- Peabody Investment Limited (dormant)
- Peabody Land Limited, and its wholly owned subsidiaries:
  - Peabody Waterfront Limited
  - Veridion Park Management Company Limited
  - Tilflex Management Company Limited
  - Sienna Management Limited *
  - White Hart Triangle Management Limited *
  - Cobalt Estate Management Limited *
- Southmere Village Management Company Limited *
- Tilfen Land Limited and its wholly owned subsidiaries:
  - Tilfen Investment Properties Limited (Dormant)
  - Tilfen Regeneration Limited (Dormant)
- Town & Country Housing (registered social landlord, charitable Community Benefit Society) and its wholly owned subsidiaries:
  - TCHG Capital plc
  - Monson Homes Limited
  - TCHG Living Limited
  - Countrywise Repairs Limited **
- Catalyst by Design Limited
- Catalyst Housing Charitable Trust ***
- Barnet Community Homes Limited
- CHL Developments Limited
- Lea Valley Developments Limited
- Catalyst Finance Limited
- Catalyst Developments (Wimbledon) Limited
- Dagenham Green Management Limited (formerly Dee Park Developments (Catalyst) Limited)
- Connect Property Services Limited
- Catalyst Housing Limited ****
- Rosebery Housing Association Limited ****

* These subsidiaries are excluded from the Group's consolidated results.
** Peabody Trust has a majority holding in Harris Lodge, Oxley Close and Maple Drive which exist to administer service charges where there are owner-occupiers in addition to Peabody tenants.
*** Countrywise Repairs Limited is 51% owned by Town & Country Housing and 49% by Wates Living Space (Maintenance) Limited (part of the Wates Group) and is currently being wound down following termination of agreement with Wates.
**** The trade and assets of Peabody South East Limited was transferred to Peabody Trust on 31 March 2022 under a transfer of engagement.

Peabody Land Limited, Peabody (Services) Limited, Peabody Developments Limited, Peabody Waterfront Limited, Peabody Construction Limited and Monson Homes Limited are trading subsidiaries involved in the development and sale of land and private residential property.

Freshleaf Homes Limited provides environmental services to both Group companies and third parties.

Peabody Group Maintenance Limited provides repairs and maintenance services to Peabody.

Peabody Capital plc, Peabody Capital No 2 plc and TCHG Capital plc raise finance for use by Peabody and its subsidiaries.

Southmere Village Management Company Limited provides management services for Peabody.

36. Transactions with related parties

Related party transactions in the Group include transactions with 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. Compensation paid to key management personnel is shown in note 5.

Rents received from tenant and leaseholder Board members during the year are £20k (2023: £18k). Their tenancy agreements have been granted on the same terms as for all residents, and housing management procedures, including those relating to management of arrears have been applied consistently to the residents. Their position on the Board does not favour their tenancy agreement, nor allow any preferential treatment.

Peabody has taken advantage of the exemption permitted by FRS 102 – 'Related Party Disclosures' and does not disclose transactions with other wholly owned entities within the Group that are eliminated on consolidation. There are also several subsidiaries in note 35 which Peabody does not consolidate, but there are no transactions between Peabody and these subsidiaries in 2023/24.

Defined pension schemes are considered to be related parties. Further information of these schemes can be found in note 30.

Board members of Peabody have disclosed the following interests:

- Peabody has rented property to the Richmond Fellowship Charity previously, with an outstanding balance of £136. Helen Edwards is the Chair of the Richmond Fellowship Charity.
- Peabody paid energy advisory costs totaling £58,923 towards Agility Eco, with a balance of £21,570 outstanding at year end. Ravi Rajagopal (resigned October 2023) is an investor in Agility Eco.
- Peabody incurred consultancy costs totaling £22,367 towards Campbell Tickell Ltd, with £29,400 outstanding at year end. Graham Woolfman serves as an Associate Consultant of Campbell Tickell Ltd.
- Peabody incurred training and membership costs totalling £1,128 towards the Chartered Institute of Housing, with £1,272 outstanding at year end. Ian McDermott serves as a member of the Chartered Institute of Housing.
- Peabody has incurred training costs with Royal Institute of Chartered Surveyors previously, with a balance owed to Peabody of £150. Ian McDermott serves as a member of the Royal Institute of Chartered Surveyors.
- Peabody has incurred training costs totaling £23,258 with Global Fusion Music and Arts, with no amounts outstanding at year end. Sharon Mann (TCH Board member) serves as a director of Global Fusion Music and Arts.

Information on changes to the composition of Peabody's Board and Committees can be found on page 48.

Most of the decisions in relation to the third parties referenced above are not made at Peabody Trust or Peabody subsidiary Board level since they are operational in nature and are within the authority delegated to executives. Where decisions are made at Board level, Peabody has robust procedures in place which ensure that relevant board members do not receive the papers, do not count in the quorum and do not participate in any way in the decision making.

37. Intra group transactions between regulated and non-regulated entities

Peabody, a registered provider, transacts with non-registered entities within the Group. These transactions can be summarised as follows:

- Payment of invoices and other expenses on behalf of non-regulated subsidiaries which is reimbursed in full.
- Provision of intercompany loans to non-regulated subsidiaries. These loans fund capital development and working capital requirements. Any interest is charged at commercial rates of interest.
- Reimbursement of development costs paid by Peabody Construction Limited and Peabody (Services) Limited.
- Gift aid receipts from non-registered entities (note 11).
- Transactions with joint venture entities and joint venture partners (note 20).

The recharges for services between non-regulated entities and regulated entities are:

For the year ended 31 March 2024:

Non-registered providers	Developments and services received by Peabody £m	Gift aid to Peabody £m	Loan interest payable by Peabody £m	Loan interest receivable to Peabody £m	Peabody loans debtors £m	Peabody loans creditors £m	Creditors balances £m	Debtors balances £m
Catalyst by Design	–	–	–	–	74	–	–	–
Catalyst Housing Developments Limited	(50)	(1)	–	–	4	(1)	(3)	–
Catalyst Developments (Wimbledon)	–	–	–	–	1	–	–	–
Connect Property Services	(17)	–	–	–	4	–	(2)	–
Dagenham Green Limited	–	–	–	–	26	–	–	–
Lea Valley Developments Limited	–	–	–	–	2	–	–	–
Peabody Capital 1	–	–	–	–	–	(206)	–	–
Peabody Capital 2	–	–	(6)	–	5	(1,050)	–	–
Peabody Community Foundation	–	–	–	–	–	(7)	(15)	–
Peabody Construction Limited	(34)	(3)	–	–	17	10	–	–
Peabody Group Maintenance	(34)	(4)	–	–	–	1	(2)	–
Peabody Land Limited	–	–	–	–	8	–	–	–
Peabody (Services) Limited	(1)	–	–	–	–	–	–	–
Peabody Waterfront Limited	–	–	–	–	1	(1)	–	–
Tilfen Land Limited	–	(4)	–	–	–	–	–	–
Total	**(136)**	**(12)**	**(6)**	**–**	**142**	**(1,254)**	**(22)**	**–**

For the year ended 31 March 2023 combined:

Non-registered providers	Developments and services received by Peabody £m	Gift aid to Peabody £m	Loan interest payable by Peabody £m	Loan interest receivable to Peabody £m	Peabody loans debtors £m	Peabody loans creditors £m	Creditors balances £m	Debtors balances £m
Dagenham Green Limited	–	–	–	–	13	–	–	–
Peabody Capital 1	–	–	–	–	–	(206)	–	–
Peabody Capital 2	–	–	(6)	–	6	(1,050)	–	–
Peabody Community Foundation	–	–	–	–	–	(5)	(15)	–
Peabody Construction Limited	(70)	(7)	–	–	3	(13)	(5)	–
Peabody Group Maintenance	(30)	(3)	–	–	1	–	–	–
Peabody Land Limited	(1)	–	–	–	9	–	–	–
Peabody Waterfront Limited	–	–	–	–	–	(1)	–	–
Tilfen Land Limited	–	(4)	–	–	–	–	–	–
Total	(101)	(14)	(6)	–	32	(1,275)	(20)	–

38. Reconciliation of surplus for the year to net cash generated from operating activities

	Note	Group 2024 £m	Group 2023 £m
Surplus for the year		**57**	1,900
Adjustments for non-cash items:			
Gift on acquisition	34	**–**	(1,811)
Taxation on surplus on ordinary activities	12	**1**	(7)
Change in value of investment property	16	**–**	50
Net interest payable/(receivable)	9, 10	**184**	138
Amortisation of intangible fixed assets	13	**18**	14
Depreciation of tangible fixed assets	14, 15	**124**	130
Impairment of tangible fixed assets	14	**20**	–
Impairment of other tangible fixed assets	15	**3**	–
Amortisation of grants and unwinding of grants on disposal	26	**(14)**	(14)
Amortisation of debts/FV adjustments	10	**(12)**	
Surplus on sales of fixed assets	7	**(73)**	(72)
Share of JV profits	20	**–**	(9)
Decrease/(increase) in trade and other debtors		**(8)**	7
Decrease/(increase) in stocks		**41**	167
Increase/(decrease) in trade and other creditors		**(30)**	(18)
Net cash generated from operating activities		**311**	475

Board, Executive Team and Advisors

Peabody Trust (Registration no.7741)

Caroline Corby	(Appointed and Chair from 1 April 2024)
David Hardy	(Interim Chair from 8 August 2023 to 31 March 2024)
Lord Bob Kerslake	(Former Chair, died 1 July 2023)
Phillipa Aitken	
Peter Baffoe	
Ann Bentley CB	
Martyn Burke	(Appointed 19 September 2023)
Helen Edwards CB	
Terry Hartwell	
Matthew Martin	
Ian McDermott	
Deirdre Moss	(Resigned 30 June 2024)
Ravi Rajagopal	(Acting Chair 2 July 2023 to 7 August 2023, resigned 31 October 2023)
Cary Wakefield	
Graham Woolfman	
Eustace Xavier	(Appointed 1 September 2023)

Group Secretary
Sarah Cameron

Chief Executive
Ian McDermott

Executive Team of Peabody Trust during the financial year ended 31 March 2024 and up to the date of this report

Ian McDermott	Chief Executive
Stephen Burns	Executive Director, Care, Supported Housing and Inclusion
Sarah Cameron	General Counsel and Group Secretary
Phil Day	Chief Financial Officer (Appointed 1 September 2024)
Peter Evans	Executive Director, Property Services and Assets
Bob Heapy	CEO, Town & Country Housing (Resigned 5 April 2024)
Elly Hoult	Chief Operating Officer and Deputy CEO
Eamonn Hughes	Chief Financial Officer (Resigned 30 June 2024)
Phil Jenkins	Executive Director, Development
David Lavarack	Executive Director, Group Support Services
John Lewis	Executive Director, Sustainable Places

Registered office, 45 Westminster Bridge Road, London SE1 7JB. 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).

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