

Company Registration No: 01267728
Charity Registration No (England and Wales): 271731

Trust Thamesmead Limited

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2014



Trust Thamesmead Ltd
(A company limited by guarantee)

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Trust Thamesmead
(A company limited by guarantee)

OFFICERS AND PROFESSIONAL ADVISERS
Year ended 31 March 2014

BOARD OF TRUSTEES

The Board of Trustees is the governing body of Trust Thamesmead. The Trustees are the directors of the company.

Steven Boxall	to March 2014
Michael Cleaver	Chair
David Leaf	to March 2014
Victor Grimes	
Elaine Harrison	to March 2014
Nicola Insley	to March 2014
Kenneth Miller	
Soji Otudeko	to November 2013
Linda Portis	
Jonathan Telfer	to March 2014
Stephen Burns	from April 2014
Amanda Doe	from April 2014 resigned 25 April 2014
Robert Elliott	from April 2014

SECRETARY

Helen Webb	to March 2014
Susan Hickey	from April 2014

REGISTERED OFFICE

45 Westminster Bridge Road
London
SE1 7JB

BANKERS

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

SOLICITORS

TG Baynes
Baynes House
Market Street
Dartford, Kent, DA11 1DB

Bates Wells and Braithwaite
Scandinavia House
2-6 Cannon St
London, EC4M 6YH

AUDITORS

Kingston Smith LLP
Devonshire House
60 Goswell Road
London, EC1M 7AD

STRATEGIC REPORT
For the year ended 31 March 2014

The Trustees of Trust Thamesmead Ltd present their annual report and the audited financial statements for the year ended 31st of March 2014. The financial position and results for the year are set out on pages 24 to 43 of these statements.

PRINCIPAL ACTIVITIES

Trust Thamesmead Ltd ("The Trust") is a leading community development organisation in Thamesmead, South East London. Thamesmead is largely covered by the postcodes SE28 and DA18. It is contained within Thamesmead Moorings and a part of Glyndon Ward (Royal Borough of Greenwich) and the entire ward of Thamesmead East and parts of Lesnes Ward (London Borough of Bexley).

Our Community Development work is aimed at building the capacity of individuals and groups in Thamesmead and it is delivered both geographically and thematically.

The Trust also provides an employment brokerage service assisting residents back into work (Building Futures), two early years pre-schools (Acorn and Arnott), seven community halls and a range of other community facilities including Sporting Club Thamesmead and The Link Thamesmead.

Throughout 2013/2014 we had discussions about joining the Peabody Group as a subsidiary and, thereby, once again bringing Gallions Housing Association, Tilfen Land Limited and ourselves all under one coherent management structure. These discussions were ultimately successful and we moved into the Peabody Group as a subsidiary with effect from the 1st of April 2014.

KEY MISSION AND PUBLIC BENEFIT

The Trust is a charity established for general charitable purposes for the benefit of the inhabitants of Thamesmead and the surrounding area ("the area of benefit") and it has the following specific objectives related to the residents of the area:-

- To advance education
- To relieve financial need
- To promote health
- To promote amateur sport
- To promote for the public benefit community safety and the prevention of crime
- To relieve unemployment for the public benefit in such ways as may be thought fit including assistance to find employment
- To develop the capacity and skills of members of the community in such a way that they are better able to identify and help meet their needs and to participate more fully in society; and
- To provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of members of the community who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

We aim to achieve this by:-

- Advocating for change to benefit Thamesmead residents and supporting local people to find local solutions to their own problems
- Forming partnerships with those who share our vision
- Acting as a gateway to bring services and funding to Thamesmead
- Using our income to deliver direct services of very high quality

In setting our objectives, planning our activities and monitoring our services, the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit and we can confirm that we have met this criterion.

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THE CONTEXT IN WHICH WE OPERATE

Thamesmead is an area originally developed in the 1960's on Plumstead and Erith marshes with the aim of providing 25,000 houses. It is sited across the two London Boroughs of Greenwich and Bexley which has implications for developments and policy decision-making and creating social cohesion. The bringing together of housing stock (Gallions Housing Association), land ownership (Tilfen Land Ltd) and community development (Trust Thamesmead Ltd) within the Peabody group from 1 April 2014 means that the area will now be managed and developed as a whole as part of a single well-resourced organisation, providing an opportunity to realise the original 1970's vision for Thamesmead. The Peabody Group has already embarked on a major investment programme "Thamesmead Futures" which is expected to stimulate 7,000 new homes and 5,000 jobs within 10 years.

The last census (2011) suggested that there were 37,260 people living in Thamesmead. Thamesmead has a younger population profile compared with local, regional and national averages and a higher percentage of younger, single households. The area has twice the regional average number of single parents with dependent children. Thamesmead has a higher proportion of socially rented properties (41%) than the national average (19%).

The Index of Multiple Deprivation provides an insight into poverty across geographical areas known as Super Output Areas. Addressing deprivation through skills training and other interventions enabling residents to access employment created locally in the future, (and elsewhere in London) is a critical part of our long term agenda for residents of Thamesmead. Crossrail presents an important opportunity creating connections for existing residents to jobs, as well a vehicle to promote more investment in the area.

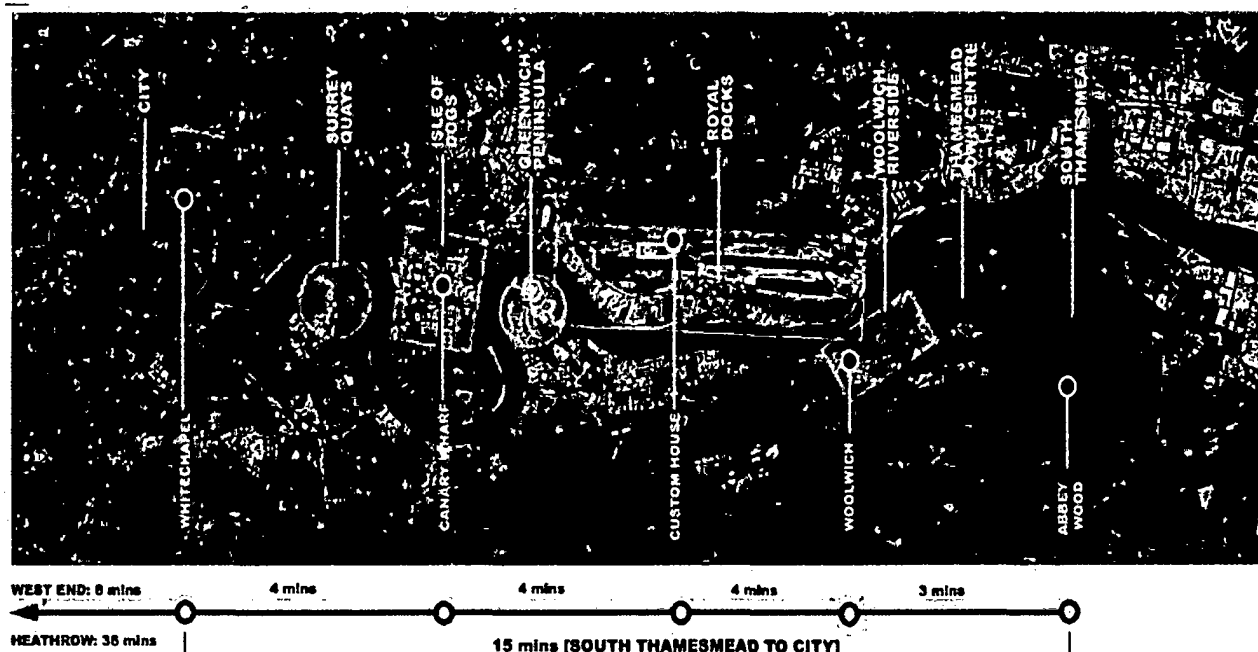


Fig. 1 Impact of transport infrastructure improvements

Economic activity within the Thamesmead and Abbey Wood area has historically been broadly in line with the London average at 67% of the working age population. However unemployment has tended to run higher than the London average. The skills profile within Thamesmead is significantly worse than for London as a whole. The proportion of the population with high level skills is also lower than for London as a whole. However, nearly all local schools are well regarded with good performance. This may indicate that those attaining stronger educational performance continue to leave the area.

Thamesmead is a multicultural area and there has been a significant change in ethnic groups, most

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significantly an increase in the Black-Caribbean/African community. (Office for National Statistics data – Thamesmead East – a change from 319 people in 2001 to 4,218 in 2011. In Thamesmead Moorings – a change from 451 people in 2001 to 7,020 in 2011).

There are a number of important health indicators within the area that are worth highlighting:-

- The proportion of people in all three Greenwich Super Output Areas (SOA) who say they are in very good health is greater than the average in England, London or the averages for Greenwich or Bexley. This is surprising given the poor health outcomes demonstrated by other statistics for the area. This could be explained by low expectations and poor understanding of good health.
- Teenage conception rates have fluctuated but remained consistently high over many years in Greenwich. Whilst the borough holds the 5th highest conception rate across London there have been significant and positive indications that the rate is now reducing.
- Greenwich 007 SOA has a relatively low rate of obesity in Reception Year when compared with other Thamesmead Middle-layer Super Output Areas (MSOAs), nearly at the London average. By Year 6 however obesity rates are the second highest of Thamesmead MSOAs well above London and England rates at over 25%.
- Analysis by Sport England showed that whilst high proportions of inactive people live in the Thamesmead area, there is considerable latent demand for specific sports and physical activity. The need to increase physical activity levels in Thamesmead is also clearly demonstrated by child obesity data we have for Thamesmead.

Local community and health groups have provided feedback on their key concerns to us, including mental ill-health, substance misuse, activity, diet, welfare and immigration issues, specific conditions including prostate cancer and HIV, issues relating to BME groups and issues where people find it difficult to access appropriate services such as carers.

BUSINESS PLAN PRIORITIES

The Trust set 15 key priorities in the 2012-15 "Transforming Thamesmead" strategy. The detailed objectives and strategy for 2013/14 are set out in the full 2012-15 'Transforming Thamesmead' strategy document and operational plan for the year (available at www.trust-thamesmead.org.uk and from our Head Office at 19A Joyce Dawson Way).

The 'Transforming Thamesmead' 15 key priorities are

1. Bring about transformational change in Thamesmead through collaborative working with our key strategic partners, by exploiting the strength of our balance sheet and being creative around regeneration and other funding opportunities.
2. Continue to grow our property income and the charitable objectives it supports via our partnership with Tilfen Land and further enhancing our own community property portfolio.
3. Deliver a community engagement strategy which enables local voices to be heard, needs to be identified and local leaders and neighbourhood groups to be supported.
4. Make a significant and evidenced improvement to the local community and voluntary sector through our 'Together We Can' partnership work. Our key partners will be stronger, more sustainable and able to offer more effective services.
5. Create new alliances with an increasing number of private businesses to promote increased corporate social responsibility in Thamesmead.
6. Be an organisation that provides the highest quality of support to a growing number of volunteers and which maximises its resources and support to provide the highest number of quality volunteering opportunities throughout Thamesmead.
7. Know how many local residents have benefited from our services and ensure that our reputation

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amongst local people and stakeholders continues to get better and better.

8. Develop a cross-Thamesmead plan where, working with the Thamesmead Health and Wellbeing Partnership Forum and other partners, we will make an evidenced improvement in the health of Thamesmead's residents.
9. Continue to deliver the very best Early Years Foundation Stage education (2012) for children aged 2-5 and invest in the growing networks that we are involved in to provide quality opportunities to both our children and their parents.
10. Increase year on year the number of Thamesmead residents we and our partners support into work. We will do this by enhancing their skills and confidence, collaborating with others and whenever appropriate by seeking external funding.
11. Work with our partners to develop a programme which recognises and supports the contribution of Thamesmead elders, and enables those who are most vulnerable and isolated to become more involved in their community.
12. Bring a range of financial inclusion products and services designed to meet the needs of residents who are financially excluded in partnership with Fair Finance.
13. Successfully launch, manage and operate The Link Thamesmead. It will be nationally recognised as ground breaking in its partnership working, in the development of Thamesmead's young people and also the sustainability of its funding model.
14. Successfully launch, manage and operate Sporting Club Thamesmead. It will provide sports, health and fitness programmes and a range of community activities that will offer something for everyone.
15. Maintain and build on our continued commitment to organisational excellence e.g. governance, staff management and development, planning and review and get substantially better at evaluating the impact of our services.

As part of our discussions about joining the Peabody Group a new 15 year Inaugural Business and Financial Plan was developed and agreed with the Peabody Board. Future plans are set within the context of the Peabody Group's four core business objectives for 2014-2016. These are:-

- Deliver great services and quality homes
- Build thriving communities
- Achieve influential growth
- Achieve business excellence

The key area of activity for the Trust is "Build Thriving Communities", particularly around supporting people into work, improving health and wellbeing and creating more opportunities for young people.

Achievements in delivering the commitments made against the original priorities are set out in the Business Review section which follows.

BUSINESS REVIEW AND PERFORMANCE

Key achievements against our 15 key priorities in 2013/14 included:-

Priority One

"Bring about transformational change in Thamesmead through collaborative working with our key strategic partners by exploiting the strength of our balance sheet and by being creative around regeneration and other funding opportunities".

The key advance that we made on our most important priority was the highly successful discussions that we had with the Peabody Group to once again bring the three key agencies in Thamesmead (Gallions

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Housing Association, Tilfen Land and ourselves) under one overarching management arrangement in which our vision and values were fully adopted and supported.

As these discussions were progressing we continued to support the London Borough of Bexley and Gallions Housing Association in achieving a whole series of successes linked to our shared South Thamesmead Regeneration Framework, including successful collaborative bids to the Heritage Lottery Fund for Lesnes Abbey and Woods, the Mayor of London's support for our Pocket Park scheme at The Link Thamesmead, GHA's Lesnes to Crossness bid and the London Borough of Bexley's bid to Cory Environmental Trust for lighting and safety improvements to the Eastern Way Bridge. We also supported a number of small neighbourhood/green space projects in South Thamesmead and the Moorings (some through the South Thamesmead Match Fund).

Other successful bids that we were lead/partners in included:-

- London Wildlife Trust/Bid - for Tump 53 – Big Lottery Fund 'People's Millions'
- Thamesmead Gym – Award for All
- 'Now's the Time' – Sport England

The total value of successful bids in 2013/14 that we proactively supported stood at £4,255,000.

Priority Two

"Continue to grow our property income and the charitable objectives it supports via our partnership with Tilfen Land Limited and further enhancing our own community property portfolio"

Trading income for our use of community properties grew to £811,000 in 2013/14.

This was broken down as follows:-

	£'000s
i. Sporting Club Thamesmead	201
ii. The Link Thamesmead	219
iii. Community Halls/Properties	255
iv. Childcare	<u>136</u>
	<u>811</u>

This was a significant increase on the 2012/13 figure of £404,000.

Priority Three

"Deliver a community engagement strategy which enables local voices to be heard, needs to be identified and local leaders and neighbourhood groups to be supported"

In July 2013 we appointed Lucy Webb to the new leadership position in Trust Thamesmead of Head of Partnerships and Engagement. As a result of her work the Board has been able to agree a new Community Engagement Strategy for Trust Thamesmead and we are now well on the way to achieving successful implementation.

The Community Engagement Strategy action plan focuses on:-

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- The creation of a clear strategy set against a backdrop of significant physical improvement and financial investment
- Ensuring buy in/coordination across all the teams in Trust Thamesmead
- Promoting local activism/participation
- Evidencing the change we are making through our partnership approach (see priority four below)
- Developing neighbourhood plans
- Developing engagement plans around our key themes (e.g. health, financial wellbeing)
- Ensuring we base our interventions both on evidenced need and resident feedback

Priority Four

"Make a significant and evidenced improvement to the local community and voluntary sector through our 'Together We Can' partnership work. Our key partners will be stronger, more sustainable and able to offer more effective services"

Our partnership work has become increasingly strong and embedded in how we work but we recognise that we must significantly improve how we explain the benefits and impact of this approach and our significant investment in partnership working.

In August 2013 our new Head of Partnerships and Engagement undertook a full review of this work and a report with recommendations was made to the Board in December 2013.

Key issues identified in this report including:-

- need for more clarity about the most appropriate form of agreement with other parties e.g. a Service Level Agreement, a contract, a lease or a 'Together We Can' partnership agreement or other form of agreement.
- balance between short term outputs and longer term outcomes
- the need for a 'Together We Can' (TWC's) agreement to be a living piece of work, evolving as the partnership strengthens
- understanding that with some organisations we can have different relationships at different levels.

At the end of the financial year we had detailed partnership arrangements with over a dozen organisations. A re-launch of 'Together We Can' is planned for 14/15 using our new Key Performance Information data set.

Priority Five

"Create new alliances with an increasing number of private businesses to promote increased corporate social responsibility in Thamesmead"

In 2013/14 we made very limited progress in this area, with modest financial support secured from London City Airport, Morrison's and Wilkinson's. We anticipate that joining the Peabody Group including commercial connections through Tilfen Land, will assist in building links to businesses around our key priorities.

We have also forged a strong relationship with the new Greenwich Business Connector (a secondment from Lloyds Bank) with the aim of strengthening links to more corporate businesses in 2014/15.

In service terms we want to use our developing role within the Bexley Employment and Skills Partnership (and our SLA with the London Borough of Bexley/Resources Plus) to improve our relationship with businesses without duplicating existing provision with the BSEP partnership. We are keen to build similar partnerships with the Royal Borough of Greenwich. We also want to develop a host of local volunteering opportunities that are attractive to the business community.

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Priority Six

"Be an organisation that provides the highest quality of support to a growing number of volunteers and which maximises its resources to provide the highest number of quality volunteering opportunities throughout Thamesmead"

Following the very successful launch of Trust Thamesmead's Volunteering programme in 2011 this service has also been reviewed by the Head of Partnerships and Engagement at Trust Thamesmead with the goal of:-

- focusing on developing many more quality volunteering opportunities rather than recruiting new volunteers
- increasing our level of contact with registered volunteers to monitor their volunteering activity
- creating increased clarity around our partnership with Bexley and Greenwich Volunteer Centres.
- being clearer on the contribution/impact that our volunteering programme is making in Thamesmead. We believe that over 10,000 volunteering hours were committed in 13/14 but we need to agree a way of capturing and evidencing that.

Other successes in 13/14 included:-

- 6 volunteers took up a volunteering/training opportunity in the Community Development Team.
- Strong volunteers' teams were established at both Sporting Club Thamesmead and The Link Thamesmead.
- 4 volunteers supported our 'Fuel Poverty' pilot (shadowing qualified Green Doctors) and 3 got accredited 'Energy Awareness' training certification in September 2013.
- 12 residents undertook accredited Level One Community Development Training and will be supported in 2014/15 to take their learning out into the community, forming the first Thamesmead Alumni.
- New volunteers were recruited to support a number of our community groups and organisations, including the Over-60's Pop in Parlour, Thamesmead Furniture Recycle, Thamesmead Food bank and the Good Life community Garden.

Priority Seven

"Know how many local residents have benefited from our services and ensure that our reputation amongst local people and stakeholders continues to get better and better"

Significant time and resources were invested, as planned, in software and databases to improve the management information and reporting capability. This covered:

- Sporting Club Thamesmead:
- The Link Thamesmead:
- Building Futures:
- Finance:
- Human Resources:
- Volunteering:
- Community Development:

Our key next steps in 14/15 are (i) to ensure that we are using these tools to produce timely, useful and meaningful performance information that we are then use to reshape our services and promote our successes and (ii) move towards a more integrated approach towards a Client Relationship Manager (CRM) system that better supports the marketing of our services.

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In 2013/14 we carried out a full review of our "Access Thamesmead Card" and it is likely that the development of this card will be integral to the Trust capturing all its users, the impact we are making and the promotion of the further opportunities we provide.

Priority Eight

"Develop a cross-Thamesmead plan where working with the Thamesmead Health and Wellbeing Partnership Forum and other partners, we will make an evidenced improvement in the health of Thamesmead residents"

The Thamesmead Health and Wellbeing Forum have met five times over 2013/14 and we have seen significant growth in the representation from public and voluntary sector organisations at each meeting.

Our Thamesmead Health and Wellbeing data has been collected for both boroughs and a comprehensive picture of need has been identified and agreed with both strategic and community partners. Risk factors have been assigned to each of these health needs to better understand how influencing behaviour/lifestyles factors can improve people's health and wellbeing.

With partners we agreed an action plan to evidence an improvement and agreed specific health outcomes for local people structured around the risk factors that were identified. We are now building on the outcomes of a partnership asset workshop held in February 2014, a draft action plan has been created and will be finalised and agreed with partners in July 2014.

Royal Society for Public Health training was delivered to some Trust Thamesmead frontline staff in September 2013. Further training for volunteers and community groups is being discussed for delivery in 2014/15.

Discussions have taken place with both primary health care teams in Greenwich and Bexley to begin to explore a more robust partnership approach around social prescribing. A follow up meeting is planned for July 2014 to consolidate this approach.

Promoting and providing information about the work of local statutory health and voluntary health sector to older people's groups will be undertaken as part of the wider marketing and communications campaign that will accompany our health and well-being programme. Plans currently in place are to piggyback our new "Now's the Time" programme and brand.

An Asset Audit has been undertaken for the Moorings Area of Thamesmead and a 'Well London' style Community Asset Café was held in April 2014 to test the findings and begin to agree an action plan led by the local community.

Priority Nine

"Continue to deliver the very best Early Years Foundation Stage Education (2012) for children aged 2-5 and invest in the growing networks that we are involved in to provide quality opportunities to both our children and their parents"

In 2013/14 85 local children between 2 and 5 years of age benefited from provision at our Acorn/Arnott Pre-Schools. We achieved 100% capacity throughout the financial year although numbers were reduced due to the number of two year olds on our register. We over achieved on our income targets.

Every child had a Common Assessment Framework assessment upon entry into our Pre-Schools and six of these were progressed so that a more detailed action plan was built using the 'Team around the Child' framework supported by the resources of the local Children's Centres.

All the children in our provision were also taken through the "Every Child a Talker" programme. Several 'Healthy Eating Workshops' were also held to help address one of our health priorities (childhood obesity) and also to help adults begin to think about and address their own health risks.

Our Childcare Manager also led (i) our increasingly successful partnership work with Children's Centres (ii)

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a local early years Safeguarding Forum at Greenmead Children's Centre and (iii) an Early Years Practitioners transition meeting to enable all local schools/pre-schools and nurseries to help with the sharing of information (with parents' permission) to support the best possible transition of our local young children into primary school.

Priority Ten

"Increase year on year the number of Thamesmead residents we and our partners support into work. We will do this by enhancing their skills and confidence, collaborating with other and wherever appropriate by seeking external funding"

Our Building Futures Job brokerage service carried out 2559 information, advice and guidance interviews in 2013/14 and supported 442 new clients. In total we assisted 439 Thamesmead residents to increase their skills and working with our key partners we enabled 174 of these to find paid employment, of these 133 were long term unemployed.

The team was also awarded the Matrix (Level Two) quality assurance kite mark at their first attempt at applying for this.

Now that Trust Thamesmead has moved into the Peabody Group the funding available for this service will significantly increase and we will want to play our full part in ensuring that the Peabody target of getting 1000 unemployed Londoners into work by 2015/2016 is met.

We will help achieve this by launching a Thamesmead Job Club this year in partnership with the London Borough of Bexley and also by increasing the number of advisors we employ. We also intend to carry out research with our existing clients to better understand all the barriers they face in getting into work (e.g. childcare, debt, low skills, etc.) and developing more individualised plans to support them.

Priority Eleven

"Work with our partners to develop a programme which recognises and supports the contribution of Thamesmead elders and enables those who are most vulnerable and isolated to become more involved in the community"

An older persons' action plan was drafted in 2012/13 and has been reviewed in 2013/14. Significant work is required to ensure that our older persons' work is appropriately targeted and addressing real need. As such, work to develop our older persons' offer in 2013/14 has focused on building a better understanding of need; identifying work already being undertaken by partners in the area, and supporting some of our local voluntary and community groups to increase their offer to older people.

In particular, a new arts and craft group was established at The Link Thamesmead with ten regular old people attending each week. The Trust's Community Development Team submitted a funding application at the end of 2013/14 to secure funding to sustain the group across 2014/15.

The Pop in Parlour has been supported to increase their volunteer support and to identify new funding opportunities to give them a steady income stream for the coming years. These applications will be submitted in 2014/15 once we have supported the group to obtain secure tenancy of their building and robust financial management arrangements.

In October 2013 we ran a successful Silver Sunday programme, in partnership with the Royal Borough of Greenwich, which saw our young people from Thamesmead Youth Voice visiting local care homes for the elderly and sharing stories and anecdotes with the older people there.

Throughout the winter months, we also worked with Groundwork London, Gallions and Peabody to deliver a fuel poverty pilot project to residents in South Thamesmead, including issuing stay warm packs and a number of community-based energy advice surgeries, including to older people at the Pop in Parlour. We plan to build on the success of this pilot to secure further funding for a wider-scale roll-out throughout 2014/15.

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2014/15 will see a focus on developing a stronger offer for older people in Thamesmead, including working with Peabody and our local healthcare professionals to develop a Befriending scheme to reduce the amount of emergency hospital admissions and reduce isolation of our more vulnerable residents.

Priority Twelve

"Bring a range of financial inclusion products and services designed to meet the needs of residents, who are financially excluded, in partnership with Fair Finance"

Our work around financial inclusion is constructed around our partnership with Fair Finance but our ambition is to integrate more of our partners and other local voluntary sector organisations into a more coordinated, collaborative way of working.

With Fair Finance in 2013/14 we engaged with 700 residents via financial capability workshops, outreach and events. 60 received debt advice in person and 114 received information/advice over the telephone. 370 residents were supported to apply for more affordable loan finance from Fair Finance (August 2012 to March 2014) of which 255 were approved and 115 declined.

Throughout 2013/14 we supported a number of local organisations that have impacting on poverty as their key goal, most notably Thamesmead Furniture Recycling Project and Thamesmead Food bank.

In early 2014, we began to explore a partnership of local advice providers in Thamesmead to develop a comprehensive programme to address debt and health issues in Thamesmead. To support this partnership in the longer-term a bid for

£300k was submitted to the City Bridge Trust in March 2014 for which we will hear from in August 2014. The innovative nature of the partnership work suggested also secured us funding and in-kind support from the Government's Our Place programme, with a 'Getting Started' grant of £3,000 awarded to us in March 2014 to develop a project plan. This partnership work will be fully realised in 2014/15.

Priority Thirteen

"Successfully launch, manage and operate The Link Thamesmead. It will be nationally recognised as ground breaking in its partnership work, in the development of Thamesmead's young people and the sustainability of its funding mode"

As reported in last year's accounts we finally achieved Phase 1 Practical Completion of The Link Thamesmead in October 2012. All the arches were immediately occupied by the Archway Project, New Horizon's Federation, Bexley Youth Services, Theatre Street Performing Arts and Thamesmead Gym. In June 2013 we finally achieved completion of the whole project and we held a very successful formal launch event in November 2013.

All of these partners have become significantly stronger and in addition we now have 12 other regular users of The Link (mainly faith groups). These early successes have meant that we have been able to start to deliver the quality and level of service we envisaged. In 2013/14 our quantitative performance data included:-

- 32,520 visits by people taking part in activities
- 14,913 visits by young people taking part in sport and physical activity
- 10,337 visits by children and young people expressing themselves through artistic and cultural activities
- 7,355 recorded sessions of activity took part at The Link

A revised Business Plan for The Link is under development for 14/15 and it is likely that the key priorities that will emerge through this work will be:-

- Further clarity around the leadership and purpose of generic youth work at The Link

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- Establishment of a 'One Stop Shop' to provide high quality advice and guidance to young people across a range of issues
- Greater community use of Arch A
- A development plan to grow the sales/profit of The Link's Café facility
- A review of overheads leading to a clearer justification around our facilities management efficiency/service charges to tenants
- A revised management and staff structure

Priority Fourteen

"Successfully launch, manage and operate Sporting Club Thamesmead. It will provide sports, health and fitness programmes and a range of community activities that will offer something for everyone"

In 2013/2014 we finally achieved completion on Sporting Club Thamesmead and we held a hugely successful official opening in September 2013 where the former England and West Ham United footballer, Sir Trevor Brooking, was the guest of honour representing the Football Association.

At first we were only able to hire out the external facilities but when we achieved Practical Completion the public were able to access our multipurpose room, our changing rooms and our excellent bar and catering facilities.

In the first year of operation we have achieved significant community benefits through Sporting Club Thamesmead. These include:-

- First year footfall/visits to the centre stood at 111,190
- We have 225 people signed up to our monthly fitness club passes
- 21 families were supported through the Bexley Family Fitness Health Initiative
- 36 young people participated in the Thamesmead Town Football Club
- Academy Programme
- 184 children attended the holiday provision we put on and a further 200 plus took part in our Grass Roots football programme
- 17 residents achieved Level 2 VRQ in sport and a further 15 achieved Level 3 and another 18 achieved a Level 1 Coaching Badge
- Women's football was promoted at a high level with 30 girls/women playing for Charlton Athletic Women's Football Club and 3 girls regularly attending mid-week training sessions
- A whole host of successful events were run including an Anglo-USA Girls football event, our annual Matthew Clarke tournament for local schools, the Castillion School's Sports Day (300 in attendance) plus a whole host of end of season finals.

Priority Fifteen

"We will maintain and build on our continued commitment to organisational excellence e.g. governance, staff management and development, planning and review and we will get substantially better at evaluating the impact of our services"

Although our primary focus was on achieving a successful outcome from our discussions with the Peabody Group, we still continued to focus on improving our own business excellence and strengthening our support services.

There were a lot of successes in this area throughout 2013/2014 and we would wish to highlight the following:-

- We continued to strengthen our governance by implementing the recommendations from our Governance Review. In particular our Community Services Sub Committee became increasingly

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more effective. After a long and successful period of leading Trust Thamesmead, Vic Grimes stood down as Chair and he was replaced by Michael Cleaver.

- We successfully launched our performance appraisal process as the last element of our Performance Management Framework. This initiative will put us in a strong position to better understand appraisals as we move on to use the Peabody approach.
- We put in place high quality leadership of our Community Development Team and this is already bearing fruit.
- All the recommendations from our IT Strategy were implemented.
- A full review of both our 'Access Thamesmead' card and a revised approach to measuring Impact and Evaluation were completed.
- We piloted our first annual survey measuring local residents' wellbeing and we will report the results in the coming months.
- Our new Sage HR database was launched.
- 'Catch Up' was produced fortnightly for all staff and Trustees and 'Trust Talk' was e-mailed to over one thousand recipients from our external audience.

A significant amount of time was focused on making the move into Peabody work (particularly around Health and Safety) so we are very proud that the Trust continued to maintain high quality governance and support services throughout and deliver service improvements.

RESIDENT INVOLVEMENT

A key objective in our 'Transforming Thamesmead' strategy was the creation and delivery of "a community engagement strategy which enables local voices to be heard, needs to be identified and local leaders and neighbourhood groups to be supported".

To turn this priority into action the Trust (in July 2013) successfully recruited Lucy Webb to the new post of Head of Partnerships and Engagement. Lucy's first task was to write a new Community Engagement Strategy for Trust Thamesmead. This work was completed, signed off by our Board of Trustees and we are now in the process of implementing its recommendations. The implementation of Community Engagement Strategy is monitored by our Board of Trustees every quarter and we are making very good progress to date.

Following the Trust's move into the Peabody Group and their very significant investment/regeneration plans for Thamesmead we have subsequently refined this strategy to ensure that it both supports the Peabody Group wider objectives and also our engagement programmes complements and works with those of other members of the Group.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibility for the system of internal controls and risk and for reviewing its effectiveness. This section of the report describes arrangements in place during the year and also new arrangements introduced from 1 April 2014 now that Trust Thamesmead has joined the Peabody Group.

The overall internal control and risk review process

Our internal control framework is designed to manage and reduce, rather than eliminate, the risk of failing to achieve business objectives. It can only provide reasonable, not absolute assurance against material misstatement or loss. The framework also exists to give reasonable assurance about the reliability of financial and operational information and the safeguarding of Trust Thamesmead's assets and interests.

Key Strategic Risks

The Board of Trustees identified the following key strategic risks for Trust Thamesmead in 2013/14 within the context of its strategic plan and Risk Management policy as an independent charity:

- Embedding high quality governance

STRATEGIC REPORT
For the year ended 31 March 2014

- Maintaining good stewardship over our shareholding in Tilfen Land Limited
- Successful delivery of Trust's three year financial plan (2012-2015)
- Business Planning – Capital Projects
- Partnership working
- Ensuring high quality Planning and Review
- Securing sufficient resources were in place to deliver the Board of Trustees 'Transforming Thamesmead' strategy
- Finalisation of our Business Continuity Plan
- Head Office air quality issue
- Capital Projects – maximising community benefit
- Capital Projects – Health and Safety

Key management actions taken to manage risk in 2013/14 included regular review of strategic risk registers, in particular reviews at the 'due diligence', 'acquisition' and 'integration' stages of our move into the Peabody Group. Each risk has a full set of measures in place to mitigate/control the risk and to reduce the risk rating. The risk map is updated regularly and reviewed by the Board and following joining Peabody Group also by the Group Audit and Risk Committee on a quarterly basis.

Following the move into the Peabody Group the July 2014 Board meeting updated the strategic risk register.

Risk Appetite and Risk Management

The Board of Trust Thamesmead is ultimately responsible for risk management and setting an appropriate risk appetite for Trust Thamesmead. Prior to moving into the Peabody Group the Trust used its Finance Committee, Risk Policy and strategic risk register, financial procedures and controls, accountability and delegation framework as its key control mechanisms.

From 1 April 2014 the Trust Thamesmead Board exercised its responsibilities within the context of the Peabody Group risk management strategy and risk appetite, adopting group policies and control mechanisms. The Group Audit and Risk Committee provide oversight on behalf of the Board and there is an Executive Risk Review Panel which keeps under review the organisational and strategic risk registers. The Audit and Risk Committee also discuss the appointments and effectiveness of the internal and external auditors and the fraud register.

Management responsibility is clearly defined with regard to the identification, evaluation and control of significant risks. The Group risk management strategy, risk appetite and risk maps for the parent and subsidiaries will continue to be reviewed annually by the Trust Thamesmead and the Peabody Board.

Information and Financial Reporting Systems

The strategic plan, financial plan and performance against objectives is monitored by management, the Board and from 1 April 2014 the parent Peabody Board to ensure that the business remains financially healthy and that targets for financial growth and other objectives are met in order to enable the delivery of our social objectives. The long term financial and corporate business plan is tested against a range of challenging regulatory, investment, economic, financial and business performance scenarios.

Fraud

Fraud is an ever-present threat to our resources and may occur from outside or from within Trust Thamesmead. All cases of fraud and attempted fraud are reported to the Board.

The Peabody Group has an approved fraud policy that covers the prevention, detection, investigation, and reporting of fraud, including remedial action to prevent a recurrence. All cases of fraud and attempted fraud are reported to the Executive Team and to the Group Audit & Risk Committee. The policy is reviewed by the Group Audit & Risk Committee annually. The Group has appointed a Money Laundering officer as part

STRATEGIC REPORT
For the year ended 31 March 2014

of its compliance with anti-money laundering legislation.

Anti-bribery and Whistle Blowing

Trust Thamesmead and the Peabody Group strongly value their reputation and are committed to maintaining the highest possible ethical standards in all our business activities.

The Peabody Group, including, Trust Thamesmead have Whistle Blowing Policies that encourage staff and others to express any serious concerns regarding suspected misconduct or malpractice going on within the organisation. The Peabody Anti-Bribery Policy makes clear that we have zero tolerance of any form of bribery. These policies are reviewed by the Group Audit & Risk Committee annually.

Monitoring, Control Environment and Control Procedures

The Peabody Group has in place a process of control, self-assessment and regular management reporting on control issues which provides hierarchical assurance to successive levels of management and the Board, together with an auditable trail of accountability. This now applies to Trust Thamesmead. The certification is tailored to reflect the potential risks and the control environment of the business. This enables corrective action to be taken where appropriate and provides assurances to management and the Board. The CEO of the Peabody Group provides an annual assurance report to the Group Audit & Risk Committee and the Peabody Board.

The Code of Conduct sets out the Peabody Group's expectation of staff with regard to quality of service, business disciplines, honesty and integrity. It is supported by a framework of policies and procedures with which staff must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection. Policies are periodically reviewed in accordance with a prescribed timetable.

Trust Thamesmead, as an independent charity did not have a separate internal audit function, using the Finance Committee as part of its assurance framework.

The work of the external auditors provides further independent assurance on the control environment as described in their audit report. The external auditors provide a management letter describing any weaknesses in internal control with recommendations for improvement and this letter is considered by the Trustees and will be considered by the Group Audit and Risk Committee together with a detailed action plan to address any issues.. A review of the effectiveness of the group internal, and external auditors is scheduled to take place annually.

From 1 April 2014 Trust Thamesmead will benefit from the Group's internal audit function which is outsourced and reports directly to the Group Executive Director of Finance and has direct access to the Group Audit & Risk Committee. The outsourced arrangement allows the Group to benefit from a more independent perspective, benefit from best and developing practice and to have greater access to benchmarking data across housing and other charitable sectors. The internal audit programme of work is aligned to strategic objectives and risk. The Group Audit & Risk Committee meets four times a year and considers internal control and risk management at each meeting.

TRUSTEES REPORT
For the year ended 31 March 2014

REGULATION AND GOVERNANCE

In the financial year the Trust was governed by a Board of Trustees who were also the charity's only members. They were supported by a staff team led by the Chief Executive.

During this year under review the Board comprises 10 independent trustees. The maximum the constitution allowed was 12. New trustee applications were considered by a sub-committee of the Board and, if appointed, a robust induction process was established for each new trustee.

The role of the Board is to direct the strategic objectives of the Trust and monitor the performance of the Executive in turning their policy into action. It is the role of the Chief Executive and the officers to manage the operations of the Trust.

Within the accountability and delegation framework established by the Board of Trust Thamesmead, management of the day to day and operational matters were delegated to Mick Hayes (the Chief Executive Officer) supported by his management and staff teams.

Certain trustees were also members of the Trust Sub Committees. There were three sub committees in place which all had terms of reference agreed by the main Board. These were:-

- Finance and Resources Sub Committee
- Community Services Sub Committee and
- Governance Sub Committee

The Trust also has a wholly owned subsidiary in Sporting Club Thamesmead which has its own governance arrangements.

In moving into the Peabody Group on 1 of April 2014 new governance arrangements were adopted in that Peabody became the sole member of the charity and the Board's membership was limited to seven rather than twelve, appointed by Peabody. The Inaugural Business Plan provided for three of the initial seven to be former Trust Thamesmead Board Members (Vic Grimes, Linda Portis and Ken Miller) and three were nominated by Peabody (Stephen Burns, Mandy Doe and Robert Elliott). Originally it was envisaged that a new Independent Chair would be appointed, but it was subsequently agreed that continuity was preferable and Michael Cleaver, former Trust Thamesmead Board member and Interim Chair was appointed as Chair.

BOARD ATTENDANCE FINANCIAL YEAR 2013-14							
	May 2013	July 2013	Sep 2013	Oct 2013	Feb 2014	Total	%
Vic Grimes	Y	Y	Y	Y	Y	5	100%
Ken Miller	Y	Y	X	Y	Y	4	80%
David Leaf	Y	Y	Y	Y	Y	5	100%
Michael Cleaver	Y	Y	Y	Y	Y	5	100%
Jonathan Telfer	Y	Y	Y	Y	Y	5	100%
Elaine Harrison	Y	Y	Y	X	X	3	60%
Linda Portis	Y	Y	Y	Y	Y	5	100%
Nicola Insley	Y	Y	Y	Y	Y	5	100%
Steven Boxall	Y	Y	Y	Y	X	4	80%
Soji Otudeko	Y	X	Y	Y	X	3	60%

Remuneration of non-executive Board Members

All members of the Trust Thamesmead Board serve in a voluntary capacity. Total expenses paid to Trust Thamesmead Board Members in the year 13/14 were £255.

TRUSTEES REPORT
For the year ended 31 March 2014

Board Induction, Training and Evaluation

The Board has held two training sessions on:-

- The Peabody Group, its structures and reporting procedures
- Health and Safety for trustees

Robert Elliott, a new Board member has attended training in the role of a non-executive director. In the Autumn the Board plans to undertake a formal and rigorous evaluation of its collective effectiveness using the Peabody approach which will allow comparison with other entities in the Group. It will also undertake appraisals of individual Board members. This will enable the Board to assess the value that it adds to the Trust's overall performance and identify areas for development.

Stakeholders, Sustainability and Transparency

As a charity and social enterprise we are committed to working with all our stakeholders. During the year we have worked hard to build effective relationships with our local MP, both Bexley and Greenwich Councils and other key agencies.

We publish information about our priorities and performance and how we use our resources on our website for all our stakeholders. We provide full information about our work unless there are good reasons not to, for example, for legal reasons or on the grounds of personal confidentiality, commercial confidentiality or practicality.

We believe corporate social responsibility and sustainability should be embedded across our organisation. This includes working with suppliers to embed sustainable practices and includes our commitment to openness and transparency. In the coming year we have secured funding to carry out sustainability audit across Trust Thamesmead. The recommendations of this work will be considered by the Board and shared with other members of the Peabody Group so that their input can inform implementation of the report's recommendations.

Equality and Diversity

Trust Thamesmead's service monitoring uses information about gender, ethnicity and age of people living in Thamesmead so that people who are under-represented in the use of services are fully considered in the development of future plans.

The Peabody Group and all its subsidiaries are committed to achieving equality through diversity and Trust Thamesmead's policies and strategies reflect this. Trust Thamesmead recognises that its ability to meet the needs of individuals and communities depends on a diverse workforce which has the necessary skills to enable Trust Thamesmead to achieve its service objectives.

Health and Safety

A Health and Safety review was carried out as part of the merger due diligence activity, and an action plan identified. The focus of Health and Safety activity was on this work with fewer Health and Safety Committee meetings than in the previous year.

Policies in this area have been brought into line with the Peabody Group's policy.

Going Concern

After making enquiries, the Trustees have a reasonable expectation that Trust Thamesmead has adequate resources to continue in operational existence for the foreseeable future. The Inaugural Business Plan presented to the Peabody Group Board included a 15 year financial forecast and a 15 year funding agreement. For this reason they continue to adopt the going concern basis in preparing the financial statements.

TRUSTEES REPORT
For the year ended 31 March 2014

Post Balance Sheet Events

We consider that there have been no events since the year-end that have had a significant effect on the company and Group's financial position which we have not made the auditors aware of.

Reserves Policy

The reserves policy set by the Trustees for Trust Thamesmead prior to joining the Peabody Group on 1 April 2014 was that "the company will maintain for the time being a General Reserve of between £1.5m and £1.8m to cover any shortfalls in Gift Aid or dividends and additional reserves to allow us to develop new community projects and community assets." Trust free reserves, which are defined as those reserves which are not committed, restricted or designated and which specifically exclude fixed assets, totalled £841,000 at the year end. This is below the level set in the Trust's Reserves Policy. A report reviewing the Trust's Reserves Policy in the context of the new financial context, which no longer includes a dependency on dividend income, will be prepared in the autumn.

The Trust wishes to maximise the returns achieved from the deployment of surplus cash resources whilst seeking to access funding from external sources including Charitable Trusts and Foundations, where there is clear benefit to the residents of Thamesmead.

Investments

The Board of Trustees is responsible for approving the Investment Policy which since 1 April 2014 is set within the context of the Peabody Group Treasury Strategy, Policy and Investment Policy. Up until 1 April 2014 the Investment Policy was kept under review by the Finance Sub-Committee whose responsibilities include the monitoring of performance and the evaluation of various options as they arise. From 1 April 2014 Treasury management services are provided by the Group's finance function.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES FOR THE REPORT AND FINANCIAL STATEMENTS

The Trustees, who are Directors for Companies Act purposes, are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law in the United Kingdom require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and the Group at the end of the year and of the surplus or deficit of Trust Thamesmead for the year then ended.

In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- observe the methods and principles in the Charities SORP
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information on the Trust Thamesmead website.

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TRUSTEES REPORT
For the year ended 31 March 2014

Disclosure of Information to Auditors

At the date of making this report each of Trust Thamesmead's Trustees, as set out on page 3, confirm the following:

- so far as each Trustee is aware, there is no relevant information needed by Trust Thamesmead's auditors in connection with preparing their report of which Trust Thamesmead's auditors are unaware
- each Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant information needed by Trust Thamesmead's auditors in connection with preparing their report and to establish that Trust Thamesmead's auditors are aware of that information

Small Company Rules

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 small companies.

TRUSTEES STATEMENT ON INTERNAL CONTROL

The Trustees acknowledge their ultimate responsibility for ensuring that Trust Thamesmead has in place a system of internal controls that is appropriate to the various business environments in which it operates. This system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide the Trustees with reasonable and not absolute assurance against material misstatement or loss. The processes in place for identifying, evaluating, and managing the risks faced by Trust Thamesmead were on-going through the year and have been reviewed on Trust Thamesmead joining the Peabody Group. As a result there is a Board agreed action plan to align the control environment. Key elements of the control framework in place during the year are as follows:

- approved terms of reference for committees and delegated authorities;
- 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 staff;
- established authorisation and appraisal procedures for significant new initiatives and commitments;
- regular reporting to the appropriate committee on key business objectives, targets and outcomes;
- regular monitoring funding requirements;
- anti-fraud, anti-money laundering and whistle-blowing policies
- periodic review of arrangements in relation to the Bribery Act;

The Trustees cannot delegate ultimate responsibility for the system of internal control but since 1 April 2014 have been supported in this responsibility by the Peabody Group Audit and Risk Committee. The Trust Thamesmead Board have reviewed the effectiveness of the system of internal control in existence in the Trust Thamesmead Group for the period commencing 1 April 2013 up to the date of approval of the financial statements.

Approved by the Trustees and signed on their behalf on 3 September 2014:



Michael Cleaver
Chair

Trust Thamesmead Ltd
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TRUST THAMESMEAD LTD
For the year ended 31 March 2014

We have audited the financial statements of Trust Thamesmead Limited for the year ended 31st March 2014 which comprise the Consolidated Statement of Financial Activities [the Consolidated and Charity Income and Expenditure Account], the Consolidated and Charity Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014 and of the group's incoming/outgoing resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by Companies Act 2006.

In our opinion the information given in the Strategic Report and the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TRUST THAMESMEAD LTD
For the year ended 31 March 2014

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures or trustees' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

V. t. n. S. K. L. P.

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London, EC1M 7AD

3 September 2014

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2014

Income and Expenditure Account	Note	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income		2,277,088	-	2,277,088	2,255,300
Activities for generating funds:					
Commercial trading activities	3	4,532,395	-	4,532,395	5,326,500
Investment income	4	83,086	-	83,086	106,463
Incoming resources from charitable activities		<u>387,317</u>	<u>200,410</u>	<u>587,727</u>	<u>1,250,484</u>
		7,279,886	200,410	7,480,296	8,938,747
Less: Share of incoming resources from joint venture	10b	(4,331,000)	-	(4,331,000)	(5,326,500)
Total incoming resources		<u>2,948,886</u>	<u>200,410</u>	<u>3,149,296</u>	<u>3,612,247</u>
Resources expended					
Cost of charitable activities		3,089,735	-	3,089,735	2,841,068
Governance costs		67,419	-	67,419	59,487
Cost of sales: trading activities		114,199	-	114,199	-
Administrative expenses		38,628	-	38,628	-
Total resources expended	6	<u>3,309,981</u>	<u>-</u>	<u>3,309,981</u>	<u>2,900,555</u>
Net income for the year before gains & losses		(361,095)	200,410	(160,685)	711,692
Net interest in retained (loss) on joint venture	10b	(2,144,000)	-	(2,144,000)	(2,269,500)
Unrealised gain/(loss) of joint venture	10b	3,806,500	-	3,806,500	(35,000)
Actuarial (loss) on defined benefit schemes	10b	(295,500)	-	(295,500)	(152,000)
Net movements in funds		<u>1,005,905</u>	<u>200,410</u>	<u>1,206,315</u>	<u>(1,744,808)</u>
Fund balances brought forward		47,623,737	6,132,199	53,755,936	55,500,744
Transfers	13	6,132,199	(6,132,199)	-	-
Fund balances carried forward		<u>54,761,841</u>	<u>200,410</u>	<u>54,962,251</u>	<u>53,755,936</u>

All amounts relate to continuing activities.

There were no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

The notes on pages 27 to 43 form part of the financial statements.

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CHARITY STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2014

Income and Expenditure Account	Note	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income		2,283,722	-	2,283,722	2,255,300
Activities for generating funds:					
Investment income	4	83,086	-	83,086	106,463
Incoming resources from charitable activities		429,250	200,410	629,660	1,250,484
		<u>2,796,058</u>	<u>200,410</u>	<u>2,996,468</u>	<u>3,612,247</u>
Total incoming resources					
Resources expended					
Cost of charitable activities		3,089,735	-	3,089,735	2,841,068
Governance costs		67,419	-	67,419	59,487
		<u>3,157,154</u>	<u>-</u>	<u>3,157,154</u>	<u>2,900,555</u>
Total resources expended					
Net income for the year before gains & losses		(361,096)	200,410	(160,686)	711,692
Actuarial (loss)/gain on defined benefit schemes	16	(92,000)	-	(92,000)	19,000
		<u>(453,096)</u>	<u>200,410</u>	<u>(252,686)</u>	<u>730,692</u>
Net movements in funds					
Fund balances brought forward		24,613,965	6,132,199	30,746,164	30,015,472
Transfers	13	6,132,199	(6,132,199)	-	-
		<u>30,293,068</u>	<u>200,410</u>	<u>30,493,478</u>	<u>30,746,164</u>
Fund balances carried forward					

All amounts relate to continuing activities.

There were no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

The notes on pages 27 to 43 form part of the financial statements.

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BALANCE SHEET
As at 31 March 2014

	Note	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Fixed assets					
Tangible assets	9	12,154,483	11,734,609	12,154,483	11,734,609
Investment in joint venture	10	-	-	17,297,227	17,297,227
- share of net assets	10b	41,766,000	40,307,000	-	-
Investment in subsidiary	10	-	-	1	1
		<u>53,920,483</u>	<u>52,041,609</u>	<u>29,451,711</u>	<u>29,031,837</u>
Current assets					
Stock		7,645	-	1,860	-
Debtors	11	1,399,258	817,531	1,405,180	817,531
Cash at bank and in hand		<u>26,088</u>	<u>1,200,191</u>	<u>8,775</u>	<u>1,200,191</u>
		<u>1,432,991</u>	<u>2,017,722</u>	<u>1,415,815</u>	<u>2,017,722</u>
Creditors: amounts falling due within one year	12	(353,223)	(357,395)	(336,048)	(357,395)
Net current assets		<u>1,079,768</u>	<u>1,660,327</u>	<u>1,079,767</u>	<u>1,660,327</u>
Defined benefit pension scheme (liability)/asset	16	<u>(38,000)</u>	<u>54,000</u>	<u>(38,000)</u>	<u>54,000</u>
Net assets		<u>54,962,251</u>	<u>53,755,936</u>	<u>30,493,478</u>	<u>30,746,164</u>
Designated funds:					
Fixed asset reserve		12,154,483	5,602,410	12,154,483	5,602,410
Capital reserve		41,766,000	40,307,000	17,297,227	17,297,227
Other designated funds		-	390,464	-	390,464
General funds		<u>841,358</u>	<u>1,323,863</u>	<u>841,358</u>	<u>1,323,864</u>
	13	<u>54,761,841</u>	<u>47,623,737</u>	<u>30,293,068</u>	<u>24,613,965</u>
Restricted income funds	13	<u>200,410</u>	<u>6,132,199</u>	<u>200,410</u>	<u>6,132,199</u>
		<u>54,962,251</u>	<u>53,755,936</u>	<u>30,493,478</u>	<u>30,746,164</u>

The accounts are prepared in accordance with the provisions applicable to entities subject to the small entities regime.

The financial statements were approved by the Board and authorised for issue on 3 September 2014 and signed on its behalf by:



Michael Cleaver
Chair

The notes on pages 27 to 43 form part of the financial statements.

Company number: 1267728

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NOTES TO THE ACCOUNTS
For the year ended 31 March 2014

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in February 2005 and applicable UK accounting standards.

The financial statements have been prepared on a going concern basis. All of the following accounting policies remain unchanged from the previous year and have been applied consistently.

b) Group financial statements

These financial statements consolidate the results of the charity and its subsidiary undertakings. The results of the wholly owned subsidiary, Thamesmead Community Developments Limited, are consolidated on a line-by-line basis. In the group financial statements the joint venture, Tilfen Land Limited, is accounted for using the gross equity method. The consolidated SOFA includes the group's 50% share of joint venture profits less losses, while the group's share of the net assets of the joint venture is shown in the consolidated Balance Sheet. The results included for the joint venture are derived from audited accounts.

The charity has availed itself of Statutory Instrument 2008 No 409 The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 Part 2 paragraph 3(1) and adapted the Companies Act formats to reflect the special nature of the Charity's activities. No separate SOFA or Income and Expenditure Account have been presented for the Charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

c) Fund accounting

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

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

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

d) Incoming resources

All incoming resources are accounted for in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty. The following specific policies apply to categories of income:

- Commercial trading activities - income from commercial activities are accounted for on a receivable basis.
- Voluntary income - donated income is taken into account on a receivable basis.
- Other income - interest, rental and project income is taken into account when receivable by the charity.

Deferred income - in accordance with the SORP, grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be

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met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

e) Resources expended

Expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered, and classified under headings in the accounts that aggregate all costs related to the category.

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

Governance costs are those expenses related to the costs of governing the charity and include a relevant proportion of senior management time.

Grants and donations payable are taken into account the earlier of when they were paid or become enforceable.

Provisions are only provided for on contractual liabilities which exist at the balance sheet date.

f) Tangible fixed assets

Freehold land and buildings represent properties acquired from Thamesmead Town on its demerger in

April 2000, which were professionally valued by Chartered Surveyors on an existing use open market value basis at this date. The assets were subsequently transferred to Trust Thamesmead from its subsidiary during 2009 at their net book value. In line with FRS 15 the directors have not adopted a policy of annual revaluations and the freehold buildings are depreciated on an annual basis.

Other tangible fixed assets are included at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful economic life. The rates are as follows:

Freehold land and buildings	over 50 years
Leasehold land and buildings	over the length of the lease
Office equipment, fixtures and fittings	10 % straight line
Computer equipment and machinery	25 % straight line

g) Investments

Investments in the subsidiary are stated at cost.

The 50% interest held in the programme related joint venture, Tilfen Land Limited, is stated at fair value as at the transfer of the investment in April 2000.

h) Operating leases

Expenditure on operating leases is charged to the Statement of Financial Activities in the period in which the lease charge arises.

i) Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable for charitable purposes only. A proportion of Value Added Tax is not recoverable by the company, and is therefore included in the relevant costs in the Statement of Financial

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Activities.

j) Stock

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

k) Retirement benefits

Some employees within the pension scheme are members of the Local Government Superannuation Fund. From 1 April 1990 the responsibility for the Fund has been transferred to a unitary authority with a separate Board of Trustees, the London Pension Fund Authority. For this defined benefit scheme the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. Current service costs, interest costs and expected return on assets are included within charitable expenditure. Past service costs and the costs of curtailments and settlements are included within other support costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Financial Activities under the heading of actuarial gains and losses on defined benefit scheme.

Defined benefit schemes are funded, with the assets held separately from the group in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the Charity has a legal or constructive obligation to settle the liability.

For defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. Winding up or dissolution of the charity

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

3. Commercial Trading Operations

	2014	2013
	£	£
Share of joint venture turnover - Tilfen Land Ltd	4,331,000	5,326,500
Sporting Club Thamesmead Ltd turnover	201,395	-
	<u>4,532,395</u>	<u>5,326,500</u>

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4. Investment income

	2014	2013
	£	£
Preference dividend receivable from joint venture	80,000	80,000
Bank deposit interest	3,086	26,463
	<u>83,086</u>	<u>106,463</u>

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

	2014	2013
	£	£
Net incoming resources for the year are arrived at after charging:		
Auditors' remuneration		
current year audit fee	15,000	14,178
in respect of subsidiary audit fee	3,500	-
in respect of non-audit services	1,201	570
Pension costs	82,199	77,786
Depreciation of owned fixed assets	291,930	266,394
Operating lease charge - land and buildings	<u>35,385</u>	<u>36,059</u>

6. Analysis of total resources expended

a) Resources expended	Direct costs	Support costs	Total 2014	Total 2013
	£	£	£	£
<i>Charitable activities</i>				
Building capacity of group and individuals	352,421	101,418	453,839	483,907
Children, young people & families	838,819	241,391	1,080,210	949,750
Employment and employability	369,316	106,280	475,596	505,892
Improving sports	567,626	163,349	730,975	528,903
Community cohesion	243,895	70,187	314,082	368,743
Other charitable activities	27,204	7,829	35,033	3,873
	<u>2,399,281</u>	<u>690,454</u>	<u>3,089,735</u>	<u>2,841,068</u>
<i>Governance</i>				
Appropriate proportion of staff costs	34,372	-	34,372	35,974
External audit and legal fees	21,671	-	21,671	14,748
Board costs	11,376	-	11,376	8,765
	<u>67,419</u>	<u>-</u>	<u>67,419</u>	<u>59,487</u>
Total resources expended	<u>2,466,700</u>	<u>690,454</u>	<u>3,157,154</u>	<u>2,900,555</u>
Total resources expended - Group	<u>2,580,899</u>	<u>729,082</u>	<u>3,309,981</u>	<u>2,900,555</u>

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6. Analysis of total resources expended (continued)

b) Support costs

	2014	2013
	£	£
Administration costs	226,650	318,453
Staff costs	417,552	339,901
Other costs	-	174
Premises costs	46,252	54,717
	<u>690,454</u>	<u>713,245</u>

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

7. Staff costs and emoluments

	2014	2013
	£	£
Wages and salaries	1,541,650	1,300,381
Social security costs	116,861	109,354
Pension contributions	82,199	77,786
	<u>1,740,710</u>	<u>1,487,521</u>

The average number of employees during the year was as follows:

	2014	2013
	No.	No.
Charitable activities	50	31
Management, administration and support services	19	19
	<u>69</u>	<u>50</u>

Emoluments of higher paid staff within the following scales were:

	2014	2013
	No.	No.
£60,000 - £69,999	-	1
£70,000 - £79,999	2	1
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-

Emoluments include salary including pensions scheme contributions. Pensions paid to higher paid staff amounted to £22,366, (2013: £21,691). There are no benefits in kind.

8. Trustees remuneration and expenses

No remuneration was paid to any trustee in the year.

Reasonable expenses for travel, subsistence and incidentals reimbursed to two trustees during the year totalled £255 (2013 - £102).

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9. Group and Charity Tangible Fixed Assets

	Freehold land and buildings	Freehold buildings under construction	Leasehold land and buildings	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost or market value					
At 1 April 2013	1,572,087	10,794,177	42,518	127,528	12,536,310
Additions	-	659,635	32,500	19,669	711,804
Transfers	11,453,812	(11,453,812)	-	-	-
At 31 March 2014	13,025,899	-	75,018	147,197	13,248,114
Depreciation					
At 1 April 2013	160,617	505,649	39,612	95,823	801,701
Charge for the year	31,442	242,784	336	17,368	291,930
Transfers	748,433	(748,433)	-	-	-
At 31 March 2014	940,492	-	39,948	113,191	1,093,631
Net book value					
At 31 March 2014	12,085,407	-	35,070	34,006	12,154,483
At 31 March 2013	1,411,470	10,288,528	2,906	31,705	11,734,609

All assets are held for charitable purposes.

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

Included within Freehold Buildings Under Construction Additions, is a credit of £475,000 which relates to the final insurance settlement on the construction of the Sporting Club and Link.

10. Fixed Asset Investments

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Sporting Club Thamesmead Limited	-	-	1	1
Tilfen Land Limited	-	-	17,297,227	17,297,227
	-	-	17,297,228	17,297,228

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10. Fixed Asset Investments (continued)

a) Results of subsidiaries

The charity has a wholly owned trading subsidiary, Sporting Club Thamesmead Limited, a company registered in England and Wales. A summary of its results is shown below:

	2014	2013
	£	£
Turnover	201,395	-
Cost of sales	(114,199)	-
Operating profit/loss	87,196	-
Administrative expenses	(80,065)	-
Bank charges	(497)	-
Gift aid	(6,634)	-
Profit/loss before tax	-	-
Current assets		
Stock	5,785	-
Debtors	22,060	1
Cash at bank and in hand	17,313	-
	45,158	1
Creditors: amounts falling due within one year	(45,157)	-
Total net assets	1	1
Share capital	1	1
Profit and loss account	-	-
Equity shareholders' funds	1	1

b) Share in joint venture - programme related investments

The investment represents a 50% interest in Tilfen Land Limited, a commercial property and development company which is accounted for in the consolidated accounts of the Trust as a joint venture. The Trust's share of the results in Tilfen Land are as follows:

	2014	2013
	£	£
Share of Profit and Loss account		
Turnover	4,331,000	5,326,500
Cost of sales	(243,000)	(3,364,500)
Share of gross profit	4,088,000	1,962,000
Operating expenses	(1,432,000)	(1,432,500)
Interest payable and similar charges	(2,903,500)	(921,000)
Interest receivable and similar income	26,000	14,500
Loss on ordinary activities before taxation and dividends	(221,500)	(377,000)
Gift aid payable	(1,922,500)	(1,900,000)
Tax credit on ordinary activities	-	7,500
Share of retained loss for the year	(2,144,000)	(2,269,500)
Actuarial gains and loss	(165,500)	(171,000)
Retained profits brought forward	17,031,000	19,471,500
Share of retained profits carried forward	14,721,500	17,031,000

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b) Share in joint venture - programme related investments (continued)

	2014	2013
	£	£
Share of Balance Sheet		
Fixed assets	48,110,500	52,863,000
Current assets	19,204,500	13,061,500
Share of gross assets	67,315,000	65,924,500
Current liabilities due within one year	(12,421,000)	(4,859,000)
Liabilities due after one year	(12,539,500)	(20,083,000)
Provisions for defined benefit pension schemes	(588,500)	(675,500)
Total assets less total liabilities - share of net assets	41,766,000	40,307,000
Called up share capital	9,623,000	9,623,000
Share premium account	1,674,000	1,674,000
Revaluation reserve	15,747,500	11,979,000
Profit and loss account	14,721,500	17,031,000
Share of capital and reserves	41,766,000	40,307,000

11. Debtors	Group	Group	Charity	Charity
	2014	2013	2014	2013
	£	£	£	£
Due within one year:				
Trade debtors	145,493	116,402	127,277	116,402
Due from joint venture and subsidiary undertaking	-	-	27,982	-
Other debtors	1,205,733	682,968	1,201,889	682,968
Prepayments	48,032	18,161	48,032	18,161
	<u>1,399,258</u>	<u>817,531</u>	<u>1,405,180</u>	<u>817,531</u>

12. Creditors: amounts falling due within one year

	Group	Group	Charity	Charity
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	153,272	165,450	153,272	165,450
Cash at bank and in hand	12,881	-	12,881	-
Social security and other taxes	52,437	31,518	35,262	31,518
Other creditors	68,194	71,086	68,194	71,086
Accruals	66,439	89,341	66,439	89,341
	<u>353,223</u>	<u>357,395</u>	<u>336,048</u>	<u>357,395</u>

Included within accruals is an amount of £9,908 (2013: £8,732) relating to amounts owed in respect of pension liabilities.

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13. Movement on reserves

GROUP	1 April 2013 £	Incoming Resource £	Outgoing Resources £	Gains & (Losses) £	Fund Transfers £	31 March 2014 £
Restricted Funds:						
Sporting Club	1,000,648	150,000	-	-	(1,000,648)	150,000
Link Thamesmead	5,131,551	-	-	-	(5,131,551)	-
European Integration Fund	-	50,410	-	-	-	50,410
Total Restricted Funds	6,132,199	200,410	-	-	(6,132,199)	200,410
Designated Funds:						
Building improvements	74,000	-	(74,000)	-	-	-
Link Thamesmead	316,464	-	(316,464)	-	-	-
Capital reserve	40,307,000	-	-	1,459,000	-	41,766,000
Fixed asset reserve	5,602,410	711,804	(291,930)	-	6,132,199	12,154,483
Total Designated Funds	46,299,874	711,804	(682,394)	1,459,000	6,132,199	53,920,483
Unrestricted Funds:						
Unrestricted general funds	1,323,863	2,237,082	(2,627,587)	(92,000)	-	841,358
Total GROUP Funds	53,755,936	3,149,296	(3,309,981)	1,367,000	-	54,962,251
CHARITY	1 April 2013 £	Incoming Resource £	Outgoing Resources £	Gains & (Losses) £	Fund Transfers £	31 March 2014 £
Restricted Funds:						
Sporting Club	1,000,648	150,000	-	-	(1,000,648)	150,000
Link Thamesmead	5,131,551	-	-	-	(5,131,551)	-
European Integration Fund	-	50,410	-	-	-	50,410
Total Restricted Funds	6,132,199	200,410	-	-	(6,132,199)	200,410
Designated Funds:						
Building improvements	74,000	-	(74,000)	-	-	-
Link Thamesmead	316,464	-	(316,464)	-	-	-
Capital reserve	17,297,227	-	-	-	-	17,297,227
Fixed asset reserve	5,602,410	711,804	(291,930)	-	6,132,199	12,154,483
Total Designated Funds	23,290,101	711,804	(682,394)	-	6,132,199	29,451,710
Unrestricted Funds:						
Unrestricted general funds	1,323,864	2,084,254	(2,474,760)	(92,000)	-	841,358
Total CHARITY Funds	30,746,164	2,996,468	(3,157,154)	(92,000)	-	30,493,478

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13. Movement on reserves (continued)

Restricted Funds

During the year construction of the Sporting Club Thamesmead and Link Thamesmead was completed. In line with this, the funds were transfers from restricted to fixed asset reserves.

Funding from ESF was used to support the provision of employment advice and support to residents of Thamesmead.

Designated Funds

The capital reserve represents the investment held in Tilfen Land of which Trust Thamesmead Limited has a 50% share. It is a programme related investment whose principal activity is commercial property and development company.

The fixed asset reserve represent funds tied up in fixed assets, excluding those held in restricted funds, and are not therefore readily available to the Trust in the short term.

14. Analysis of net assets between funds at 31 March 2014

Group

	Unrestricted Funds £	Capital/Fixed asset Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	12,154,483	-	-	12,154,483
Investments	-	41,766,000	-	-	41,766,000
Current assets	1,232,581	-	-	200,410	1,432,991
Current liabilities	(353,223)	-	-	-	(353,223)
Provisions	(38,000)	-	-	-	(38,000)
	<u>841,358</u>	<u>53,920,483</u>	<u>-</u>	<u>200,410</u>	<u>54,962,251</u>

Charity

	Unrestricted Funds £	Capital/Fixed asset Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	12,154,483	-	-	12,154,483
Investments	1	17,297,227	-	-	17,297,228
Current assets	1,215,405	-	-	200,410	1,415,815
Current liabilities	(336,048)	-	-	-	(336,048)
Provisions	(38,000)	-	-	-	(38,000)
	<u>841,358</u>	<u>29,451,710</u>	<u>-</u>	<u>200,410</u>	<u>30,493,478</u>

15. Related party transactions

Rent totalling £35,385 (2013: £36,059) was paid to Tilfen Land Ltd a company in which the Trust has a 50% interest.

During the year Tilfen Land Ltd agreed to reimburse the Trust £14,012 in respect of expenses incurred as part of the grouping agreement with Peabody Trust. At the year end £10,859 was outstanding and is included within Other Debtors.

During the year Sporting Club Thamesmead Ltd made a gift aid payment to the Trust, totalling £6,634.

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The charitable company has taken advantage of the exemption in FRS8 that transactions do not need to be disclosed with companies 90% or more of whose voting rights are controlled within the group.

15. a Group and Charity - Operating Lease commitments

	Land and Buildings	
	2014	2013
	£	£
Within one year	<u>32,000</u>	<u>36,059</u>

15. b Group and Charity - Capital Commitments

Authorised Capital expenditure which was contracted but not provided for in these financial statements is as follows:

	2014	2013
	£	£
Property - Sporting Club Thamesmead	-	641,389
Property - The Link Thamesmead	<u>-</u>	<u>622,733</u>

16. Group and Charity - Pension commitments

Defined benefit scheme:

Some employees of Trust Thamesmead Limited who are former employees of Thamesmead Town may participate in the London Pensions Fund Authority (LPFA) Pension Fund, part of the Local Government Pension Scheme, which is a defined benefit statutory scheme. The fund is administered by London Pensions Authority in accordance with the Local Government Pensions Scheme Regulations 1997 as amended. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 31 March 2010.

The valuation was carried out using the projected unit method and the value of the combined fund were taken at £3,716,728,000. The ratio of assets to liabilities on the Active Sub Fund was 83%. The key assumption used for the purpose of this valuation were:

Rate of return/discount rate	4.4% per annum
Salary increases	4.5% per annum
Price inflation/pension increases	2.7% per annum

The contributions made to the Scheme over the financial year were £10,659. The contribution rate was 17.4% of pensionable salaries (inclusive of employee contributions).

Following the full actuarial valuation as at 31 March 2010, produced by the fund's actuary in March 2011, it was determined that to target a funding level of 100% over a period of 20 years the common employers' total contribution rate is 18.1% of pensionable pay.

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16. Group and Charity - Pension commitments

Defined benefit scheme (continued)

The Accounting Standard FRS 17 has been adopted in the valuation for the year. The assets of the scheme have been taken at estimated market value and the liabilities have been calculated using the following principal actuarial assumptions:

	2014	2013	2012
	% p.a.	% p.a.	% p.a.
Inflation/pension increase rate	3.5	3.3	3.3
Salary increase rate	4.5	4.2	4.2
Pension increases	2.7	2.5	2.5
Discount rate	4.4	4.2	4.6

The value of the gross asset share in respect of Trust Thamesmead Limited as at 31 March 2014 and the expected rate of return is:

	Long-term rate of return expected		
	2014	2013	2012
	% p.a.	% p.a.	% p.a.
Equities	6.90	6.00	6.30
Target return portfolio	6.30	4.60	4.50
Alternative assets	n/a	5.00	5.30
Infrastructure	6.50	n/a	n/a
Commodities	6.30	n/a	n/a
Property	5.70	n/a	n/a
Cash	3.40	0.50	3.00
Total	6.40	5.60	5.90

The value of the net asset share in respect of Trust Thamesmead Limited as at 31 March 2014 was:

	2014	2013	2012
	£	£	£
Assets	1,491,000	1,468,000	1,308,000
Present value of liabilities	(1,529,000)	(1,414,000)	(1,273,000)
Present value of unfunded liabilities	-	-	-
Net pension (deficit)/surplus	(38,000)	54,000	35,000

In addition to the liability disclosed above, there are certain legacy members of the LPFA Pension Fund (former employees of Thamesmead Town) for whom a pension deficit exists, and for which a contingent liability may exist for the Trust. As the precise quantum and nature of this sum has yet to be established, no amount has been provided in these financial statements.

Recognition in the profit or loss

	Year to	Year to
	31/03/14	31/03/13
	£000s	£000s
Current service cost	13	12
Expected return on Scheme assets	(82)	(77)
Interest on obligation	59	58
Losses (gains) on curtailments and settlements	-	-
Past service cost	-	-
Total	(10)	(7)
 Actual return on plan assets	 50	 185

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16. Group and Charity - Pension commitments
Defined benefit scheme (continued)

Reconciliation of defined benefit obligation	Year to 31/03/14 £000s	Year to 31/03/13 £000s
Opening defined benefit obligation	1,414	1,273
Service cost	13	12
Interest on obligation	59	58
Contribution by Scheme participants	3	3
Actuarial losses/(gains)	74	103
Past service cost	-	-
Unfunded pension payments	-	-
Liabilities assumed in a business combination	-	-
Estimated benefits paid (not of transfers in)	(34)	(35)
Closing defined benefit obligation	<u>1,529</u>	<u>1,414</u>
Reconciliation of fair value of Scheme assets	Year to 31/03/14 £000s	Year to 31/03/13 £000s
Opening fair value of Scheme assets	1,468	1,308
Expected return on Scheme assets	82	77
Contribution by Scheme participants	3	3
Contribution by employer in respect of unfunded benefits	8	8
Actuarial gains/(losses)	(36)	107
Receipt/(payment) of bulk transfer value	-	-
Estimated benefits paid including unfunded benefits	(34)	(35)
Fair value of Scheme assets at end of year	<u>1,491</u>	<u>1,468</u>
Reconciliation of opening and closing surplus	Year to 31/03/14 £000s	Year to 31/03/13 £000s
Surplus/(deficit) at beginning of year	54	35
Current service cost	(13)	(12)
Contribution by employer	8	8
Unfunded pension payments	-	-
Past service cost	-	-
Other finance income	23	19
Settlements and Curtailments	-	-
Actuarial gains/(losses)	(110)	4
Surplus/(deficit) at end of the year	<u>(38)</u>	<u>54</u>

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NOTES TO THE ACCOUNTS
For the year ended 31 March 2014

16. Group and Charity - Pension commitments

Defined benefit scheme (continued)

Amounts for the current and previous periods	Year to 31/03/14 £000s	Year to 31/03/13 £000s	Year to 31/03/12 £000s	Year to 31/03/11 £000s	Year to 31/03/10 £000s
Defined benefit obligation	(1,529)	(1,414)	(1,273)	(1,083)	(1,149)
Scheme assets	1,491	1,468	1,308	627	458
Deficit	<u>(38)</u>	<u>54</u>	<u>35</u>	<u>(456)</u>	<u>(691)</u>
Experience adjustments on Scheme liabilities	(43)	-	(12)	5	387
Percentage of liabilities	(2.8%)	-	(0.9%)	0.5%	33.7%
Experience adjustments on Scheme assets	(36)	107	(56)	104	81
Percentage of assets	(2.4%)	7.3%	(4.3%)	16.6%	17.7%
Cumulative actuarial gain/(loss)	(38)	72	68	279	145

Amount recognised in the Statement of Total Recognised Gains and Losses

	Year to 31/03/14 £000s	Year to 31/03/13 £000s
Actual return less expected return on pension scheme assets	(32)	107
Experience gain	(47)	-
Changes in assumptions underlying the present value of the scheme liabilities	<u>(31)</u>	<u>(103)</u>
Actuarial gain/(loss) in pension scheme	<u>(110)</u>	<u>4</u>
Actuarial gain/(loss) recognised in STRGL	<u>(110)</u>	<u>4</u>

Projected Pension Expense for the year to 31 March 2015

	Year to 31/03/15 £000s
Service cost	14
Interest cost	67
Return on assets	(94)
Total	<u>(13)</u>
Employer Contributions	<u>7</u>

NOTES TO THE ACCOUNTS
For the year ended 31 March 2014

16. Group and Charity - Pension commitments (continued)

The Care Scheme

Trust Thamesmead participates in The CARE Scheme (the 'Scheme'), which is a funded multi-employer defined benefit scheme.

The main benefits provided by the Scheme are:

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

Contributions from 1 April 2012

- For members in the one-eightieth structure of the Scheme, employers pay contributions at the rate of 10.6% of earnings and members pay contributions based on an age-related scale (equal to age divided by ten, plus 0.5).
- For members in the one-hundredth structure of the Scheme, employers pay contributions at the rate of 8.8% of earnings and members pay contributions based on an age-related scale (equal to age divided by 10, minus 0.5).
- In addition, employers may choose to pay any Future Service Contribution Rate (FSCR) combination that is shared between Members and Employers, as long as the maximum Member contribution rates are $[(\text{age} / 10) + 0.5]\%$ (one-eightieth structure) and $[(\text{age} / 10) - 0.5]\%$ (one-hundredth structure). For reference, the total FSCRs from 1 April 2012 are 15.5% (one-eightieth structure) and 12.7% (one-hundredth structure).
- Employers that have closed the one-eightieth structure of the Scheme to new entrants are required to pay an additional employer contribution loading of 2.0% to reflect the higher costs of a closed arrangement.
- Employers that have closed the one-hundredth structure of the Scheme to new entrants are required to pay an additional employer contribution loading of 1.6% to reflect the higher costs of a closed arrangement.

The Trustees commission an actuarial valuation of the Scheme every three years. The actuarial valuation assesses whether the Scheme's assets at the valuation likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

A defined contribution (DC) section of the Scheme has been available since 1 April 2011. For members in the DC section of the Scheme, employers pay contributions at the rate of 8.5% of earnings and members pay contributions based on an age-related scale (equal to age divided by ten, minus one).

As at the balance sheet date there were 21 active members of the Scheme employed by Trust Thamesmead. The annual pensionable payroll in respect of these members was £697,574

Trust Thamesmead continues to offer membership of the Scheme to its employees.

During the accounting period the employer paid contributions at the rate of 10.6% for members in the one-eightieth structure.

NOTES TO THE ACCOUNTS
For the year ended 31 March 2014

16. Group and Charity - Pension commitments

The Care Scheme (continued)

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of total scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2010 by a professionally qualified actuary using the 'projected unit' method. The market value of the Scheme's assets at the valuation date was £21.3 million. The valuation revealed a deficit of assets compared to liabilities of £2.6 million, equivalent to a past service funding level of 89%.

The financial assumptions underlying the valuation as at 30 September 2010 were as follows:

	% p.a.
Rate of return pre-retirement (non-orphans)	6.5
Rate of return post retirement (non-orphans)	4.3
Rate of return pre-retirement (orphans)	3.0
Rate of return post retirement (orphans)	3.5
Rate of pension increases pre 5 April 2005	2.6
Rate of pension increases post 5 April 2005	2.1
Rate of price inflation	3.0

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a Recovery Plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the actuarial valuation, it was agreed that the shortfall of £2.6 million would be dealt with by the payment of deficit contributions of £208,000 per annum, increasing each year by 3%, from 1 April 2012 to 31 March 2022. Trust Thamesmead's share of these deficit contributions is £4,017 per annum, payable in monthly instalments of £335. These deficit contributions are in addition to the contribution rates set out above.

The Scheme's 30 September 2013 valuation is currently in progress and will be finalised by 31 December 2014. The results of the 2013 valuation will be included in next year's Disclosure Note.

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

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16. Group and Charity - Pension commitments

The Care Scheme (continued)

Potential employer debt is treated as a contingent liability

Trust Thamesmead has been notified by The Pensions Trust of the estimated employer debt on withdrawal from The CARE Scheme, based on the financial position of the Scheme as at 30 September 2012. At this date the estimated employer debt for Trust Thamesmead was £829,000.

17. Group and Charity - Post Balance Sheet

On 1 April 2014 Trust Thamesmead joined the Peabody Group, becoming a wholly own subsidiary of Peabody Trust.