The Pioneer Group

The Pioneer Housing and Community Group Limited

Annual Report and Financial Statements

Year ended 31 March 2023

The Pioneer Housing and Community Group Limited and its subsidiaries

Annual report and financial statements for the year ended 31 March 2023

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1. The word "Association" throughout this report refers specifically to The Pioneer Housing and Community Group Limited legal entity.
2. The word "Group" throughout this report refers to the consolidated results of The Pioneer Housing and Community Group Limited and its subsidiaries.

Pioneer Group Board

Francis Burrows (Chair from 25 May 2023)
Carole Wildman (Chair until 24 May 2023)
Ian Campbell
Latisha Clark-Dhir
Jonathan Driffill
Cliff Horrocks (from 7 September 2022)
Rose Klemperer
Andrew Olawale
Stuart Roberts
Fern Watson

Executive Leadership Team

Simon Wilson	Chief Executive
Kate Foley	Housing and Customer Services Director
Martyn Hencher	Finance Director and Company Secretary
David Livesey	Asset Management and Development Director
Lisa Martinali	Community Regeneration Director (until 31 January 2023)
Jo Fieldhouse	Community Regeneration Director (from 30 May 2023)

Advisors

Statutory Auditor

Beever & Struthers
The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT

Principal Bankers

Barclays Bank
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One Snowhill
Birmingham
B4 6GB

Registered Office

11 High Street
Castle Vale
Birmingham
B35 7PR

Legal Status

Co-operative and Community Benefit Societies Number: 28414R
Regulator of Social Housing Registration Number: L4118
HMRC Charity Reference Number: ZD10516
Member of the National Housing Federation

Introduction

The Board of the Pioneer Group is pleased to present its report and audited financial statements for the year ended 31 March 2023.

The Pioneer Housing and Community Group Limited (the Pioneer Group) is a charitable registered society, registered in England and Wales under the Co-operative and Community Benefit Societies Act 2014 (28414R), and is a registered provider of social housing regulated by the Regulator of Social Housing (L4418).

Vision and mission

The Pioneer Group's vision is:

- **Making lives and communities better**

The Pioneer Group's mission is:

- **As an anchor organisation, use our Group strength to provide great homes and help build resilient communities where people can thrive.**

Principal activities

The principal activity of the Pioneer Group is providing social housing in north and east Birmingham, with the vast majority of the stock in Castle Vale, Birmingham. Social housing represents 83% of the Group's turnover (2022: 85%).

To achieve its wider mission to build resilient communities where people can thrive, the Pioneer Group also provides a range of other people, community and housing-focussed services including:

- Community regeneration, including health, family support, young people services and community facilities
- Market rented homes
- CCTV
- A small number of commercial properties on Castle Vale High Street
- Sports and leisure facilities at Castle Vale Stadium

The Pioneer Group owns and manages 2,517 social and market rent homes, of which 2,391 (95%) are in Castle Vale. Other homes are in neighbouring areas of north and east Birmingham, primarily Stechford (69 homes) and Stockland Green (51 homes).

Pioneer Group structure

The Pioneer Group is the group parent. It is a charitable Registered Provider, holding all the Group's housing assets and all its borrowing. It develops and lets housing under the brands of:

- Castle Vale Community Housing – social housing
- Stockland Green Community Housing – market rent and social housing
- Pioneer Places – market rent and social housing

The Pioneer Group provides central services including finance, treasury, human resources, information technology and governance to the wider group. It also delivers the strategic and operational services of asset management and housing development, housing management and customer services, and community partnerships.

The Pioneer Group has two subsidiaries:

- **Compass Support Services Limited**
  A charity registered with the Charity Commission, delivering a range of people-centred services including health and wellbeing, youth and employment services.

- **The Merlin Venture Limited**
  A company limited by guarantee, which ceased trading on 30 July 2021 and is dormant.

This structure allows for other brands or organisations to join the Group in the future. There are no financial cross guarantees between the group members, which protects the social housing assets.

The Pioneer Group heritage

The government-sponsored Housing Action Trust programme ran in Castle Vale, Birmingham, from 1993 to 2005, refurbishing existing homes, building new homes, and investing in the wider environment of the estate. Castle Vale was transformed into a modern, low rise estate, with only two high rise buildings remaining from the original 34. The two commercial centres on the estate were demolished and rebuilt with a range of modern retail and community facilities, and a new central park was created.

The Housing Action Trust was designed to be a temporary body and a priority was to plan for succession, once the Trust's work ended in 2005.

The Pioneer Group was founded in 1996 to be the long term anchor organisation of Castle Vale, and by 2005 had taken ownership of 2,400 homes built or refurbished as part of the regeneration programme. Compass Support Services Limited and the Merlin Venture Limited were also founded during the same period and have subsequently joined the Pioneer Group.

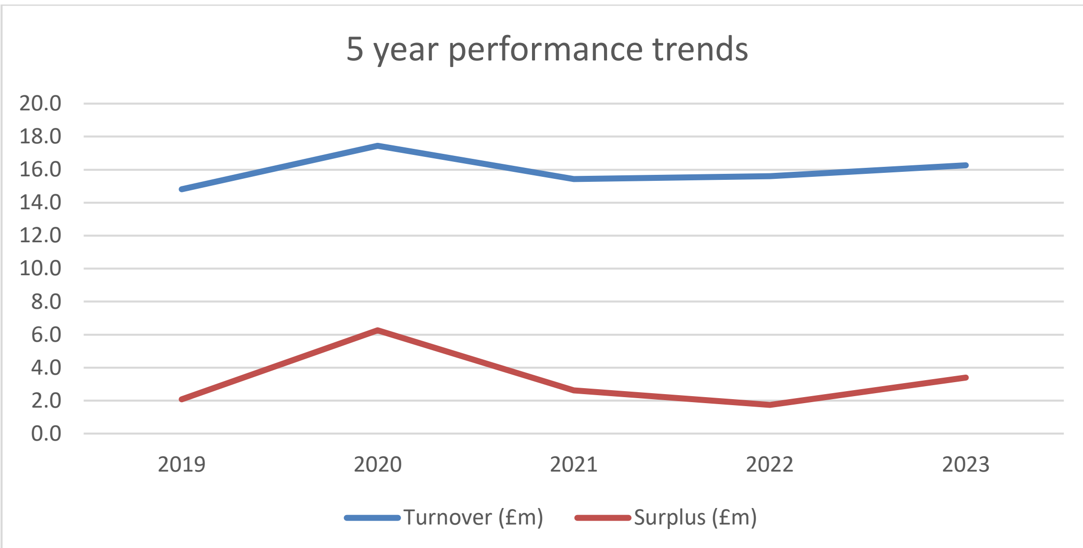
This heritage makes the Pioneer Group different to other stock transfer housing associations. The Group has inherited a concentrated stock of high quality homes and retains a firm commitment to sustaining the successful regeneration of Castle Vale through wider people and community-focussed activities. The Group invests significant resources in non-social housing activities in order to ensure that this successful regeneration is maintained.

Two decades later, Castle Vale continues to be a good place to live. The quality of the housing stock is high, the environment is clean and pleasant, and there is a substantial waiting list for people wanting to live in the area.

Five year performance trends

The last five years have seen turnover grow by 10%.

Social housing letting remains by far the most significant individual income source for the Group at 82% of total turnover (2022: 80%). The next most significant contributors to turnover are community regeneration (9% of total) and market rent (5% of total). Other sources of income are not significant, making up 4% of total turnover (2022: 6%). These proportions are broadly the same as in 2019.



Operating margin from social housing lettings remains strong and averaged 36% across the period.

The Group's development programme ensured that overall property numbers rose by 2% over the period, despite the ongoing popularity of the Group's homes under the Right to Buy.

	2019	2020	2021	2022	2023
Turnover	£14.8m	£17.4m	£15.4m	£15.6m	£16.3m
Operating surplus	£4.1m	£8.0m	£4.4m	£3.2m	£4.7m
Surplus	£2.1m	£6.3m	£2.6m	£1.7m	£3.4m
Operating margin	28%	46%	28%	21%	29%
Operating margin – social housing lettings	42%	41%	35%	29%	33%
Homes provided – social and market rent	2,459	2,467	2,464	2,487	2,517

Corporate Plan 2020-25

The Corporate Plan organises the Group's activity around three strategic themes, with clear measures of success to be achieved by 31 March 2025.

The themes seek to build on the successful platform built over the previous five years, retaining existing strengths but with a clear focus on improving core services to deliver greater customer satisfaction.

Great, safe homes

- **Great landlord** – be in the best 25% of landlords for tenants' overall satisfaction with services
- **Great homes** – 1,500 new bathrooms, 500 kitchens and 700 properties to receive new windows
- **More homes** – build 250 new homes
- **Warmer homes** – increase average SAP rating of homes by 2 points to 73
- **Safe homes** – full legal compliance and no actions outstanding

Strong, vibrant communities

- **Clean and green** – 85% satisfied with the overall appearance of their neighbourhood
- **Support people** – 90% aggregate positive outcomes for service users
- **Community pledge** – invest a minimum of £2.5 million in Castle Vale, maximising social value
- **Partnership** – 95% of community plan activities successfully undertaken
- **Community voice** – 75% satisfied that their views are listened to and acted on

Business excellence

- **People** – 90% staff satisfaction
- **Money** – achieve financial plan and regulatory metrics
- **Governance** – robust governance that enables retention of G1 rating
- **Process** – great processes and better enabled technology to deliver great services
- **Sector leadership** – ensure a high profile for the work of the Pioneer Group across the sector, city, region and country

Some highlights of our work in 2022/23

Significant projects for the third year of the Corporate Plan were:

- **Great, safe homes**

A key priority in the current environment was to support tenants and residents to sustain financial resilience through the cost of living crisis. We formed a Cost of Living Taskforce, producing a Cost of Living Pack which has been distributed to the community and schools. We are also developing a **Financial Inclusion** strategy, working with the University of Birmingham to research the causes and consequences of financial risk and insecurity, to promote an approach that fosters financial wellbeing.

Our first priority for 2020-25 is to deliver excellent landlord services, with our tenants rating us as one of the best housing associations in the country. In 2020/21, we commenced a Castle Vale stories consultation exercise to understand more about customer expectations, experience and priorities. This presented evidence to enable us to design future services and to identify of areas of housing management that we need to strengthen. Following this consultation exercise, this year we developed a **Tenant Service Improvement Strategy**, focussing on delivering against the key priorities for tenants and residents. This provides assurance on compliance with the Consumer Standards and the wider provisions of the Social Housing White Paper.

The **safety of our tenants** remains a high priority. The Fire Safety group have considered the implications of the New Fire Safety Act and Building Safety Bill. We have completed consultation with customers on the primary set of recommendations coming out of the new legislation and we have worked with external consultants to scope and identify improvement works.

During the year, we delivered **38 new homes** in Stockland Green and Castle Vale. Both sites were brownfield redevelopments, providing new homes on a former NHS site in Slade Road and at the former Greenwood Academy site in Castle Vale. We have also commenced development work on 51 further new homes, at a former Ministry of Defence site in Rectory Road, Sutton Coldfield, and through refurbishment of the former Police Station in Castle Vale.

We have implemented our new **leaseholder sinking funds** policy, to ensure the amounts we collect are in line with the expected long term costs of maintenance and to protect leaseholders from large unexpected repairs costs.

- **Strong, vibrant communities**

The Group has reviewed options to support the financial viability of **Castle Vale Stadium**. This will result in further development of the Stadium taking place in 2023/24.

- **Business excellence**

The Pioneer Group was subject to a cyclical **In-Depth Assessment** process by the Regulator of Social Housing during the year, to consider the Group's compliance against the regulatory standards. The Group proactively engaged with the regulator, in the spirit of the co-regulatory framework, and we were pleased to retain our G1/V1 rating.

During the year we implemented a range of **IT infrastructure** improvements to complement our approach to hybrid working; rebuilding our Citrix environment to provide more stable remote working, implementing a cyber security threat detection service and rolling out Office 365 and Microsoft Teams to all staff.

We also continue our work on **data quality** including implementation of further modules within **MRI Asset**. Work on these areas will continue in 2023/24.

Our commitments in 2023/24

Our annual planning process has identified eight major projects for delivery this year:

- **Great, safe homes**

Responding to customer feedback and the ongoing cost of living crisis, we intend to accelerate our **window replacement** programme and complete the programme over the next two years. This accelerated programme is made possible by new, more flexible funding agreed during the year and means customers will benefit from more fuel efficient homes by 2025, instead of 2030 under our previous cycle.

In 2023/24, we will deliver **45 new homes**. We will also continue to seek further land and partnership opportunities during the year, aiming to start on site for an additional 40 units during the year, to support our ongoing development ambitions.

We will create a sustainable **flood risk** mitigation and response plan for our properties in Castle Vale, thereby safeguarding our tenants' homes against flood risk and reducing insurance costs for our stock.

- **Strong, vibrant communities**

The **Castle Vale Stadium** is an important local resource. To support its financial viability and maximise social value, we will install a second 3G pitch, training pitch and infrastructure improvements, as well as securing longer term lease arrangements for the site. This will reduce the costs of running the stadium whilst providing an improved facility to Castle Vale residents and the wider city of Birmingham.

- **Business excellence**

Data Quality remains a key priority and is the focus of all our activity in this area.

Work on the **MRI Asset** project will continue. New modules will be implemented to improve our core housing management services, provide seamless business intelligence and reduce reliance on spreadsheets.

Key data-related and core service-area **processes** will be documented to both reduce incorrect data being held on our information management systems, as well as reduce the risk associated with a single person understanding how to action key processes at a time of increasing labour market turnover.

Automated deletion routines will be implemented, which will automatically delete or anonymise our system data when retention periods pass, resulting in improved maintenance of data across all of our databases and systems.

This will improve service delivery and support ongoing compliance with regulatory and legislative requirements.

Principal risks and uncertainties

The Pioneer Group has a comprehensive and well-established risk management process. Strategic risks are assessed and reported quarterly through the Corporate Risk Register. The risk framework is accompanied by clear risk appetites and golden rules set by the Board.

The Pioneer Group Board focuses on those risks with the highest residual scores. The Audit & Assurance Committee carries out detailed scrutiny of the whole risk register and seeks assurance regarding the effectiveness of key controls against any risk in the risk register.

The principal strategic risks facing the Pioneer Group, which have the highest residual scoring in the Corporate Risk Register, are:

Risk	Description	Assurance/mitigation/action
Development pipeline	The Group does not deliver the number of new homes required to meet the Corporate Plan and deliver on its grant contract with Homes England	An experienced Development team is in place with additional resources focusing on forward pipeline. The Group's Development Committee regularly scrutinises forward pipeline.
Net zero carbon	Cost of achieving SAP C by 2030 and Net Zero Carbon by 2050	The Board has approved an Environmental Strategy outlining manageable steps to achieve SAP C by 2030. The average SAP rating for the Group's stock is currently 72 (Band C). Government grant of £0.8 million has been awarded to support work to improve 77 of the lowest rated homes.

Economic uncertainty and high inflation in the United Kingdom have the potential to impact on a number of strategic risks, including the principal risks identified above. The Pioneer Group remains in a financially strong position to face this, having secured increased headroom against key covenants and renewed a further £15 million revolving credit facility during the last financial year.

Financial performance

The overall financial performance of the Pioneer Group is a surplus after tax of £3.4 million (2022: £1.7 million).

This is substantially above the budgeted surplus for the year.

Core operating performance has held up well despite the turbulent economic climate. The overall surplus for the year has been boosted by one off factors, including the closure of the Local Government Pension Scheme (£0.6 million) and increased interest receivable (£0.5 million) on temporarily high cash balances following drawdown of the £35 million Scottish Widows loan. In both these cases the Group has reacted well to opportunities created by the increase in interest rates, which puts the Group in a stronger position to face the longer term income squeeze created by high inflation and the government cap on rents for social housing in 2023/24.

Surplus on social housing lettings has increased by £0.7 million, with social housing lettings income rising by 7% due to rent increases and development of additional homes. Operating costs across the Group rose by only 3%, which reflects strong cost control but also reflects higher staff turnover and increased difficulties recruiting to vacancies in the current labour market.

The core activity of the Group is social housing. Social housing accounts for 83% of the Group's turnover (2022: 85%).

The Pioneer Group's operating model is to generate surpluses from the social housing assets and use these to support wider community and people focussed services, in accordance with its charitable mission.

This year the Group invested a net £0.8 million (2022: £0.9 million) in activities other than social housing, primarily in community regeneration. Community regeneration includes a range of services to support people and communities, including families, young people, health and wellbeing, restorative justice, partnership activity and community hubs.

The Pioneer Group regards these as essential parts of its charitable mission in their own right, but they also benefit core landlord services by helping to sustain tenancies and ensuring that Castle Vale remains a desirable place to live with strong demand for homes. This contributes to the Pioneer Group's unusually low void loss for its demographic area.

Some elements of non-social housing activity are carried out as investments with the intention of generating funds to subsidise the Group's charitable aims. The most significant of these is the market rent portfolio, which represents 5% of the Group's turnover and 4% of its properties (2022: 5% of turnover, 4% of properties).

The net expenditure on non-social housing has decreased by £0.1 million in 2023, largely because of increased income from the market rent portfolio.

Total comprehensive income for the year was £3.1 million (2022: £2.9 million). This was a £0.3 million decrease from the surplus for the year (2022: £1.2 million increase). This other comprehensive income relates to the defined benefit pension schemes (note 12), where changes in the financial assumptions recommended by the scheme actuary partially reversed the gains recognised in the previous year.

The Group's balance sheet shows a 5% increase in fixed assets to £103 million (2022: £98 million), primarily due to investment in new homes. Retained revenue reserves have risen by 9% to £38 million (2022: £35 million).

The Group's cash balance at year end was £34 million (2022: £7 million), and this is accompanied by a £15 million undrawn revolving credit facility. The increase in cash is due to the scheduled drawdown of £35 million from Scottish Widows. This funding was arranged in 2020 at an extremely favourable fixed rate and with a two year deferral period.

This strong cash position will help the Pioneer Group to face any further economic challenges caused by the cost of living crisis and high inflation. Longer term, this liquidity will support the Group's housing growth strategy to develop 250 new homes by 2025.

Loan balances have risen from £34 million to £63 million following the scheduled drawdown of £35 million from Scottish Widows, less loan repayments on other loans. The Group is now in a strong treasury position; 100% of current loans are fixed and 95% are fixed in excess of 5 years (2022: 84% fixed and 76% fixed in excess of 5 years). The average cost of drawn debt is 2.9%.

All loan covenants have been met during the year.

It is the Pioneer Group Board's intention to retain sufficient levels of reserves to protect the long-term interest of tenants, allowing for the ongoing provision of accommodation at affordable rents and adequate levels of funding for future major repair and development programmes.

Value for Money – performance against regulatory metrics

The table below outlines performance against the nine metrics set out by the Regulator of Social Housing.

The trend columns are colour coded to show whether the metric is constant or improving (green) or deteriorating (red) compared to the previous year. The 2023 target column is colour coded to show whether the target was achieved (green) or not achieved (red). Peer and sector comparisons are colour coded in a four quartile system to show the Group's 2023 results relative to peer and sector benchmarks.

The peer comparison shows the median result for a group of 20 comparable-sized (1,000-2,500 social homes) organisations operating in England, excluding London. The national comparison shows the median result for all registered providers, from the Regulator's analysis of the global accounts for the sector. Both of these are comparisons with 2022 data, which is the most recent data available.

The Board considers that it is important to demonstrate good value for money against both immediate peers, who offer the closest like for like comparison, and the whole sector, to demonstrate that remaining a smaller independent provider delivers positive value for money outcomes compared to the larger providers.

Regulatory metric	Trends					Performance		
	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Target	2023 target	Sector median	Peers median
Reinvestment	4.6%	4.6%	3.4%	**7.3%**	15.0%	9.3%	6.5%	4.9%
New supply delivered (social housing units)	1.7%	0.0%	1.3%	**1.6%**	1.8%	1.6%	1.4%	0.9%
New supply delivered (non-social housing units)	0.4%	0.0%	0.0%	**0%**	0.0%	0.0%	0.0%	0.0%
Gearing	36.2%	35.3%	33.1%	**32.9%**	43.3%	42.1%	44.1%	35.7%
EBITDA MRI interest cover	268%	224%	216%	**265%**	(40%)	175%	146%	201%
Headline social housing cost per unit	£2,855	£3,323	£3,329	**£3,520**	£5,996	£3,596	£4,150	£3,845
Operating margin (social housing lettings)	40.7%	35.5%	28.9%	**32.6%**	28.9%	34.2%	23.3%	24.7%
Operating Margin (overall)	25.3%	25.3%	18.3%	**22.6%**	21.1%	21.3%	20.5%	21.2%
Return on capital employed	7.8%	4.1%	3.1%	**3.1%**	2.6%	2.5%	3.2%	2.5%

* Sector and peer medians: 2021/22 Global Accounts benchmarking data

	= Upper Quartile
	= Better than median
	= Lower than median
	= Lower Quartile

The 2023 results of the regulatory metrics show overall very strong and improving value for money performance, including:

- Outperforming the sector in eight of the nine indicators (2022: six);
- Outperforming peers in eight of the nine indicators (2022: five);
- Achieving targets in seven out of nine indicators (2022: five);
- Improving performance in eight of the nine indicators (2022: three);
- Upper quartile performance compared to the sector in three indicators (2022: one).

The Group's efforts to grow its development programme continue to have a positive impact, with 38 new homes completed during the year. This has resulted in new supply figures which are in line with the sector and outperform peers and continues to address an area of historic underperformance.

Reinvestment performance has increased in 2023 as a result of this development programme and a major new programme of windows and doors, and is now above the sector median.

Headline social housing cost per unit is the only metric which has not improved in 2023. Headline cost has increased by 6%, which compares favourably to inflation of 10% during the year. In addition, a large proportion of the increase is due to an increase in capital maintenance activity.

Improved windows and doors have been highlighted by tenants as a priority, will support the Group's environmental strategy and will help tenants with the cost of living. The Group intends to accelerate this programme next year, taking advantage of the strategic flexibility provided by its new loan covenants. This will directly support a number of major strategic goals including the aim to achieve upper quartile customer satisfaction by 2025.

As a result of this investment, EBITDA MRI interest cover will fall below zero next year and headline social housing cost per unit will rise substantially. We expect that these results will be outliers for the sector. These are temporary impacts on the metrics but will have a long lasting impact on the quality of tenants' homes. For the same reasons, reinvestment will rise (becoming upper quartile) and gearing will also rise towards the sector median. This is a deliberate strategic decision by the Board to invest in existing homes and is made possible by the substantial covenant headroom the Group has secured.

Value for Money – performance against the Pioneer Group's metrics

Alongside the regulatory metrics, the Pioneer Group had identified four further value for money targets for the year. These cover qualitative satisfaction metrics alongside metrics covering income collection and voids.

The trend and performance columns are colour coded in the same format as the regulatory metrics.

Pioneer Group Metric	Trends					Performance		
	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Target	2023 target	Sector median	Peers median
Overall satisfaction with landlord's services	80%	92%	85%	**83%**	Info only	85%	79%	82%
Satisfaction with most recent responsive repair	80%	82%	88%	**84%**	85%	85%	-	-
Rent collection	100.0 %	100.1%	98.9%	**99.8%**	Info only	98.5%	99.9%	100.2%
Rent loss due to voids	0.46%	0.73%	0.44%	**0.33%**	0.30%	0.30%	1.16%	1.14%

This year has seen a further 2% decrease in overall satisfaction, a trend seen across all the perception based satisfaction indicators. There remains a modest upward trend in satisfaction when viewed since the start of the Corporate Plan. Customer satisfaction is a very high strategic priority for the Group, with an ambition to be in the top 25% of landlords in the sector for this metric.

The large increase in satisfaction in 2021 was an outlier, associated with 'covid goodwill'. As this goodwill has diminished, satisfaction is returning to pre-pandemic norms. The latest Housemark benchmarking data shows a 5% decline in overall satisfaction across the sector. The Group's performance is currently upper quartile compared to the sector.

Regression analysis highlights that the relative importance of providing homes that are safe and well-maintained has increased. This is supported by qualitative analysis, which shows that 67% of the negative comments relate to maintenance of the home, an increase compared to last year, where the figure was 52%. The analysis shows that a significant proportion of dissatisfaction relates to planned and cyclical repairs, with desired window and door replacements being the key complaint. The Board has chosen to accelerate the window replacement programme, targeting to deliver the programme over the next 2 years, in order to increase customer satisfaction. Next year we can begin to assess the effectiveness of this strategic value for money decision through the impact on overall customer satisfaction.

Although satisfaction with the most recent responsive repair has not met target at year end, key operational responsive repairs metrics (repairs completed same day, repairs completed first visit and appointments made and kept) have either improved compared to last year or remained at a high level. We anticipate continued improvement in these metrics, which will lead to further improvements in repairs and overall satisfaction.

Overall pressure on arrears and rent collection remains due to the challenging economic climate. However, rent collection has exceeded target and is higher than last year (98.9%). Against a cost of living squeeze backdrop both current and former tenant arrears have gradually decreased over the year. This has been primarily driven by utilising Income Analytics software, which allows officers to effectively target customers as payment difficulties arise, proactively support tenants and put payment plans in place.

Demand for our homes remains very high. Despite two fire damaged properties and delayed lettings at the new Slade Road development, voids performance has continued to outperform peers and the wider sector by a considerable margin.

Statement of the responsibilities of the Pioneer Group Board for the financial statements

Housing association legislation requires the Pioneer Group Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Association at the end of the financial year and of the surplus of the Group and Association for the year ended on that date.

In preparing those financial statements the Pioneer Group Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed and give details of any departures;
- prepare the financial statements on a going concern basis unless it is inappropriate;
- ensure there is no relevant audit information of which the auditors are unaware.

The Pioneer Group Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and to enable them to ensure that the accounts comply with the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008.

It is also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Group and Association's accounting records, cash holdings and all of its receipts and remittances.

The Board members are responsible for the maintenance and integrity of the Group and Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from other jurisdictions.

The Board members have taken reasonable care to make themselves aware of any relevant audit information and ensure that the auditors are aware of all relevant audit information.

Going concern

The Group's activities, together with the factors likely to affect its future development, its financial position and its exposure to risk, are described above.

The Group has considerable financial resources and, as a consequence, the Pioneer Group Board believes that the Group is well placed to manage its business risks successfully despite current uncertainties in the social housing sector and wider UK economy.

Following completion of the new revolving credit facility with Santander in October 2022, the Group now has a more flexible financial covenant suite based on EBITDA interest cover rather than EBITDA MRI interest cover. This has substantially increased the covenant headroom available in the long term financial plan, with headroom of over 150% in all years. As a result, the long term financial plan is much more resilient to covenant risk despite the impact of high inflation and a government cap on social housing rents in 2023.

The Board conducted stress testing of its financial business plan in May 2023 and concluded that the financial plan is resilient to a wide range of potential risks. This includes risks which may arise from the current high inflation environment, including increases in voids and rent arrears, significant one off costs and sustained cost increases.

The organisation has significant access to liquidity, with £34 million of cash and a £15 million undrawn revolving credit facility available until 2027. This liquidity is substantially greater than the overall budgeted turnover for next year.

The Pioneer Group Board therefore has a reasonable expectation that the Association and the Group have adequate resources to continue in operational existence for the foreseeable future and, accordingly, continues to adopt the going concern basis in preparing the financial statements.

Governance code

The Pioneer Group Board has adopted the National Housing Federation Code of Governance 2020. The Board confirms its compliance with the code.

Governance structure

The Pioneer Group Board is ultimately responsible for the Group and Association's strategy and policy framework. The Pioneer Group Board:

- Currently comprises ten members, including two co-optees. The Rules of the Association allow for up to 12 members including co-optees;
- The majority of members are recruited directly; two members are nominated from the boards of Castle Vale Community Housing and Compass Support;
- Three of the Pioneer Group Board members should have a community connection from one of the Pioneer Group communities;
- Each member is appointed for a term of three years and may be re-appointed at the expiration of that period, subject to a maximum term of nine years;
- Meets formally not less than six times per year for regular business. A rolling programme of training for Pioneer Group Board members is in place.

Board Members are selected to bring a diverse range of skills and expertise in the Group's activities. The Board is committed to continued Board development. Individual board members are subject to annual appraisals, and the Board reviews its collective effectiveness on an annual basis. Board effectiveness is independently reviewed every three years.

To support it in achieving the Group's aims, the Pioneer Group Board has delegated some responsibility to specialist committees and operational boards covering the Group's key communities.

Executive Leadership Team

The Board delegates the day to day management and implementation of the control framework to the Chief Executive and other senior leaders named on page three. The Executive Leadership Team meets weekly and officers attend Pioneer Group Board meetings.

Specialist sub-committees

- **Audit & Assurance Committee**

The committee supports the Group Board by ensuring that an effective control and assurance framework is in place across the Group. This includes overseeing the relationship with the Group's internal and external auditors. At least four members must be from the Pioneer Group Board. The committee meets formally at least four times per year.

- **Development Committee**

The committee supports the Group Board by overseeing housing development for the Group. At least three members must be from the Pioneer Group Board. The committee meets formally at least four times per year.

- **Remuneration Committee**

The committee is responsible for reviewing the performance of the Chief Executive and for making recommendations to the Pioneer Group Board on remuneration for all staff. The Committee meets formally at least twice per year.

Community sub-committees

Operational delivery is supported by a local, community-focussed board, with clear reporting and assurance back to Group Board:

- **Castle Vale Community Housing Board**

The board supports the Group Board by monitoring operational services, including monitoring customer service performance and influencing the Group's planned initiatives. A majority of members must be tenants or residents, elected by tenants. The board meets formally at least four times per year.

Subsidiary boards

Subsidiaries have their own boards, with clear reporting and assurance back to the Pioneer Group.

- **Compass Support Services Board**

The board is responsible for provision of people based services covering youth, family, employment, and health, and operates community facilities in Castle Vale and Falcon Lodge, Birmingham. The board meets formally at least four times per year.

- **The Merlin Venture Board**

The board is responsible for the dormant legal entity, following the decision to cease trading during 2022. The board currently meets on an ad hoc basis.

Regulatory framework for social housing

The Board considers it a priority to demonstrate high standards of governance and transparency, to comply with the regulatory framework for social housing, and to achieve strong regulatory ratings under the Governance and Financial Viability Standard.

The Pioneer Group was formally assessed by the Regulator of Social Housing during the year and in September 2022 was awarded the highest ratings of G1/V1 for governance and financial viability.

Additionally, the Board has undertaken a detailed self-assessment exercise against the regulatory framework and continues to proactively engage with the regulator and wider regulatory framework on an ongoing basis.

During the year, actions have been put in place to continue to strengthen internal control and ensure continued compliance. The Board has also targeted specific resources at areas which it believed could pose a significant risk to compliance.

Last year the Group identified a potential breach of the Public Contracts Regulations 2015 in how the Association commissions activity carried out by its subsidiary Compass Support. This appeared to be a breach of the requirement in the Governance and Financial Viability Standard to "adhere to all relevant law". This issue has now been resolved and the Group is compliant with the Public Contracts Regulations 2015. Some activities which were previously commissioned to Compass Support will now be undertaken directly by the Association, with effect from 2023/24.

In October 2022, the Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022 came into force, requiring at least one smoke alarm on each storey where there is a room used as living space and a carbon monoxide alarm in any room used as living accommodation which contains a fixed combustion appliance (excluding gas cookers). The Regulator of Social Housing advised all providers that they should be compliant from 1 October 2022 or have plans in place to ensure compliance in a timely manner. In common with much of the sector, the Group identified 52 properties in October where either additional alarms were required or the Group was unable to evidence whether sufficient alarms were already in place. Full compliance with the Regulations was confirmed in February 2023.

With these exceptions, the Board confirms its compliance with the regulatory framework, during the year and up to the signing of these accounts.

As a community-based landlord, the Pioneer Group seeks to exceed the Tenant Involvement and Empowerment Standard and is an early adopter of the National Housing Federation's Together with Tenants Charter.

Internal control assurance

The Pioneer Group Board is responsible for the overall system of internal control throughout the Group and for reviewing its effectiveness.

In discharging its internal control responsibility, the Pioneer Group Board has evolved processes adopted by management to gain assurance that:

- Assets are protected and the Group is safeguarded from losses;
- Financial information is accurate and reliable;
- The Group works within applicable laws and regulations;
- Effectiveness and efficiency of operations is ensured.

The Pioneer Group Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Group and Association's assets and interests.

In meeting its responsibilities, the Pioneer Group Board has adopted a risk-based approach to internal controls which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Group and Association are exposed.

The process adopted by the Pioneer Group Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework, includes:

- **Appropriately qualified staff**

Experienced and suitably qualified staff are allocated responsibility for important business functions. Job descriptions are appropriate and specific and annual appraisal procedures are well established ensuring standards of performance are maintained.

- **Identification and evaluation of key risks**

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Group and Association's activities. The management team regularly considers and receives reports on significant risks facing the Group and Association and the Chief Executive is responsible for reporting to the Pioneer Group Board any significant changes affecting key risks. Reports to Boards and Committees include an assessment of relevant risk and, where necessary, detail on how risk is being mitigated.

- **Control environment and control procedures**

The Pioneer Group Board retains responsibility for a defined range of strategies, policies and procedures covering operational and financial compliance issues including treasury strategy and new investment projects. Policies and procedures cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention, detection and reporting.

A fraud prevention policy, including a fraud response plan, is in place and subject to periodic review by the Pioneer Group Board. A fraud register exists and is reviewed annually by the Audit & Assurance Committee.

- **Information and financial reporting system**

Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed and approved by the Pioneer Group Board. The Pioneer Group Board also reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

- **Monitoring and corrective action**

A process of regular management reporting on control issues provides assurance by senior management to the Pioneer Group Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

- **Internal audit**

The Pioneer Group contracts specialist internal auditors TIAA to provide independent assurance on key elements of the internal control framework.

Internal audit reviews were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Group's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided.

Areas reviewed during the year were the risk management framework; data integrity; income and debtors; safeguarding; electrical safety testing and fire risk assessments; rent setting and service charges; customer satisfaction; and planned investment.

The overall internal audit opinion for the year is that, for the areas reviewed during the year, the Pioneer Group has reasonable and effective risk management, control and governance processes in place.

- **Financial planning and stress testing**

The Pioneer Group Board has continued to operate a range of stress testing, recognising its responsibility for the identification of potential risk scenarios and appropriate mitigations. Significant resource is devoted to financial planning, which is carried out using industry standard financial planning software (Brixx). An asset and liability register is also in place and is subject to regular review and further development.

There were no identified weaknesses in internal financial control that required disclosure in the financial statements or in the auditor's report on the financial statements.

Legal Status

The Association is a registered society under the Co-operative and Community Benefit Societies Act 2014 (28414R) and is also registered with the Regulator of Social Housing (L4118) as a Registered Provider.

Pioneer Group Board Members' & Chief Executive's Liability Insurance

The Association maintains insurance against the liabilities of all members of the Pioneer Group Board and the Chief Executive in relation to their duties for the Group and Association.

Post Balance Sheet Events

There were no post balance sheet events.

Auditor

The Board appointed Beever & Struthers as external auditor during the year, following a formal procurement exercise.

A resolution to re-appoint Beever & Struthers as external auditor will be proposed at the forthcoming Annual General Meeting. Beever & Struthers have expressed their willingness to continue in office.

By Order of the Pioneer Group Board

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Francis Burrows
Chair

Martyn Hencher
Company Secretary

12 July 2023

Opinion

We have audited the financial statements of The Pioneer Housing and Community Group Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2023 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated Statement of Changes in Reserves, Association Statement of Changes in Equity (Reserves), Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2023 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's or Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept adequate accounting records; or
- the Association's financial statements are not in agreement with books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 16, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group and Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:
We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.

- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias

Use of our report

This report is made solely to the Association's members as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Statutory Auditor: **Beever and Struthers** **Date**

Address: The Colmore Building, 20 Colmore Circus Queensway, Birmingham, B4 6AT

Statement of Comprehensive Income
for the year ended 31 March 2023

		Group		Association	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Turnover	3	16,258	15,607	15,435	14,698
Cost of sale	3	-	(562)	-	(562)
Operating expenditure	3	(12,576)	(12,172)	(11,688)	(11,286)
Surplus on disposal of property, plant and equipment	7	451	366	451	366
Surplus on closure of defined benefit pension scheme	12	602	-	602	-
Operating surplus		**4,735**	**3,239**	**4,800**	**3,216**
Interest receivable	8	543	15	532	13
Interest and financing costs	9	(1,826)	(1,735)	(1,826)	(1,735)
(Deficit)/surplus on revaluation of investment properties	15	(58)	219	(58)	219
Surplus before tax		**3,394**	**1,738**	**3,448**	**1,713**
Taxation	6	-	-	-	-
Surplus for the year	**5**	**3,394**	**1,738**	**3,448**	**1,713**
Actuarial (losses)/gains in respect of defined benefit pension schemes	12	(287)	1,209	(287)	1,209
Total comprehensive income for the year		**3,107**	**2,947**	**3,161**	**2,922**

All results relate to continuing activities.

Statement of Financial Position
as at 31 March 2023

		Group		Association	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Intangible assets	13	141	194	141	194
Housing properties	14	86,473	82,082	86,473	82,082
Investment properties	15	13,688	13,659	13,688	13,659
Homebuy loans receivable	16	106	-	106	-
Other property, plant and equipment	17	2,528	2,439	2,528	2,439
		102,936	98,374	102,936	98,374
Current assets					
Inventory	18	257	2	257	2
Trade and other debtors	19	1,595	2,315	1,375	2,219
Cash and cash equivalents	20	33,798	6,962	33,787	6,756
		35,650	9,279	35,419	8,977
Creditors: amounts falling due within one year	21	(3,859)	(3,772)	(4,222)	(4,118)
Net current assets		31,791	5,507	31,197	4,859
Total assets less current liabilities		**134,727**	**103,881**	**134,133**	**103,233**
Creditors: amounts falling due after more than one year					
Other creditors	22	95,828	67,881	95,828	67,881
Pension liability	12	789	997	789	997
		96,617	68,878	96,617	68,878
Capital and reserves					
Share capital	24	-	-	-	-
Revenue reserves		38,110	35,003	37,516	34,355
Total capital, reserves and long term creditors		**134,727**	**103,881**	**134,133**	**103,233**

The financial statements on pages 26 to 64 were approved by the Pioneer Group Board on 12 July 2023 and were signed on its behalf by:

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Francis Burrows
Chair

DocuSigned by:
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Ian Campbell
Board Member

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Martyn Hencher
Company Secretary

Statement of Changes in Reserves
as at 31 March 2023

	Group	Group	Association	Association
	2023	2022	2023	2022
	Income & Expenditure reserve	Income & Expenditure reserve	Income & Expenditure reserve	Income & Expenditure reserve
	£'000	£'000	£'000	£'000
At 1 April	35,003	32,056	34,355	31,433
Surplus for the year	3,394	1,738	3,448	1,713
Actuarial gain/(loss) in respect of pension schemes	(287)	1,209	(287)	1,209
At 31 March	**38,110**	**35,003**	**37,516**	**34,355**

Consolidated Statement of Cash Flows for the year ended 31 March 2023

	Note	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Net cash generated from operating activities	23		**5,149**		**4,877**
Cash flows from investing activities					
Purchase of property, plant and equipment		(1,677)		(1,629)	
Purchase of Housing and Investment properties		(5,422)		(2,038)	
Proceeds from sale of property, plant and equipment		623		1,228	
Interest received		260		13	
Net cash flows from investing activities			**(6,216)**		**(2,426)**
Cash flows from financing activities					
Interest paid		(1,629)		(1,649)	
Repayments of borrowings		(6,407)		(4,392)	
New borrowing		35,000		-	
Grants		939		771	
Net cash flows from financing activities			**27,903**		**(5,270)**
Net increase/(decrease) in cash and cash equivalents			**26,836**		**(2,819)**
Cash and cash equivalents at the beginning of year			6,962		9,781
Cash and cash equivalents at 31 March	23		**33,798**		**6,962**

1 Legal status

The Pioneer Housing and Community Group Limited (Association) is a registered society under the Co-operative and Community Benefit Societies Act 2014 (28414R) and is a registered provider of social housing (L4118). Its registered office is 11 High Street, Castle Vale, Birmingham, B35 7PR.

The Association has two subsidiaries:

- Compass Support Services Limited is a company limited by guarantee (3506460) and a registered charity (1068324), regulated by the Charity Commission. Its registered office is 11 High Street, Castle Vale, Birmingham, B35 7PR;
- The Merlin Venture Limited is a company limited by guarantee (03615422). Its registered office is 11 High Street, Castle Vale, Birmingham, B35 7PR. This subsidiary is dormant.

2 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with January 2022 Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2018 (SORP), the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022.

The Pioneer Housing and Community Group is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed "PBE" in FRS 102.

Statement of cash flows

The Pioneer Housing and Community Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside these consolidated financial statements. Exemptions have been taken in relation to the following:

- A statement of Cash Flows has not been presented for the parent company.

Basis of consolidation

The group financial statements consolidate the financial statements of the Association and its subsidiary undertakings drawn up to 31 March each year.

The accounts of the Pioneer Housing and Community Group Limited and Compass Support Services Limited have been prepared on a going concern basis.

The Merlin Venture Limited is dormant and the accounts have not been prepared on a going concern basis in 2022 or 2023. The effect of this on the consolidated accounts for the Group is trivial.

Acquisitions

Business combinations which are considered to be acquisitions are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids), management fees, revenue grants and other income. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Service charge sinking funds and service costs

Unutilised contributions to service charge sinking funds and over-recovery of service costs which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the Statement of Financial Position. The amount included in liabilities in respect of service charge sinking funds includes interest credited to the fund. Where there has been an under-recovery of leaseholders' or tenants' variable service charges and recovery of the outstanding balance is virtually certain, the balance is recognised in the Statement of Financial Position as a trade receivable. Debit and credit balances on individual schemes are not aggregated as there is no right of set-off.

Value Added Tax

A large proportion of the Group's income is exempt from Value Added Tax (VAT), giving rise to a partial exemption calculation. This significantly restricts recovery of VAT incurred on expenditure, which is, therefore, shown VAT inclusive.

Intra-group transactions

The Group parent is the employer of all staff. Staff working wholly and directly on Compass services are recharged at cost to Compass. Compass bears the risk and reward of the staff, including operational performance and liability for absence. This cost is accounted for directly in the subsidiary rather than being shown as cost and income in the Group parent.

Similarly, the Group parent operates purchase ledger on behalf of subsidiaries and recharges the transactions to them at cost. The subsidiaries bear the financial risk and reward of the underlying transactions. This cost is accounted for directly in the subsidiaries rather than being shown as cost and income in the Group parent.

Any outstanding balances are disclosed in note 30.

Where there is a transfer of financial risk and reward between Group members, this is accounted for as an intercompany transaction, with income accounted for in the entity bearing the risk and a corresponding cost in the party procuring the service. Such transactions are disclosed in note 30.

Property, plant and equipment – housing properties

Housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings plus directly attributable development costs. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight line basis, over their useful economic lives. Depreciation is not charged in the year of acquisition, and is charged in the year of disposal. Freehold land is not depreciated.

Major components

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives or the lives of the properties to which they relate, if shorter, at the following annual rates:

Remaining structure – houses	150 years
Remaining structure – flats	150 years
Roofs	60 years
Windows and doors	30 years
Electrics	30 years
Bathrooms	30 years
Bathroom component replacements	20 years
Kitchens	15 years
Boilers	15 years
Remaining central heating system	30 years
Lifts	30 years
Garages	30 years

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association are recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income.

The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in the Statement of Comprehensive Income.

Impairment of inventory

Assets held as inventory are assessed for impairment at each reporting date. The carrying value of the asset is compared to the expected selling price, less costs to complete the asset and cost to sell.

If an item of inventory or group of similar items is impaired, the value of the asset is immediately reduced and an impairment loss is recognised in the Statement of Comprehensive Income.

Investment properties

The classification of properties as investment property or property plant and equipment is based upon the intended use of the property. Properties held to earn commercial rentals or for capital appreciation or both are classified as investment properties. Properties that are used for administrative purposes or that are held for the provision of social housing are treated as property plant and equipment. Mixed use property is separated between investment property and property, plant and equipment.

Land is accounted for based on its intended use. Where land is acquired speculatively with the intention of generating a capital gain and/or a commercial rental return it is accounted for as investment property. Where land is acquired for use in the provision of social housing or for a social benefit it is accounted for as property, plant and equipment.

Investment properties are measured at fair value annually with any change recognised in surplus or deficit in the Statement of Comprehensive Income.

Homebuy loans

Homebuy loans were equity loans of 25% of the property value, secured by a charge against the property. These meet the definition of public benefit entity concessionary loans under FRS102. No interest is charged and there is no fixed repayment date.

On sale of the property, 25% of the value of the property is due to the Association. Homebuy loans are recorded as a non-current asset on the Statement of Financial Position at the value of the original loan. When the loans are redeemed, any surplus is credited to the Statement of Comprehensive Income as other income from social housing

Non-housing property, plant and equipment

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Office furniture, fixtures and fittings	4 years
Scheme fixtures and fittings	10 years
Office plant & machinery	4 years
Motor vehicle	4 years
Computer equipment	4 years
Freehold offices	50 years
CCTV infrastructure	4 years

Intangible assets

Intangible assets are stated at historic cost or valuation, less accumulated amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life, as follows:

Computer software	4 years

Social housing grant and other government grants

Where grants are received from government agencies such as Homes England, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Where the relevant asset is disposed of before the end of its useful life, social housing grant is recycled through a Recycled Capital Grant Fund where this is required by the Recovery of Capital Grants and Recycled Capital Grant Fund General Determination 2017.

The majority of the Group's government grant was provided by Castle Vale Housing Action Trust under section 71 of the Housing Act 1988. The Recovery of Capital Grants and Recycled Capital Grant Fund General Determination 2017 does not apply to this grant and, where the relevant property is disposed of before the end of its useful life, the grant is released to the Statement of Comprehensive Income as part of the surplus on disposal.

Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Non-government grants

Grants received from non-government sources are recognised as revenue using the performance model. Grants that do not impose specific future performance related conditions are recognised as revenue when received or receivable. Grants that impose specific future performance related conditions are recognised as revenue only when the performance related conditions are met. Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Restricted reserves

Where reserves are subject to an external restriction they are separately recognised within reserves as a restricted reserve. Revenue and expenditure is included in surplus or deficit in the Statement of Comprehensive Income and a transfer is made from the general reserve to the restricted reserve.

Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

Pensions

The Association participates in defined benefit and defined contribution pension schemes.

Multi-employer defined benefit pension schemes

The Group participates in the Social Housing Pension Scheme, a multi-employer scheme where it is possible for individual employers as admitted bodies to identify their share of the scheme's assets and liabilities. For this scheme amounts charged to operating surplus are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to revenue and included within interest and financing costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date.

Defined contribution schemes

The Group participates in defined contribution schemes where the amount charged to surplus or deficit in the Statement of Comprehensive Income 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 Statement of Financial Position.

Closed schemes

The Group terminated its membership of the Local Government Pension Scheme on 31 January 2023 and settled all outstanding liabilities during the year. Employer contributions towards the scheme up until closure have been charged to the Statement of Comprehensive Income and are included as part of staff costs. The accounting surplus arising from the closure of the scheme has been separately reported on the face of the Statement of Comprehensive Income and a detailed explanation is given in note 12.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102 are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in interest costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. It includes cash that has been paid by customers through Allpay and is temporarily held on trust by Allpay.

Business combinations

Combinations carried out at nil consideration are accounted for so that any excess of fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain within the Statement of Comprehensive Income.

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties: the Group has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

Impairment of inventory: the Group has to make an assessment as to the likely selling price of the asset, less further costs to complete and sell. In making the judgement, management considered the evidence of sales which had taken place immediately before and after the year end date.

Government grant: the accounting policy for government grant relies on management's interpretation of legal and contractual provisions relating to those grants.

Capitalisation of property development costs: the Group capitalises development expenditure in accordance with the accounting policies on housing properties and investment properties. Capitalisation requires a range of judgements, such as establishing which associated development costs should be capitalised and which costs should be written off and the likelihood that projects will continue.

Bad debts: management seeks to provide an appropriate bad debt provision for any arrears outstanding at the reporting date. This provision is derived from a combination of specific knowledge on individual cases and a formula which reflects the age and difficulty of collection for types of debt.

Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Investment property – fair value measurement: management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the property. Management base the assumptions on current open market prices as far as possible. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date.

Defined benefit pension scheme: the Group has obligations to pay pension benefits to certain current and former employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors, using information provided by scheme actuaries.

Components of housing properties and useful lives: major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The Group considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

3. i) Turnover, operating costs and operating surplus – group

	2023 Turnover £'000	2023 Cost of sale £'000	2023 Operating costs £'000	2023 Operating surplus £'000	2022 Turnover £'000	2022 Cost of sale £'000	2022 Operating costs £'000	2022 Operating surplus £'000
Income and expenditure from social housing lettings	13,382	-	(9,019)	**4,363**	**12,538**	**-**	**(8,915)**	**3,623**
Other social housing activities								
Shared ownership first tranche sales	-	-	-	**-**	703	(562)	-	**141**
Homebuy loans	106	-	-	**106**	-	-	-	**-**
Total social housing	**13,488**	**0**	**(9,019)**	**4,469**	**13,241**	**(562)**	**(8,915)**	**3,764**
Activities other than social housing								
Leasehold management	30	-	(83)	**(53)**	48	-	(75)	**(27)**
Community regeneration	1,489	-	(2,349)	**(860)**	1,131	-	(1,995)	**(864)**
Commercial leases	135	-	(48)	**87**	82	-	(37)	**45**
Home ownership	-	-	(25)	**(25)**	-	-	(20)	**(20)**
CCTV	-	-	(108)	**(108)**	-	-	(99)	**(99)**
Castle Vale Stadium	244	-	(299)	**(55)**	223	-	(240)	**(17)**
Nursery	-	-	-	**-**	93	-	(170)	**(77)**
Market rent	872	-	(301)	**571**	789	-	(322)	**467**
Development	-	-	(344)	**(344)**	-	-	(299)	**(299)**
Total activities other than social housing	**2,770**	**-**	**(3,557)**	**(787)**	**2,366**	**-**	**(3,257)**	**(891)**
Surplus on disposal of property plant and equipment	-	-	-	**451**	-	-	-	**366**
Surplus on closure of defined benefit pension scheme	-	-	-	**602**	-	-	-	**-**
Total operating surplus	**16,258**	**-**	**(12,576)**	**4,735**	**15,607**	**(562)**	**(12,172)**	**3,239**

3. ii) Turnover, operating costs and operating surplus – association

	2023 Turnover £'000	2023 Cost of sale £'000	2023 Operating costs £'000	2023 Operating surplus £'000	2022 Turnover £'000	2022 Cost of sale £'000	2022 Operating costs £'000	2022 Operating surplus £'000
Social housing lettings	13,382	-	(9,019)	**4,363**	**12,538**	**-**	**(8,915)**	**3,623**
Other social housing activities								
Shared ownership first tranche sales					703	(562)	-	**141**
Homebuy loans	106	-	-	**106**	-	-	-	**-**
Total social housing	13,488	0	(9,019)	**4,469**	**13,241**	**(562)**	**(8,915)**	**3,764**
Activities other than social housing								
Leasehold management	30	-	(83)	**(53)**	48	-	(75)	**(27)**
Community regeneration	540	-	(1,462)	**(922)**	312	-	(1,279)	**(967)**
Commercial leases	135	-	(48)	**87**	82	-	(37)	**45**
Home ownership	0	-	(25)	**(25)**	-	-	(20)	**(20)**
CCTV	0	-	(108)	**(108)**	-	-	(99)	**(99)**
Castle Vale Stadium	244	-	(299)	**(55)**	223	-	(240)	**(17)**
Merlin Venture	126	-	-	**126**	3	-	0	**3**
Market rent	872	-	(301)	**571**	789	-	(322)	**467**
Development	0	-	(343)	**(343)**	-	-	(299)	**(299)**
Total other activities other than social housing	1,947	**-**	(2,669)	**(722)**	**1,457**	**-**	**(2,371)**	**(914)**
Surplus on disposal of property plant and equipment	-	-	-	**451**	-	-	-	**366**
Surplus on closure of defined benefit pension scheme	-	-	-	**602**	-	-	-	**-**
Total operating surplus	**15,435**	**-**	**(11,688)**	4,800	**14,698**	**(562)**	**(11,286)**	3,216

3. iii) Income and expenditure from social housing lettings – group and association

	2023 General needs (social rent) £'000	2023 General needs (affordable rent) £'000	2023 Housing for older people (social rent) £'000	2023 Intermediate rent (mortgage rescue) £'000	2023 Intermediate rent (rent to buy) £'000	2023 Shared ownership £'000	2023 Total £'000	2022 Total £'000
Income from lettings								
Rent receivable	11,310	47	540	15	268	90	12,270	11,607
Service charges receivable	614	-	230	-	-	11	855	692
Amortised government grant	240	2	-	1	8	6	257	239
Net rents receivable	**12,164**	**49**	**770**	**16**	**276**	**107**	**13,382**	**12,538**
Other income	-	-	-	-	-	-	-	-
Turnover social housing lettings	**12,164**	**49**	**770**	**16**	**276**	**107**	**13,382**	**12,538**
Operating expenditure								
Management	(1,854)	(5)	(115)	(2)	(47)	(43)	(2,066)	(1,895)
Services	(1,051)	-	(246)	-	(3)	(1)	(1,301)	(1,088)
Routine maintenance	(2,212)	(2)	(49)	-	(24)	-	(2,287)	(2,057)
Planned maintenance	(1,205)	(1)	(78)	-	(11)	-	(1,295)	(1,768)
Major repairs expenditure	(340)	-	-	-	-	-	(340)	(324)
Rent losses from bad debts	12	-	(2)	-	1	3	14	(63)
Depreciation of housing properties	(1,647)	(11)	-	(5)	(57)	(24)	(1,744)	(1,720)
Impairment of housing properties	-	-	-	-	-	-	-	-
Total operating expenditure	**(8,297)**	**(19)**	**(490)**	**(7)**	**(141)**	**(65)**	**(9,019)**	**(8,915)**
Operating surplus on social housing lettings	**3,867**	**30**	**280**	**9**	**135**	**42**	**4,363**	**3,623**
Void losses	65	0	5	0	1	0	**71**	65

4. Units in management – group and association

Owned and managed	2023 units	Additions units	Transfers units	Disposals units	2022 units
General needs (social rent)	2,211	38	(2)	(5)	2,180
General needs (affordable rent)	7	-	-	-	7
Housing for older people (social rent)	128	-	-	-	128
Intermediate rent (mortgage rescue)	2	-	-	-	2
Intermediate rent (rent to buy)	39	-	-	-	39
Shared ownership	30	-	-	(1)	31
Total social housing	**2,417**	**38**	**(2)**	**(6)**	**2,387**
Market rent	100	-	-	-	100
Total homes for rent	**2,517**	**38**	**(2)**	**-**	**2,487**
Retained freeholds	215	-	2	(4)	217
Commercial properties	4	-	-	-	4
Total	**2,736**	**38**	**-**	**(10)**	**2,708**

Additions to social housing are new homes developed by the Association. Transfers include sales of leasehold flats which are therefore no longer social housing, but the Association retains the freehold. Further detail on these and other disposals is given in note 7.

5. Surplus for the year

Surplus for the year is stated after charging/(crediting):	Group		Association	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Bad debts	33	61	33	60
Depreciation of property, plant and equipment	2,095	1,911	2,095	1,909
Government grants				
- Amortised government grants	(256)	(239)	(256)	(239)
- Coronavirus Job Retention Scheme	-	(12)	-	(8)
- Other Coronavirus-related support	-	(20)	-	(1)
Auditor's remuneration excluding VAT				
- in their capacity as auditors	31	23	29	21
- in respect of other services	-	8	-	5

6. Tax on surplus on ordinary activities – group and association

	2023 £'000	2022 £'000
The tax charge comprises:		
Current tax on surplus on ordinary activities		
UK corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
Deferred tax		
Provision at start of period	-	-
Deferred tax charged for the period	-	-
Total deferred tax	-	-
Total tax on surplus on ordinary activities	-	-

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the surplus before tax for the association is as follows:

	2023 £'000	2022 £'000
Surplus on ordinary activities before tax	3,161	2,922
Tax on surplus on ordinary activities at standard UK corporation tax rate of 19% (2022: 19%)	601	555
Effects of:		
- Expenses not deductible for tax purposes	2,539	2,555
- Income not taxable in determining taxable surplus	(3,151)	(3,116)
- Losses eliminated	11	6
Total tax charge for period	-	-

7. Surplus on disposal of property, plant and equipment – group and association

	2023 Proceeds £'000	2023 Cost of Sale £'000	2023 Surplus £'000	2022 Proceeds £'000	2022 Surplus £'000
Right to buy	340	(67)	273	118	76
Right to acquire	129	(12)	117	213	181
Shared owner staircasing	116	(93)	23	126	30
Minor transactions	38	-	38	80	79
Total disposals	**623**	**(172)**	**451**	**537**	**366**

8. Interest receivable

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Interest receivable on bank deposits	543	15	532	13

9. Interest and financing costs

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
On building society and bank loans	(1,809)	(1,688)	(1,809)	(1,688)
Net interest on defined benefit liability (note 12)	(17)	(47)	(17)	(47)
	(1,826)	**(1,735)**	**(1,826)**	**(1,735)**

10. Staff costs

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
FTE	117	128	88	83
Wages and salaries	4,004	3,969	3,177	3,031
Social security costs	391	379	320	305
Pension (service cost – note 12)	311	277	284	239
Redundancy	21	49	21	-
Total staff costs	**4,727**	**4,674**	**3,802**	**3,575**

11. Directors' remuneration – group and association

The directors are defined as the members of the Pioneer Group Board, the Chief Executive and the Executive Leadership Team named on page three of this report.

None of the members of the Board received any remuneration (2022: none).

The aggregate amounts paid to the Executive Leadership Team were:

	2023 £'000	2022 £'000
Aggregate emoluments payable to directors (including benefits in kind)	464	459
Pension contribution	88	40
Total directors' emoluments	**552**	**499**
Total expenses reimbursed to the directors not chargeable to United Kingdom income tax	2	3
Emoluments payable to the highest paid director (excluding pension contributions but including benefits in kind)	125	118

The aggregate amount of compensation payable to directors or past directors for loss of office was zero (2022: zero)

The Chief Executive is an ordinary member of the SHPS defined benefit pension scheme, on terms identical to those of all other members. There are no enhanced or special terms.

The full-time equivalent number of staff whose remuneration, including pensions and termination benefits, payable in relation to the period of account fell within each band of £10,000 from £60,000 upwards was:

	2023	2022
£60,000 - £70,000	5	-
£70,000 - £80,000	-	1
£80,000 - £90,000	-	-
£90,000 - £100,000	-	2
£100,000 - £110,000	1	1
£110,000 - £120,000	2	-
£120,000 - £130,000	-	1
£130,000 - £140,000	-	-
£140,000 - £150,000	1	-

12. Retirement benefit schemes – group and association

The Group participates in two pension schemes through the Social Housing Pension Scheme (SHPS).

The Group offers:
- one open defined contribution scheme
- one open defined benefit scheme

The Group previously participated in the Local Government Pension Scheme (LGPS). The scheme was closed during the year and all outstanding liabilities were settled.

The combined impact of all pension schemes on the Group's Statement of Comprehensive Income and Statement of Financial Position is shown below.

Combined sums charged / (credited) to Statement of Comprehensive Income

	2023 SHPS £'000	2023 LGPS £'000	2023 TOTAL £'000	2022 TOTAL £'000
Service cost	153	19	**172**	149
Scheme administrative expenses	6	-	**6**	7
Net interest expense	17	-	**17**	47
Other comprehensive income – actuarial losses / (gains)	287	-	**287**	(1,209)
(Gain) on closure of pension scheme	-	(602)	**(602)**	-
Total cost/(gain) for defined benefit schemes	**463**	**(583)**	**(120)**	**(1,006)**
Service cost – defined contribution (association)			112	90
TOTAL cost/(gain) (association)			**(8)**	**(916)**
Service cost – defined contribution (subsidiaries)			27	38
TOTAL cost/(gain) (group)			**19**	**(878)**

Combined pension liability

	2023 £'000	2022 £'000
Social Housing Pension Scheme	789	749
Local Government Pension Scheme	-	248
Total defined benefit pension liability	**789**	**997**

Pension deficit payments for the year were £194,000 for SHPS and £0 for LGPS (2022: £149,000 for SHPS and £0 for LGPS).

Defined contribution schemes

The Group operates a defined contribution retirement benefit scheme for qualifying employees. The total expense charged to the Statement of Comprehensive Income in the period ended 31 March 2023 was £139,000 for the Group (2022: £128,000), of which £112,000 was for the Association (2022: £90,000).

Defined benefit schemes

Social Housing Pension Scheme (SHPS)

The Group participates in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1.6 billion. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028. As a result, the Group will pay £1.3 million deficit contributions from 1 April 2022 until 31 March 2028. The payment in 2022/23 was £194,000, rising by 5.5% a year thereafter.

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward to 31 March.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward to 31 March 2023.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Amounts recognised in the Statement of Comprehensive Income in respect of this scheme:

	2023 £'000	2022 £'000
Service cost	153	119
Scheme administrative expenses	6	5
Net interest expense	17	38
Recognised loss/(gain) in other comprehensive income	287	(954)
Total cost/(gain) relating to this defined benefit scheme	**463**	**(792)**

Amounts included in the Statement of Financial Position arising from the Group's obligations in respect of this defined benefit scheme:

	2023 £'000	2022 £'000
Present value of defined benefit obligations	(4,579)	(6,913)
Fair value of scheme assets	3,790	6,164
Deficit	**(789)**	**(749)**

Movements in the present value of defined benefit obligations:

	2023 £'000	2022 £'000
At 1 April	6,913	6,964
Service cost	153	119
Interest cost	193	156
Administrative expenses	6	5
Actuarial losses/(gains) – change in financial assumptions	(2,545)	(691)
Actuarial losses/(gains) – change in demographic assumptions	(9)	(100)
Actuarial losses/(gains) – due to scheme experience	(63)	453
Benefits paid and expenses	(103)	(64)
Member contributions	34	71
At 31 March	**4,579**	**6,913**

Movements in the fair value of scheme assets:

	2023 £'000	2022 £'000
At 1 April	6,164	5,226
Interest on assets	176	118
Return on assets	(2,904)	616
Employer contributions	423	197
Member contributions	34	71
Benefits paid and expenses	(103)	(64)
At 31 March	**3,790**	**6,164**

Breakdown of the scheme assets:

	2023 £'000	2022 £'000
Global equity	71	1,183
Absolute return	41	247
Distressed opportunities	115	221
Credit relative value	143	205
Alternative risk premia	7	203
Fund of hedge funds	-	-
Emerging markets debt	20	179
Risk sharing	279	203
Insurance-linked securities	96	144
Property	163	166
Infrastructure	433	439
Private debt	169	158
Opportunistic illiquid credit	162	207
High yield	13	53
Opportunistic credit	-	22
Cash	27	21
Corporate bond fund	-	411
Liquid credit	-	-
Long lease property	114	159
Secured income	174	230
Liability driven investment	1,746	1,720
Currency hedging	7	(24)
Net current assets	10	17
Total scheme assets at 31 March	**3,790**	**6,164**

None of the fair values of the assets shown above include any direct investments in the Group's own financial instruments or any property occupied by, or other assets used by, the Group.

Key assumptions used:

	2023	2022
Salary increases	3.81%	4.13%
Inflation (RPI)	3.16%	3.44%
Inflation (CPI)	2.81%	3.13%
Discount rate	4.83%	2.78%

Assumed life expectancies on retirement at age 65:

	2023 years	2022 years
Retiring today		
Males	21.0	21.1
Females	23.4	23.7
Retiring in 20 years		
Males	22.2	22.4
Females	24.9	25.2

Local Government Pension Scheme (LGPS)

This scheme was closed on 31 January 2023 and all outstanding liabilities have been settled.

The scheme was a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013. The administering authority for the Fund was the London Pensions Fund Authority.

Following closure of the scheme, the scheme actuary calculated the value of the assets and liabilities within the Fund attributable to the Group on the cessation date. The actuarial valuation was carried out as required under Regulation 64 of the Local Government Pension Scheme Regulations 2013.

The actuarial valuation showed a surplus of £354,000, which was paid to the Group as an exit credit. The difference between the actuarial valuation as at 31 January 2023 and the accounting deficit as at 31 March 2022 was £602,000, which has been credited to the Statement of Comprehensive Income.

The Fund retains a legal charge over nine of the Group's properties, which is in the process of being released.

Amounts recognised in the Statement of Comprehensive Income in respect of this scheme:

	2023 £'000	2022 £'000
Service cost	19	30
Scheme administrative expenses	-	2
Net interest expense	-	9
Recognised gain in other comprehensive income	-	(255)
Gain on closure of pension scheme	(602)	-
Total cost/(income) relating to this scheme	**(583)**	**(214)**

Amounts included in the Statement of Financial Position arising from the Group's obligations in respect of this defined benefit scheme:

	2023 £'000	2022 £'000
Present value of defined benefit obligations	-	(1,683)
Fair value of scheme assets	-	1,435
Deficit	**-**	**(248)**

Sensitivity analysis

The assumptions used are based on data from the scheme actuaries.

The sensitivity analysis below shows the approximate increase in the Group's liabilities as at 31 March 2023 under the following circumstances:

Sensitivity	Liability £'000	Change in liability £'000	Change in liability %
Base assumptions	789	-	-
0.1% decrease in real discount rate	874	85	11%
0.1% increase in the salary increase rate	789	-	-
0.1% increase in CPI and RPI	853	64	8%
0.1 year increase in life expectancy	798	9	1%

13. Intangible assets – group and association

	Computer Software £'000
Cost	
At 1 April 2022	824
Additions	30
Disposals	-
At 31 March 2023	**854**
Amortisation	
At 1 April 2022	(630)
Charge for the year	(83)
Disposals	-
At 31 March 2023	**(713)**
Net book value at 31 March 2023	**141**
Net book value at 31 March 2022	**194**

14. Tangible fixed assets – housing properties – group and association

	Social housing properties held for letting £'000	Social housing properties under construction £'000	Completed shared ownership £'000	Shared ownership under construction £'000	Total social housing properties £'000
Cost					
At 1 April 2022	96,956	2,329	2,414	-	101,699
Component replacement	1,223	-	-	-	1,223
Additions	-	4,697	-	375	5,072
Disposals	(178)	-	(88)	-	(266)
Completed properties	3,332	(3,332)	(5)	5	-
At 31 March 2023	**101,333**	**3,694**	**2,321**	**380**	**107,728**
Depreciation					
At 1 April 2022	(19,595)	-	(22)	-	(19,617)
Charge for year	(1,703)	-	(24)	-	(1,727)
Disposals	87	-	2	-	89
At 31 March 2023	**(21,211)**	**-**	**(44)**	**-**	**(21,255)**
Net book value at 31 March 2023	**80,122**	**3,694**	**2,277**	**380**	**86,473**
Net book value at 31 March 2022	**77,361**	**2,329**	**2,392**	**-**	**82,082**

Housing properties comprise

	2023 £'000	2022 £'000
Freehold	86,473	82,082

15. Investment properties – group and association

Cost	Market Rent £'000	Commercial £'000	Stadium £'000	Total £'000
At 1 April 2022	11,962	348	1,180	13,490
Additions	86	-	1	87
As at 31 March 2023	**12,048**	**348**	**1,181**	**13,577**
Revaluation				
As at 1 April 2022	1,407	(58)	(1,180)	169
Revaluation deficit for year	(50)	(7)	(1)	(58)
As at 31 March 2023	**1,357**	**(65)**	**(1,181)**	**111**
Net book value at 31 March 2023	**13,405**	**283**	**-**	**13,688**
Net book value at 31 March 2022	**13,369**	**290**	**-**	**13,659**

The historic cost of market rent investment properties, which is used for calculating the gearing covenant for the Santander loans, is £12,048,000 (2022: £11,962,000). The cumulative revaluation surplus included in the balance at 31 March 2022 is £111,000 (2022: £169,000).

16. Homebuy loans – group and association

	2023 £'000	2022 £'000
Homebuy loans	106	-

17i) Other property, plant and equipment – group

	Fixtures and fittings £'000	Plant and machinery £'000	Motor vehicles £'000	Computers £'000	Freehold Premises £'000	Total £'000
Cost						
At 1 April 2022	1,476	371	89	969	2,529	5,434
Additions	39	126	-	177	33	375
Disposals	(98)	(46)	-	-	(216)	(360)
At 31 March 2023	**1,417**	**451**	**89**	**1,146**	**2,346**	**5,449**
Depreciation						
At 1 April 2022	(1,056)	(284)	(42)	(858)	(755)	(2,995)
Charge for the year	(102)	(65)	(22)	(61)	(36)	(286)
Disposals	98	46	-	-	216	360
At 31 March 2023	**(1,060)**	**(303)**	**(64)**	**(919)**	**(575)**	**(2,921)**
Net book value at 31 March 2023	**357**	**148**	**25**	**227**	**1,771**	**2,528**
Net book value at 31 March 2022	**420**	**87**	**47**	**111**	**1,774**	**2,439**

17.ii) Other property, plant and equipment – association

	Fixtures and fittings £'000	Plant and machinery £'000	Motor vehicles £'000	Computers £'000	Freehold Premises £'000	Total £'000
Cost						
At 1 April 2022	1,420	359	89	967	2,295	5,130
Additions	39	126	-	177	33	375
Disposal	(93)	(34)	-	-	-	(127)
At 31 March 2023	**1,366**	**451**	**89**	**1,144**	**2,328**	**5,378**
Depreciation						
At 1 April 2022	(999)	(271)	(42)	(856)	(523)	(2,691)
Charge for the year	(102)	(65)	(22)	(61)	(36)	(286)
Disposal	93	34	-	-	-	127
At 31 March 2023	**(1,008)**	**(302)**	**(64)**	**(917)**	**(559)**	**(2,850)**
Net book value at 31 March 2023	**358**	**149**	**25**	**227**	**1,769**	**2,528**
Net book value at 31 March 2022	**422**	**88**	**47**	**110**	**1,772**	**2,439**

18. Inventory – group and association

	2023 £'000	2022 £'000
Inventory – properties held for shared ownership sale	254	-
Inventory – Stadium bar	3	2
Total inventory	**257**	**2**

Inventory – properties held for shared ownership sale – group and association

	First tranche shared ownership under construction £'000
At 1 April 2022	-
Additions	254
Sales	-
At 31 March 2023	**254**

19. Debtors – amounts falling due within one year

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Gross rental debtors – current tenants	446	464	446	464
Gross rental debtors – former tenants	186	240	186	240
Provision for doubtful debts	(521)	(598)	(521)	(598)
Net rental debtors	**111**	**106**	**111**	**106**
Gross other debtors	488	430	362	338
Provision for doubtful debts	(68)	(80)	(67)	(79)
Net other debtors	**420**	**350**	**295**	**259**
Prepayments and accrued income	1,064	1,859	969	1,814
Intercompany debtors	-	-	-	40
Total debtors due within one year	**1,595**	**2,315**	**1,375**	**2,219**

The present value adjustment of rental debtors where a repayment schedule is in place is not shown as it is not material.

20. Cash and cash equivalents

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash in bank or maturing within 3 months	18,798	6,962	18,798	6,756
Cash investments maturing within 3-12 months	15,000	-	15,000	-
Total cash and cash equivalents	**33,798**	**6,962**	**33,798**	**6,756**

21. Creditors - amounts falling due within one year

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	120	415	120	415
Rent & service in advance	446	422	446	422
Group intercompany	-	-	573	500
Accruals and deferred income	1,136	941	1,032	911
Obligations under finance leases (note 22)	11	8	11	8
Other creditors and accruals	395	343	289	219
Corporation Tax	-	-	-	-
Loans	1,488	1,407	1,488	1,407
Government grants	263	236	263	236
Total creditors due within one year	**3,859**	**3,772**	**4,222**	**4,118**

22. Other creditors - amounts due after more than one year – group and association

	2023	2022
	£'000	£'000
Housing loans	61,336	32,824
Deferred loan arrangement fees	(574)	(113)
Leaseholder sinking fund	709	692
Stadium sinking fund	125	100
Obligations under finance leases	15	-
Government grants	34,189	34,345
Recycled Capital Grant Fund	28	33
Total creditors due after more than one year	**95,828**	**67,881**

Housing loans – group and association

Repayment schedule	2023 £'000	2022 £'000
Between one and two years	1,575	1,488
Between two and five years	5,306	10,008
Between five and ten years	14,063	12,729
In ten years or more	40,392	8,599
Housing loans falling due after more than one year	**61,336**	**32,824**
Within one year	1,488	1,407
Total housing loans	**62,824**	**34,231**

Loans are fixed at rates of between 0.7% and 5.4%, or are variable at margins of 0.4% above SONIA plus a credit adjustment spread intended to represent the difference between SONIA and LIBOR. The average cost of borrowing as at 31 March 2023 was 2.9%.

The loans are secured against the Group's housing and investment properties.

Finance leases – group and association

Repayment schedule	2023 £'000	2022 £'000
Between one and two years	15	-
Between two and five years	-	-
In five years or more	-	-
Finance leases falling due after more than one year	**-**	**-**
Within one year	11	8
Total finance leases	**26**	**8**

Government grants – group and association

The total accumulated amount of capital grant received or receivable at the balance sheet date is £40,732,000 (2022: £39,787,000)

Deferred income – government grants	2023 £'000	2022 £'000
Social housing grant		
At 1 April	39,787	38,744
Grants receivable	156	1,076
Disposals	(28)	(33)
At 31 March	**39,915**	**39,787**
Amortisation		
At 1 April	5,206	4,967
Amortisation to Statement of Comprehensive Income	257	239
Disposals	-	-
At 31 March	**5,463**	**5,206**
Net deferred income – government grants		
Due within one year	263	236
Due after one year	34,189	34,345
At 31 March	**34,452**	**34,581**
Of which:		
Housing Action Trust grant	29,477	29,477
Other social housing grant	4,975	5,104
Total government grant	**34,452**	**34,581**

Recycled Capital Grant Fund – group and association

	2023 £'000	2022 £'000
As at 1 April	33	-
Grants to be recycled from shared owner staircasing	28	33
Interest accrued	1	-
Recycling of grant	(34)	-
As at 31 March	**28**	**33**

23. Financial instruments

The carrying values of the Group and Association's financial assets and liabilities are summarised by category below:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Financial assets				
Measured at undiscounted amount receivable				
• Rent arrears and other debtors	531	456	406	365
• Cash	33,798	6,962	33,798	6,756
Total	**34,329**	**7,418**	**34,204**	**7,121**
Financial liabilities				
Measured at amortised cost				
• Loans payable (see note 21, 22)	62,250	34,118	62,250	34,118
Measured at undiscounted amount payable				
• Trade and other creditors	1,905	1,892	1,705	1,739
• Amounts owed to related undertakings (see note 21)	-	-	573	500
Total	**64,155**	**36,010**	**64,528**	**36,357**

The income, expense, gains and losses in respect of financial instruments are summarised below:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest income and expense				
Total interest income for financial assets at amortised cost	-	-	-	-
Total interest expense for financial liabilities at amortised cost	1,826	1,735	1,826	1,735
Total	**1,826**	**1,735**	**1,826**	**1,735**

24. Share capital - association

Ordinary shares of £1 each:		2023 Number	2022 Number
Allotted, issued and fully paid at 1 April		15	15
Shares issued during year for cash at par		2	-
Cancelled during the year		(2)	-
At 31 March		**15**	**15**
Comprising:	Tenant shareholders	4	3
	Community shareholders	3	3
	Ordinary shareholders	8	9
		15	**15**

The share capital is raised by the issue of shares with a nominal value of £1 each. The Association's Co-operative and Community Benefit Societies Act status means that the maximum shareholding permitted per member is one share. The Pioneer Group has an open shareholding membership with three classes of membership: tenant, community and ordinary. The shares carry no right to interest, dividend or bonus. Shares are not capable of being withdrawn or transferred and cannot be held jointly. Shareholders have the right to attend or to vote by proxy at any general, special general or extraordinary meeting of the Association.

25. Statement of cash flows - group

	2023 £'000	2022 £'000
Cash flow from operating activities		
Surplus for the year	3,107	2,947
Adjustment for non-cash items:		
Depreciation/impairment of property, plant and equipment	1,883	1,717
Decrease/(increase) in debtors	464	(254)
(decrease)/increase in creditors	(751)	863
Increase in provisions	42	122
Pension costs less contributions payable	(225)	(1,258)
Decrease/(increase) in fair value of investment property	58	(219)
Finance lease obligations	(15)	(9)
Adjustments for investing or financing activities:		
Surplus on sale of property, plant & equipment	(451)	(515)
Government grants utilised in the year	(257)	(240)
Interest payable	1,826	1,735
Interest receivable	(532)	(13)
	5,149	**4,877**
Cash and cash equivalents		
Cash at bank and in hand	33,798	6,962
Total	**33,798**	**6,962**

26. Financial commitments – group and association

Capital commitments are:	2023 £'000	2022 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	7,704	3,618
Capital expenditure authorised by the Board but not yet contracted for	-	7,818

Capital commitments will be funded by existing cash balances and secured borrowing.

Total future minimum lease payments under non-cancellable operating leases are:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Payments due:				
Within one year	5	6	-	1
Between one and five years	19	20	-	1
After five years	442	446	-	-
Total	**466**	**472**	**-**	**2**

27. Contingent assets and liabilities

There are no contingent assets or liabilities at the 31 March other than those reported within the financial statements relating to pension fund valuations.

The Group has been notified by the Trustee of the Social Housing Pension Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is some uncertainty surrounding these changes. The Trustee has been advised to seek clarification from the Court on these items. The process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer, with any accuracy. No adjustment has been made in these financial statements.

28. Relationship between parents and subsidiaries

The Pioneer Housing and Community Group Limited is the group parent. It is controlled by its Board, as disclosed on page three.

The ultimate controlling party of Compass Support Services Limited is the Pioneer Housing and Community Group Limited. Compass Support Services Limited is not registered with the Regulator of Social Housing.

The ultimate controlling party of The Merlin Venture Limited is the Pioneer Housing and Community Group Limited. The Merlin Venture Limited is not registered with the Regulator of Social Housing.

29. Related parties

During the year one Pioneer Group Board member was a tenant of the Association (2022: two Board members). They received services on exactly the same basis as any other tenant of the Association.

Rent and service charges charged for the year were £4,984 (2022: £9,701) and arrears at 31 March 2023 were nil (2022: nil).

30. Intra-group transactions

Intra-group transactions and outstanding balances at year end are given below.

The most significant item is payment from Pioneer to Compass for delivery of community regeneration activity. This is agreed annually by the Pioneer Group Board and represent specific contributions to the wider regeneration and sustainability of the Castle Vale estate, which will benefit the parent's ability to let homes and sustain tenancies in the long term. Extensive work is undertaken around health, education, family support and employment initiatives. All outstanding balances are expected to be paid in full.

Intra-group transactions were:

	2023 Pioneer £'000	2023 Compass £'000	2023 Merlin £'000	2023 Group £'000
Delivery of community regeneration activity	(334)	334	-	-
Corporate overheads	69	(69)	-	-
Senior management	-	-	-	-
Facilities management	36	(36)	-	-
Business transfer agreement	126	-	(126)	-
Other	-	-	-	-
Total intra-group	**(103)**	**229**	**(126)**	**-**
Total intra-group turnover	231	334	-	565
Total intra-group expenditure	(334)	(105)	(126)	(565)
Total intra-group eliminated on consolidation	**(103)**	**229**	**(126)**	**-**

	2022 Pioneer £'000	2022 Compass £'000	2022 Merlin £'000	2022 Group £'000
Delivery of community regeneration activity	(400)	400	-	-
Corporate overheads	43	(40)	(3)	-
Senior management	60	(57)	(3)	-
Facilities management	49	(49)	-	-
Other	(2)	2	-	-
Total intra-group	**(250)**	**256**	**(6)**	**-**
Total intra-group turnover	152	402	-	554
Total intra-group expenditure	(402)	(146)	(6)	(554)
Total intra-group eliminated on consolidation	**(250)**	**256**	**(6)**	**-**

Intra-group balance sheet items were:

	2023 Pioneer £'000	2023 Compass £'000	2023 Merlin £'000	2023 Group £'000
Debtor/(creditor) balance	-	-	-	-
Debtor/(creditor) balance	(573)	573	-	-
Total intra-group	**(573)**	**573**	**-**	**-**
Total intra-group debtors	-	573	-	573
Total intra-group creditors	(573)	-	-	(573)
Total intra-group eliminated on consolidation	**(573)**	**573**	**-**	**-**

	2022 Pioneer £'000	2022 Compass £'000	2022 Merlin £'000	2022 Group £'000
Debtor/(creditor) balance	40	-	(40)	-
Debtor/(creditor) balance	(500)	500	-	-
Total intra-group	**(460)**	**500**	**(40)**	**-**
Total intra-group debtors	40	500	-	540
Total intra-group creditors	(500)	-	(40)	(540)
Total intra-group eliminated on consolidation	**(460)**	**500**	**(40)**	**-**