



The Pioneer Housing and Community Group Limited

Annual Report and Financial Statements

**for the year ended
31 March 2020**

**Regulator of Social Housing No: L4118
Registered Society No: 28414R**

The Pioneer Housing and Community Group Limited and its subsidiaries**Annual report and Financial Statements
for the year ended 31 March 2020**

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1. The word "Association" throughout this report refers specifically to The Pioneer Housing and Community Group Limited 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

Carole Wildman (Chair) (Chair from 5 September 2019)

Francis Burrows (from 5 September 2019)

Jonathan Driffill

Greg Lakin

David Pipe (from 25 October 2019)

Stuart Roberts

Sue Spicer

Alison Fisher (until 5 September 2019, Chair until 5 September 2019)

Ken Sims (until 5 September 2019)

Sarah Johnson (until 31 December 2019)

Darshan Matharoo (until 10 February 2020)

Executive Leadership Team

Simon Wilson

Kate Foley

Martyn Hencher

David Livesey

Lisa Martinali

Chief Executive

Housing and Customer Services Director

Finance Director and Company Secretary

Asset Management Director

Community Regeneration Director

Advisors

Statutory Auditor

Mazars LLP

Chartered Accountants

45 Church Street

Birmingham

B3 2RT

Principal Bankers

Barclays Bank

15 Colmore Row

Birmingham

B3 2BH

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

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 2020.

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 77% of the Group's turnover (2019: 80%).

To achieve its wider mission to build resilient communities, 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 rent homes
- Tiggy Winkles children's day care nursery in Castle Vale for 0-5 year olds
- CCTV and community safety
- 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 2,467 social and market rent homes, of which 2,383 (97%) are in Castle Vale. Other homes are in neighbouring areas of north and east Birmingham including Stechford (41 homes) and Stockland Green (37 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 of its borrowing. It develops and lets housing under the brands of:

- Castle Vale Community Housing – social housing
- Stockland Green Opportunity Housing and Training – 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, community partnership, housing management and customer services, and housing development.

The Pioneer Group has two actively trading subsidiaries:

- **Compass Support Services Limited**
A charity registered with the Charity Commission, delivering a range of people based services including health, wellbeing, education and employment services
- **The Merlin Venture Limited**
A company limited by guarantee, supporting the local community through child care services, running the Tiggy Winkles Day Care Nursery for 0-5 year olds on the Castle Vale estate. It joined the group in 2017.

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 1997 as Castle Vale Community Housing Association, 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 now form part of the Pioneer Group.

This heritage makes the Pioneer Group different to other stock transfer housing associations. The Group has inherited a 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.

Fifteen years 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.

Completing the 2015-20 Corporate Plan

This year marks the end of the 2015-20 Corporate Plan.

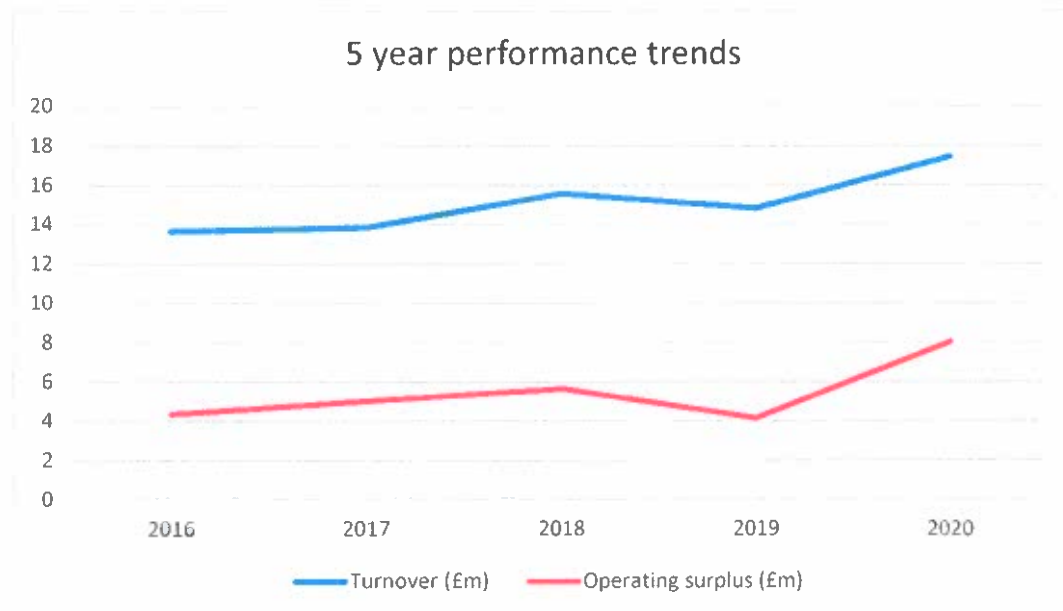
The 2015-20 Corporate Plan was a significant strategic shift for The Pioneer Group, with the aim to bring the Group's regeneration expertise and financial capacity to other local communities outside Castle Vale.

Key objectives achieved over the five year period include:

- G1/V1 regulatory rating – achieving the highest regulatory ratings from the Regulator of Social Housing following an In Depth Assessment in 2019
- Investment in existing stock – over 1,350 kitchens, 250 condensing boilers and painting 1500 properties
- Social return on investment of £9.44 for every pound invested – through Compass Support, in Castle Vale and other communities
- Building new homes – 67 new homes in Stockland Green and Stechford, and purchasing another 30 homes in Castle Vale and Stockland Green and refurbishing them to a high standard
- Castle Vale stadium – agreeing a community asset transfer from Birmingham City Council, sustaining this important community asset and leveraging £1 million investment for a new 3G pitch and stadium improvements.

Five year performance trends

The last five years have seen a trend of increasing turnover and operating surplus. This is despite the Welfare Reform and Work Act 2016 introducing a 1% reduction in social housing rents for four years, which constrained the Group's core income stream until April 2020.



Operating margin from core social housing lettings, which made up 68% of turnover in 2020 (2019: 80%) remains strong and consistently above 40%. Operating margin from all activities averages 36% across the five year period.

The Group's development programme ensured that overall property numbers rose over the period, despite the ongoing popularity of the Group's homes under the Right to Buy and the Group's participation in the Midlands Voluntary Right to Buy pilot. The Pioneer Group has plans to add another 250 new homes over the period 2020-25.

	2016	2017	2018	2019	2020
Turnover	£13.7m	£13.9m	£15.6m	£14.8m	£17.4m
Operating surplus	£4.3m	£5.0m	£5.6m	£4.1m	£8.0m
Surplus	£2.8m	£5.2m	£1.9m	£2.1m	£6.3m
Operating margin	32%	36%	36%	28%	46%
Operating margin – social housing lettings	42%	46%	46%	42%	41%
Homes provided – social and market rent	2,441	2,449	2,459	2,459	2,467

Some highlights of our work in 2019/20

The Pioneer Group's activity for 2019/20 focussed on core service delivery and strengthening performance, ensuring the Group is well prepared for a new corporate plan 2020-25.

Some of the significant projects for the year are listed below:

- **New repairs contractor**

The repairs service is one of the most visible aspects of the landlord-tenant relationship. After a wide ranging review of possible delivery models, we have entered into a partnership with **Wrekin Housing Group as our new repairs contractor, delivering a same-day service to tenants**. Mobilisation of this contract took place during the year, with the contract formally starting from April 2020. This new delivery model will involve an additional investment of £0.2 million a year in the repairs service and is expected to yield significant increases in customer satisfaction with this key service.

- **New development**

We have delivered **53 new homes at Manor House, Stechford**, a mix of affordable homes (16 rent to buy and 25 shared ownership) with 12 homes for open market sale. There was strong demand for these homes with 22 shared ownership sales and 9 open market sales completed by 31 March. We had planned to deliver a further 30 homes (23 rent to buy, 7 shared ownership) in 2019/20, but site delays mean these will now complete in 2020/21.

- **Sustainability of Compass Support**

The operating environment for our subsidiary **Compass Support** continues to change, with an environment of short-life contracts, reduced funding opportunities and increased competition alongside a great need for the services Compass delivers.

During 2019/20, Compass carried out a review of its services, structure, growth and development in order to ensure it continues to deliver a sustainable model and maximises its impact.

- **Income maximisation**

Income management is a key risk and this year we undertook major reviews of our approach to **service charges** and **income collection**. These have resulted in an increase in income from service charges, an increased investment in staffing within our income management team, and we have purchased additional software to enable income management staff time to be focussed more effectively.

- **Health and safety**

The sector's focus on tenant safety continues to increase. We have introduced improved asset management **compliance reporting** at all levels, and implemented **improved fire safety management** in high risk residential buildings.

- **Strategic planning**

We began work on an updated **treasury strategy**, appointing Savills Financial Consultants as retained treasury adviser and carrying out a review of funding options. This will ensure that the Pioneer Group has the necessary long term funding to deliver its development programme and manage interest rate risk.

Finally, our current Corporate Plan came to an end in March 2020. During the year, we undertook a full strategic review, consulted with stakeholders and agreed a **new Corporate Plan 2020-25**.

Corporate Plan 2020-25

The new Corporate Plan organises our activity around three key themes, with clear measures of success to be achieved by 2025.

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

Great, safe homes

- **Great landlord** – we will be in the best 25% of landlords for tenants' overall satisfaction with services
- **Great homes** – 1500 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

Our commitments in 2020/21

Our annual planning process has identified 11 key projects for delivery this year. Once again, we have sought to focus activity on a small number of key projects which will provide a platform for the next five years of the 2020-25 Corporate Plan

The projects for next year are:

- **Great, safe homes**

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. As a first stage, we will engage in a wide **voice of the customer** consultation process, ensuring we understand key priorities for tenants and residents. This will ensure we focus the next five years on the issues that really matter to our communities.

The safety of our tenants remains a high priority. We have improved asset management compliance reporting at all levels, and implemented improved fire safety management in higher risk residential buildings. During the year we appointed a new gas servicing contractor and created an in-house electrical safety testing team. The next stage will be to tender and appoint **new compliance contractors** in other areas, including lift servicing and maintenance, asbestos and fire safety.

In 2019/20, we delivered 53 new homes at Manor House, Stechford. In 2020/21, we will deliver **44 more new homes** by completing our schemes at Manor House, Stechford, and Slade Road, Stockland Green. Both these sites are on prominent locations in their communities, turning neglected brownfield sites into much-needed homes. We will also continue to seek further land and partnership opportunities during the year to ensure we can deliver 250 homes in total over the next 5 years.

- **Strong, vibrant communities**

Community hubs play an important role in their neighbourhoods, providing a place for activities, supporting small businesses and helping build community activism, but these facilities have been heavily impacted by coronavirus. We will work to reopen our facilities at Castle Vale and Falcon Lodge, increasing

the range of activities and support provided and building a sustainable future for these centres. Through our partnerships team, we will share our expertise with other community centres.

- **Business excellence**

Our housing growth strategy will require **additional borrowing** over the next five years, as well as refinancing of our current revolving credit facilities by 2022. We have appointed Savills Financial Consultants as our retained treasury adviser and agreed a treasury strategy. This year we will go to the markets to arrange the next tranche of funding.

To ensure we remain an attractive employer whilst ensuring long term financial viability and flexibility, we have begun a full **review of pay and benefits** offered to staff. This will seek to ensure our benefits are designed in a way which most appeals to current and potential staff, whilst remaining within current cost levels.

Our tenants and staff trust us with their **personal data**, and the Board takes its responsibilities under the Data Protection Act very seriously. We invested heavily in compliance work during 2019/20, and we will continue to implement process and cultural changes to ensure continued compliance in 2020/21. This includes reviewing what items of information we need to hold and ensuring the accuracy of data within our core systems.

During 2019/20 we agreed a new, long term partnership with **Orchard Housing**. As part of this, we will introduce a range of **new IT systems** to complement our existing housing management system, strengthening our approach to compliance, income collection and performance reporting.

In line with our code of governance, we will carry out a formal **governance review** to ensure our current arrangements are fit for the new corporate plan.

Finally, we carried out a broad **service charge review** in 2019/20 to better understand the financial subsidy we were applying in this area. This project will continue into 2020/21 to determine a new service charge policy approach. A separate project will **review leaseholder sinking funds**, ensuring the amounts we collect are in line with the expected long term costs of maintenance.

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 Plan. The risk framework is accompanied by clear risk appetites and golden rules set by the Board.

During the year the Board carried out extensive stress testing. As a result, the Board revised its golden rules to embed a greater level of headroom within the financial plan, against the key financial measures of liquidity and loan covenant compliance.

The Pioneer Group will continue to evolve its risk process in line with best sector practice. Pioneer has assessed a range of risk software tools during the year and has adopted 4Risk. This will help to improve assurance mapping against key controls.

The worldwide economic uncertainty surrounding coronavirus has the potential to impact on a number of strategic risks. The Pioneer Group is in a financially strong position to face the crisis, with £11 million

cash at 31 March and considerable headroom against covenants for 2020/21. The Group's initial priority has been the safety and wellbeing of staff, residents and customers.

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

Risk	Description	Assurance/mitigation/action
Income	Income reduces due to welfare reform, financial stresses on individuals or government policy	<p>The Pioneer Group completed a service review of income management in the year, reshaping the team and adding additional staff overall.</p> <p>Orchard Income Analytics software will be introduced in 2020/21 to help officers monitor and target arrears in a more sophisticated way.</p> <p>There is potential for this risk to be impacted by coronavirus. The Board is monitoring arrears and voids on a weekly basis.</p> <p>Residents are being offered welfare, benefits and employment advice.</p>
Cost	Cost increases due to adverse economic conditions (inflation/interest rates)	<p>Pioneer secured additional loan fixes and at 31 March 2020 98% of current loan funding was fixed for at least a year.</p> <p>Shortly after the year end date, £13 million additional forward fixes were agreed to provide even longer term certainty at the very low rates available in the current economic climate.</p>
Coronavirus	Increased cases affecting staff and residents. Restrictions on movement of people.	<p>The Pioneer Group's business continuity plan was formally triggered, treating coronavirus as a major incident. All staff who can work from home were enabled to do so in March, with the offices, nursery and community facilities being temporarily closed.</p> <p>In order to protect staff and maintain social distancing, a member of staff who is usually located in one of our sheltered schemes continues to work from home, essentially providing the same service to residents in a different way. All residents continue to benefit from an emergency pull-cord system so they are able to summon assistance if it is required. Additionally, staff are visiting the scheme to carry out fire alarm and other safety testing as normal.</p> <p>Advice has been provided to residents in sheltered schemes in keeping with government guidelines around the need to isolate and social distancing measures. Additional cleaning is being provided in communal areas, with the provision of additional hand sanitiser as required. Daily welfare calls are being made.</p>

		To support local communities, the Group has donated funds to the local food bank and is assisting with food delivery. Additionally, health and wellbeing services are continuing, including virtual befriending support, remote exercise classes and virtual counselling.
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Financial performance

The overall financial performance of the Pioneer Group is a surplus after tax of £6.3 million (2019: £2.1 million).

The core activity of the Group is social housing. Social housing accounts for 77% of the Group's turnover (2019: 80%).

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 0.6 million (2019: £1.2 million) in non-social housing activities, 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 facilities.

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 Pioneer'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 4% of the Group's turnover and 4% of its properties (2019: 5% of turnover, 4% of properties).

The net expenditure on non-social housing has reduced in 2020, largely because of surpluses made from selling nine built-for-sale properties from the development at Manor House, Stechford. Whilst this was a successful activity, there are currently no plans to carry out additional build-for-sale developments.

The Pioneer Group has successfully secured £4.6 million social housing grant from Homes England to build new social homes, so future development activity is expected to focus on social housing tenures rather than market sale.

Total comprehensive income for the year was £7.1 million (2019: £1.2 million). This was a £0.8 million increase from the surplus for the year (2019: £0.9 million decrease). This other comprehensive income mostly relates to the SHPS defined benefit pension scheme (note 12), where changes in financial assumptions recommended by the scheme actuary reversed the losses recognised in the previous year.

The Group's balance sheet shows an increase in fixed assets to £95.2 million (2019: £94.1 million). Retained revenue reserves have risen significantly to £30.7 million (2019: £23.7 million).

The Group's cash balance at year end was £11.2 million, and this is accompanied by a £17 million undrawn revolving credit facility. The significant rise in cash (2019: £4.8 million) was driven by a significant volume of property sales, both developed for sale and disposals of existing homes. During the year the Pioneer Group completed 30 Voluntary Right to Buy sales, 3 Right to Buy Sales, 22 shared ownership sales and 9 market sales. This has built the Group's sales expertise considerably.

This strong cash position puts the Pioneer Group in a robust liquidity position to face the economic challenges caused by the coronavirus. Longer term, this liquidity will support the Group's housing growth strategy to develop 250 new homes by 2025.

Despite spending a further £5.0 million (2019: £5.5 million) on investment activities in new and existing property, the Pioneer Group has not needed to make any loan drawdowns from its revolving credit facility during the year. Loan balances have fallen from £41.3 million to £40.3 million due to scheduled loan repayments. The Group has taken advantage of the current low interest rate environment to agree additional forward fixes; 99% of current loans are fixed and 89% are fixed in excess of 5 years (2019: 55%).

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 Pioneer's 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 performance columns are colour coded to show whether Pioneer's 2020 results are better (green) or worse (red) than internal targets and peer benchmarks.

The peer comparison shows the median result for a group of 22 comparable-sized (1,000-2500 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.

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 sector as a whole, to demonstrate that remaining a smaller independent provider delivers positive value for money outcomes compared to the larger providers.

Regulatory Metric	Trends			
	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Reinvestment	2.2%	1.8%	4.6%	4.6%
New supply delivered (social housing units)	0.0%	0.0%	0.0%	1.7%
New supply delivered (non-social housing units)	0.0%	0.5%	0.0%	0.5%
Gearing	46.6%	47.8%	46.5%	36.2%
EBITDA MRI interest cover	241%	269%	197%	252%
Headline social housing cost per unit	£2,914	£2,733	£2,975	£2,855
Operating margin (social housing lettings)	45.8%	45.9%	41.7%	40.7%
Operating Margin (overall)	36.1%	33.6%	25.6%	25.3%
Return on capital employed	5.6%	5.9%	4.2%	7.8%

Performance		
2020 Target	Sector median	Peers median
17%	6.2%	4.0%
3.0%	1.5%	0.8%
0.5%	0.0%	0.0%
47.1%	43.4%	37.2%
148%	184%	187%
£3,161	£3,695	£3,738
35.7%	29.2%	29.6%
22.9%	25.8%	26.7%
5.6%	3.8%	3.1%

The 2020 results of the regulatory metrics show very strong value for money performance, including:

- Significant improvement on 2019, with improvements across seven of the nine indicators
- Meeting internal targets in seven of the nine indicators
- Outperforming peers in eight of the nine indicators
- Outperforming the sector in seven of the nine indicators

The Group's long term efforts to grow its development programme are beginning to yield results, with 41 social and 12 non-social homes delivered during the year at Manor House, Stechford. This has significantly improved performance against the two new supply metrics; having previously performed very poorly, the Pioneer Group outperformed both peers and the wider sector in 2020. The Pioneer Group plans to keep this performance at a similar level for the next five years, with 250 further homes built by 2025.

Reinvestment and new supply metrics did not reach the ambitious targets we set for 2020, and there is more to do to ensure a strong development pipeline over the next five years. The Group continues to work with Accord Group and the Matrix Housing Partnership to ensure successful delivery of the programme. Specialist consultancy has been used to temporarily strengthen the development function. The Group has also invested in industry standard development appraisal software, to speed up and strengthen assessment of potential schemes.

Social housing operating margin remains high for the sector, enabling the investment in wider community and people focussed services which results in a lower overall margin. The gap between social housing margin and overall operating margin is much more significant for the Pioneer Group than for peers and

the wider sector, showing the particular value Pioneer places on wider community regeneration activities, sustainably funded through strong core performance in social housing.

Targets for 2020/21 will be revised by the Board later in the year, to reflect the operational impact of coronavirus. However, the strategic direction remains to sustain the improvement in reinvestment and new supply, which will require sustainable and planned reductions in EBITDA MRI interest cover and increases in gearing.

Value for Money – performance against Pioneer's metrics

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

Pioneer Metric	Trends					Performance		
	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Target	2020 Target	Sector median	Peers median
Overall satisfaction with landlord's services	85%	83%	79%	80%	82%	88%	87%	87%
Satisfaction with most recent responsive repair	94%	93%	84%	80%	87%	85%	90%	89%
Rent collection	99.9%	99.8%	99.1%	100.1 %	98.0%	100.0%	100.0%	100.3%
Rent loss due to voids	0.15%	0.24%	0.31%	0.46%	0.47%	0.30%	0.81%	0.95%
Number of new units developed/refurbished	8	30	6	53	44	83	106	10
Overheads as a % of adjusted turnover	15.5%	15.7%	13.8%	15.9%	15.5%	15.7%	11.8%	13.8%

Overall customer satisfaction has marginally improved after several years of consistent decline, which is a trend seen across almost all the satisfaction indicators. The underlying reasons affecting satisfaction are linked to the neighbourhood, service quality and the repairs service.

Regression analysis shows there is some correlation between this metric and the decline in satisfaction with the repairs service, which in turn is influenced by repairs completed at first visit and repair appointments kept. The Pioneer Group has experienced challenges with the repairs service, particularly towards the final months of the contract, which saw a marked decline in performance across a range of indicators.

During 2020/21 we anticipate significant improvement in the key process based metrics (repairs completed on time, completed at first visit and appointments made and kept) with our new repairs contractor, which will lead to improvements in repairs and overall satisfaction. Investing additional money in the repairs service will contribute an increase of around £70 per unit in headline social housing cost per unit, which is a strategic value for money decision by the Board targeted at increasing customer satisfaction with a key service.

Additionally, we are currently undertaking a dedicated 'voice of the customer' project to better understand the drivers of customer satisfaction, and provide greater insight for future service design. The work will include:

- A defined engagement framework
- Measurements of customer satisfaction and aspiration
- Analysis of results. Identifying customer priorities, ensuring data sources are triangulated.
- Developing control measures to track the effectiveness of actions.

Overall pressure on arrears and rent collection remains as an increasing number of customers transition to universal credit. However, rent collection at 100.1% improved compared to last year (99.1%). This has been primarily driven by implementation of a new team structure and additional staff resources, which have allowed the team to focus on more preventative action and lower level arrears cases, aided by a newly developed tenancy level arrears tracking system.

The number of universal credit customers has continued to increase to represent 25% of our social housing tenant base (up from 13% last year). We have added extra staff within the income team so that we can actively support new claimants, put payments plans in place and help secure advance payments.

Rent collection has been impacted by coronavirus with 95% rent collected in March. Correspondingly, we have set a revised rent collection target of 98% to accommodate for the forecast increase in current and former tenant arrears.

Demand for our homes remains high and voids performance continues to significantly outperform peers and the wider sector. Again the target has been revised to accommodate for the impact of coronavirus, which prevented property lettings in the initial months of 2020/21.

The Group has added 53 additional units to its stock this year through its development programme. This is less than the original target due to the delayed acquisition of the second phase of Manor House, Stechford, due to extended planning negotiations and achieving vacant possession of the site. The site has now been acquired and works have commenced on site to secure the delivery of units.

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.

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.

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.

The Group has specifically assessed its resilience against the economic uncertainty caused by coronavirus, with particular focus on headroom for liquidity and interest cover covenants.

The Group's cash balance at year end is £11.2 million, which is enough to cover the Group's gross operating costs for 2020/21 regardless of any income being received. This liquidity position is further bolstered by a £17 million undrawn revolving credit facility.

The Group's business plan shows headroom of £0.7 million on interest cover in 2020/21, rising to over £1 million in future years. This is after allowing for over £2 million a year of capital asset management spend, which in reality is largely discretionary in the short term and could be re-profiled if necessary. The Group has placed additional controls on capital expenditure during the year, so that no spend is committed without approval from the Executive Leadership Team, who will first assess any financial impact of coronavirus. This means the Group has a headroom of over £2 million in 2020/21.

In comparison, the Group's budgeted income is £16 million, of which £4 million is directly paid housing benefit and is therefore very secure. Risk consequently focuses on the remaining £12 million income. The £2 million headroom means the Pioneer Group would meet its interest cover covenant for the year even if it collected none of this income for two months, or suffered bad debts of over 15% for the full 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 2015.

The Board confirms its compliance with the code with the exception of the length of service of one Pioneer Group Board member. This has been agreed until September 2021 to ensure the organisation continues to benefit from adequate community insight. Further Board member recruitment will take place during 2020/21.

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 seven members. The present rules of the Association allow for nine members and up to three co-optees;
- Six members are recruited directly and up to three members are nominated from the boards of Castle Vale Community Housing, Compass Support and Stockland Green Opportunity Housing and Training;
- Three of the nine Pioneer Group Board members must 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 areas that the Group operates. 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

• Finance, Audit & Risk Committee

The committee is responsible for internal and external audit, finance, risk management and compliance. At least four members must be from Pioneer Group Board. The committee meets formally at least four times per year.

• Development Committee

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

• Remuneration Committee

The committee is responsible for the policy, procedure and review of performance and remuneration of the Chief Executive and Executive Leadership Team. The Committee meets formally at least once per year.

Community sub-committees

Operational delivery in Pioneer's core operating areas is supported by local, community-focussed boards, with clear reporting and assurance back to Group Board:

- **Castle Vale Community Housing Board**

Five members must be tenants or residents of Castle Vale, elected by Castle Vale tenants; four members will be independents alongside up to one co-optee. The board is responsible for housing management and housing services, allocations, tenancy enforcement, asset management, repairs and maintenance, estate services, older person's housing services, housing development and community safety in Castle Vale. The board meets formally at least four times per year.

- **Stockland Green Opportunity Housing and Training Board**

The board is responsible for housing management and housing services, allocations, tenancy enforcement, repairs and maintenance in Stockland Green. The board meets formally at least four times per year.

This board is also legally responsible for a dormant subsidiary, Stockland Green Opportunity Housing and Training Limited. The subsidiary has not traded since 2017 and has no assets or liabilities. To simplify the group structure, it is intended to formally wind up the legal entity during 2020/21. This would not affect the community sub-committee role described above.

Subsidiary boards

Active 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, health and education, 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 Tiggy Winkles day nursery which operates in Castle Vale. The board meets formally at least four times per year.

Regulatory framework for social housing

The Board considers it a priority to demonstrate high standards of governance, 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 in 2019 who awarded the Group the highest ratings of G1/V1. A stability check was undertaken in November 2019 which re-confirmed our G1/V1 rating.

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.

The Pioneer Group carried out an organisation-wide project to review processes and promote cultural awareness in relation to the General Data Protection Regulation (GDPR) and the Data Protection Act 2018. The results of this were then independently assessed by the Group's lawyers, who viewed the Group's documentation as comprehensive, compliant, and evidence that Pioneer takes its data protection responsibilities seriously.

The Pioneer Group has been working to strengthen its approach to electrical safety testing, introducing a more frequent 5-year testing cycle, delivering a specialist in-house service, and investing in new software from Orchard for recording and monitoring compliance. As part of this work, it has been identified that a significant portion of the stock does not have a satisfactory electrical safety test certificate within the last ten years. 94% of homes have received a new kitchen and boiler within the last five years, which included production of minor works certificates and would have identified any serious electrical faults. However, the Board believes that the lack of satisfactory electrical safety certificates at this scale may constitute a breach of the Home Standard, and has reported these facts to the Regulator of Social Housing. Initial attempts to address outstanding certificates were delayed by coronavirus, but the Group has put in place a programme to test all outstanding properties by 30 September 2020.

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

As a community-focussed landlord, Pioneer 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 is exposed.

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 Pioneer Group Board.

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 the maintenance of standards of performance.

- **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.

- **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.

- **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 to provide independent assurance on key elements of the internal control framework. During the year, TIAA began work as the new internal auditor following a tender process in 2018/19. Internal audits carried out included gas servicing, cyclical testing, treasury management, corporate health and safety, payments including fraud, Compass Support, development, and cyber security. 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 enhance its approach to stress testing, recognising its responsibility for the identification of potential risk scenarios and appropriate mitigations. This has included the adoption of 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 registered society under the Co-operative and Community Benefit Societies Act 2014 (28414R) and is also registered with the Regulator of Social Housing (No 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 Chief Executive in relation to their duties for the Group and Association.

Post Balance Sheet Events

There were no post balance sheet events.

Auditor

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

By Order of the Pioneer Group Board


Carole Wildman
Chair


Martyn Hencher
Company Secretary

15 July 2020

Opinion

We have audited the financial statements of The Pioneer Housing and Community Group Limited (the 'parent association') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Group and the parent association's Statements of Comprehensive Income, the Group and the parent association's Statement of Financial Position, the Group and the parent association's Statement of Changes in Reserves, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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 parent association's affairs as at 31 March 2020 and of the group's and the parent association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2019.

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 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.

Emphasis of matter – Going concern and the impact of the COVID-19 outbreak on the financial statements

In forming our opinion on the financial statements, which is not modified, we draw your attention to the Board's view on the impact of the COVID-19 outbreak as disclosed on pages 10-12, and the consideration in the going concern basis of preparation on page 17.

During the latter part of the financial year, there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of COVID-19 is still evolving and, based on the information available at this point in time, the Board has assessed the impact of COVID-19 on the business and reflected the Board's conclusion that adopting the going concern basis for preparation of the financial statements is appropriate.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Board is responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. 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 requires us to report to you if, in our opinion:

- the parent association has not kept proper books of account; or
- a satisfactory system of control over transactions has not been maintained; or
- the financial statements are not in agreement with the 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 the Board's responsibilities set out on pages 16-17, 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's and the parent 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 group or the parent association or to cease operations, or have no realistic alternative but to do so.

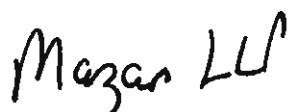
Auditor's responsibilities for the audit of the financial statements

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.

Use of the audit report

This report is made solely to the association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 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.



Mazars LLP
Chartered Accountants and Statutory Auditor

45 Church Street
Birmingham
B3 2RT

Date: 24 JULY 2020

**Statement of Comprehensive Income
for the year ended 31 March 2020**

		Group		Association	
	Note	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Turnover	3	17,446	14,810	16,259	13,105
Cost of sale	3	(2,661)	-	(2,641)	-
Operating expenditure	3	(10,366)	(11,024)	(9,161)	(9,268)
Surplus on disposal of property, plant and equipment	7	3,612	344	3,612	344
Operating surplus		8,031	4,130	8,069	4,181
Interest receivable	8	30	20	29	20
Interest and financing costs	9	(1,741)	(1,806)	(1,741)	(1,806)
Surplus/(deficit) on revaluation of investment properties	15	2	(275)	2	(275)
Surplus before tax		6,322	2,069	6,359	2,120
Taxation		(62)	-	(62)	-
Surplus for the year	5	6,260	2,069	6,297	2,120
Initial recognition of multi-employer defined benefit scheme	12	-	(660)	-	(660)
Actuarial gains/(losses) in respect of defined benefit pension schemes	12	804	(205)	804	(205)
Total comprehensive income for the year		7,064	1,204	7,101	1,255

All results relate to continuing activities.

**Statement of Financial Position
as at 31 March 2020**

		Group		Association	
	Note	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed assets					
Intangible assets	13	99	88	99	88
Housing properties	14	79,141	78,106	79,141	78,106
Investment properties	15	13,381	13,281	13,381	13,281
Other property, plant and equipment	16	2,556	2,645	2,541	2,562
		<u>95,177</u>	<u>94,120</u>	<u>95,162</u>	<u>94,037</u>
Current assets					
Inventory – properties held for sale	17	692	1,870	692	1,870
Trade and other debtors	18	688	777	604	688
Cash and cash equivalents		<u>11,202</u>	<u>4,781</u>	<u>11,014</u>	<u>4,524</u>
		<u>12,582</u>	<u>7,365</u>	<u>12,310</u>	<u>7,082</u>
Creditors: amounts falling due within one year	19	<u>(4,339)</u>	<u>(3,706)</u>	<u>(4,401)</u>	<u>(3,765)</u>
Net current assets		<u>8,243</u>	<u>3,659</u>	<u>7,909</u>	<u>3,317</u>
Total assets less current liabilities		<u>103,420</u>	<u>97,779</u>	<u>103,071</u>	<u>97,354</u>
Creditors: amounts falling due after more than one year					
Other creditors	20	71,696	72,283	71,696	72,244
Pension liability	12	985	1,821	985	1,821
		<u>72,681</u>	<u>74,104</u>	<u>72,681</u>	<u>74,065</u>
Capital and reserves					
Share capital	22	-	-	-	-
Revenue reserves		<u>30,739</u>	<u>23,675</u>	<u>30,390</u>	<u>23,289</u>
		<u>103,420</u>	<u>97,779</u>	<u>103,071</u>	<u>97,354</u>

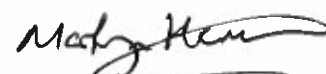
The financial statements on pages 30 to 61 were approved by the Pioneer Group Board on 18 July 2020 and were signed on its behalf by:



Carole Wildman
Chair



Sue Spicer
Board Member



Martyn Hencher
Company Secretary

**Statement of Changes in Reserves
as at 31 March 2020**

	Group	Group	Association	Association
	2020 Income & Expenditure reserve £'000	2019 Income & Expenditure reserve £'000	2020 Income & Expenditure reserve £'000	2019 Income & Expenditure reserve £'000
At 1 April 2019	23,675	22,471	23,289	22,035
Surplus for the year	6,260	2,069	6,297	2,120
Actuarial loss in respect of pension schemes	804	(865)	804	(865)
As 31 March 2020	30,739	23,675	30,390	23,289

**Consolidated Statement of Cashflows
for the year ended 31 March 2020**

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Net cash generated from operating activities	23		5,580		4,985
Cash flows from investing activities					
Purchase of property, plant and equipment		(1,453)		(1,976)	
Purchase of property		(3,559)		(3,552)	
Proceeds from sale of property, plant and equipment		7,418		429	
Interest received		30		20	
Net cash flows from investing activities			2,436		(5,079)
Cash flows from financing activities					
Interest paid		(1,697)		(1,756)	
Repayments of borrowings		(1,262)		(945)	
Grants		1,427		1,522	
Net cash flows from financing activities			(1,532)		(1,179)
Net increase/(decrease) in cash and cash equivalents			6,484		(1,273)
Cash and cash equivalents at the beginning of year			4,718		5,991
Cash and cash equivalents at 31 March	23		11,202		4,718

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).

The Association has three subsidiaries:

- Compass Support Services Limited is a company limited by guarantee and a registered charity, regulated by the Charity Commission;
- Merlin Venture Limited is a company limited by guarantee;
- Stockland Green Housing Opportunity & Training Limited is a company limited by guarantee. It is dormant with no assets or liabilities, and it is intended to formally dissolve the company during 2020/21.

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 March 2018 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 2019.

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.

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 who work on Pioneer and Compass services. Staff working directly on Compass services are recharged at cost to Compass. Compass bears the risk and reward of the staff, including liability for absence and redundancy costs. 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 Compass and Merlin 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 28.

Where there is a transfer of financial risk and reward to another Group member, 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 28.

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

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 is 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.

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
Office plant & machinery	4 years
Motor vehicle	6 years
Computer equipment	4 years
Freehold offices	50 years
CCTV infrastructure	4 years

Scheme fixed assets are depreciated over their expected useful economic lives, specific to each category of asset.

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
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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 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.

During 2019/20, the association received Financial Assistance from Homes England for discounted property sales made under the Voluntary Right to Buy. This financial assistance has been recognised immediately, alongside the sale, in line with this accounting policy.

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.

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 two multi-employer schemes where it is possible for individual employers as admitted bodies to identify their share of the scheme's assets and liabilities.

- Social Housing Pension Scheme
- Local Government Pension Scheme – London Pension Fund Authority

For these schemes 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.

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.

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. This year, management also considered the potential for additional bad debts due to the economic impact of the coronavirus pandemic. This is not an event where historical experience is available, so management applied an additional bad debt charge in the interests of prudence.

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. Given the unusual economic situation caused by coronavirus from March onwards, and the lack of transactions in the housing market around the reporting date, there is less information available than usual for management to use in determining precise values at the reporting date. There is consequently an increased estimation uncertainty compared to previous years.

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.

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

	2020 Turnover £'000	2020 Cost of sale £'000	2020 Operating costs £'000	2020 Operating surplus £'000	2019 Turnover £'000	2019 Operating costs £'000	2019 Operating surplus £'000
Income and expenditure from social housing lettings	11,783	-	(6,990)	4,793	11,845	(6,902)	4,943
Other social housing activities							
Shared ownership first tranche sales	1,582	(1,354)	-	228	-	-	-
Other	-	-	-	-	41	(2)	39
Total social housing	13,365	(1,354)	(6,990)	5,021	11,886	(6,904)	4,982
Non-social housing activity							
Properties built for sale	1,676	(1,307)	-	369	-	-	-
Leasehold management	112	-	(118)	(6)	142	(104)	38
Community regeneration	922	-	(1,837)	(915)	1,304	(2,523)	(1,219)
Commercial lettings	17	-	(18)	(1)	29	(8)	21
Home ownership	-	-	(20)	(20)	-	(20)	(20)
CCTV	-	-	(92)	(92)	-	(155)	(155)
Stadium	122	-	(217)	(95)	172	(209)	(37)
Nursery	447	-	(450)	(3)	532	(537)	(5)
Market rent	742	-	(379)	363	745	(410)	335
Development	-	-	(217)	(217)	-	(155)	(155)
Other	43	-	(28)	15	-	-	-
Total non-social housing	4,081	(1,307)	(3,376)	(602)	2,924	(4,120)	(1,196)
Total	17,446	(2,661)	(10,366)	4,419	14,810	(11,024)	3,786

Some minor items have been recategorised between 2019 and 2020

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

	2020 Turnover £'000	2020 Cost of sale £'000	2020 Operating costs £'000	2020 Operating surplus £'000	2019 Turnover £'000	2019 Operating costs £'000	2019 Operating surplus £'000
Income and expenditure from social housing lettings	11,783	-	(6,990)	4,793	11,845	(6,902)	4,943
Other social housing activities							
Shared ownership first tranche sales	1,582	(1,354)	-	228	-	-	-
Other income	-	-	-	-	41	(2)	39
Total social housing	13,365	(1,354)	(6,990)	5,021	11,886	(6,904)	4,982
Non-social housing activity							
Properties built for sale	1,676	(1,307)	-	369	-	-	-
Leasehold management	112	-	(118)	(6)	142	(104)	38
Community regeneration	180	-	(1,062)	(891)	132	(1,304)	(1,172)
Commercial lettings	17	-	(18)	(1)	29	(8)	21
Home ownership	-	-	(20)	(20)	-	(20)	(20)
CCTV	-	-	(92)	(92)	-	(155)	(155)
Stadium	122	-	(217)	(95)	171	(208)	(37)
Nursery	2	-	-	2	-	-	-
Market rent	742	-	(379)	363	745	(410)	335
Development	-	-	(217)	(217)	-	(155)	(155)
Other	43	-	(28)	15	-	-	-
Total non-social housing	2,894	(1,307)	(2,151)	(564)	1,219	(2,364)	(1,145)
Total	16,259	(2,661)	(9,141)	4,457	13,105	(9,268)	3,837

Some minor items have been recategorised between 2019 and 2020

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

	2020 General needs (social rent) £'000	2020 General needs (affordable rent) £'000	2020 Housing for older people (social rent) £'000	2020 Intermediate rent (mortgage rescue) £'000	2020 Intermediate rent (rent to buy) £'000	2020 Shared ownership £'000	2020 Total	2019 Total
Income from lettings								
Rent receivable	10,414	42	502	13	43	20	11,034	11,140
Service charges receivable	358	-	156	-	1	1	516	450
Amortised government grant	230	2	-	1	-	-	233	236
Net rents receivable	11,002	44	658	14	44	21	11,783	11,826
Other income	-	-	-	-	-	-	-	19
Turnover social housing lettings	11,002	44	658	14	44	21	11,783	11,845
Expenditure on letting activities								
Management	(1,480)	(5)	(90)	(1)	(7)	(16)	(1,599)	(1,511)
Services	(663)	-	(205)	-	-	-	(868)	(730)
Routine maintenance	(1,658)	(8)	(59)	(1)	-	-	(1,726)	(1,675)
Planned maintenance	(861)	(3)	(56)	(1)	-	-	(921)	(945)
Major repairs expenditure	(333)	-	(29)	-	-	-	(362)	(529)
Rent losses from bad debts	(79)	1	-	-	-	-	(78)	(146)
Depreciation and impairment of housing properties	(1,423)	(9)	-	(4)	-	-	(1,436)	(1,366)
Total expenditure on lettings	(6,497)	(24)	(439)	(7)	(7)	(16)	(6,990)	(6,902)
Operating surplus on social housing lettings	4,505	20	219	7	37	5	4,793	4,943
Void losses	40	-	1	-	-	-	41	25

Some minor items have been recategorised between 2019 and 2020

4. Units in management – group and association

	2020 units	Additions units	Disposals units	2019 units
Owned and managed				
General needs (social rent)	2,189	-	(33)	2,222
General needs (affordable rent)	7	-	-	7
Housing for older people (social rent)	128	-	-	128
Shared ownership	25	25	-	-
Intermediate rent (rent to buy)	16	16	-	-
Intermediate rent (mortgage rescue)	2	-	-	2
Total social housing	2,367	41	(33)	2,359
Market rent	100	-	-	100
Total homes for rent	2,467	41	(33)	2,459
Leasehold/retained freehold	226	3	(5)	228
Commercial properties	4	-	-	4
Total owned and managed	2,697	44	(38)	2,691
Under development at 31 March	44			59

5. Surplus for the year

Surplus for the year is stated after charging:

	Group		Association	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bad debts	119	156	103	149
Depreciation of property, plant and equipment	1,726	1,604	1,701	1,579
Impairment	46	-	-	-
Government grants	233	236	234	236
Auditor's remuneration excluding VAT				
- in their capacity as auditors	20	17	18	15
- in respect of other services	8	1	8	1

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

	2020 £'000	2019 £'000
The tax charge comprises:		
Current tax on surplus on ordinary activities		
UK corporation tax	61	-
Adjustments in respect of prior years	-	-
Total current tax	<u>61</u>	<u>-</u>
Deferred tax		
Provision at start of period	-	-
Deferred tax charged for the period	1	-
Total deferred tax	<u>1</u>	<u>-</u>
Total tax on surplus on ordinary activities	<u><u>62</u></u>	<u><u>-</u></u>

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:

	2020 £'000	2019 £'000
Surplus on ordinary activities before tax	<u>6,359</u>	<u>2,120</u>
Tax on surplus on ordinary activities at standard UK corporation tax rate of 19% (2019: 19%)	1,208	403
Effects of:		
- Expenses not deductible for tax purposes	2,301	2,084
- Income not taxable in determining taxable surplus	(3,447)	(2,555)
Total tax charge for period	<u><u>62</u></u>	<u><u>-</u></u>

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

	2020	2020	2020	2019	2019
	Proceeds	Cost of	Surplus	Proceeds	Surplus
	£'000	Sales	£'000	£'000	£'000
		£'000			
Right to buy/acquire	175	(34)	141	474	325
Voluntary right to buy	4,074	(645)	3,429	-	-
Minor land transactions	42	-	42	19	19
Total disposals	4,292	(680)	3,612	493	344

Voluntary Right to Buy proceeds included £1,836,055 Financial Assistance from the government, which compensated the Group for the discount given to the purchaser under the scheme and for administrative expenses.

8. Interest receivable

	Group		Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Interest receivable on bank deposits	30	20	29	20

9. Interest and financing costs

	Group		Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
On building society and bank loans	(1,699)	(1,765)	(1,699)	(1,765)
Net interest on defined benefit liability (note 12)	(42)	(41)	(42)	(41)
	(1,741)	(1,806)	(1,741)	(1,806)

10. Staff costs - group

	2020	2019
	FTE	FTE
The average weekly number of persons employed during the year (expressed as full time equivalents based on 37 hours per week)	139	142
Staff costs for the above	£'000	£'000
Wages and salaries	3,548	3,656
Social security costs	323	332
Other pension costs	137	110
Redundancy payments	48	27
Total staff costs	4,056	4,125

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 3 of this report.

None of the members of the Board received any remuneration (2019: none).

The aggregate amounts paid to the Executive Leadership Team were:

	2020 £'000	2019 £'000
Aggregate emoluments payable to directors (including benefits in kind)	399	386
Pension contribution	32	27
Total directors' emoluments	431	413
Total expenses reimbursed to the directors not chargeable to United Kingdom income tax	3	7
Emoluments payable to the highest paid director (excluding pension contributions but including benefits in kind)	103	98

The aggregate amount of compensation payable to directors or past directors for loss of office was zero (2019: 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:

	2020	2019
£60,000 - £70,000	1	-
£70,000 - £80,000	1	-
£80,000 - £90,000	2	1
£90,000 - £100,000	1	-
£100,000 - £110,000	-	1
£110,000 - £120,000	1	-

The total number of Executive Leadership Team posts was five in both years and overall directors' emoluments were broadly consistent in the two years.

In 2018/19, there was significant change in staff within the Executive Leadership Team and a number of post holders served for only part of the year. As a consequence, fewer individuals received total remuneration exceeding £60,000 in the year ended 31 March 2019.

12. Retirement benefit schemes

The Group participates in four pension schemes.

The Group offers

- two open defined contribution schemes
- one open defined benefit scheme (Social Housing Pension Scheme – SHPS)
- one defined benefit scheme which is closed to new entrants (London Pension Fund Authority – LPFA)

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 to Statement of Comprehensive Income

	2020 SHPS £'000	2020 LPFA £'000	2020 TOTAL £'000	2019 TOTAL £'000
Service cost	108	25	133	115
Scheme administrative expenses	6	1	7	6
Net interest expense	35	7	42	41
Other comprehensive income	(721)	(83)	(804)	865
Total cost/(gain) for defined benefit schemes	(572)	(50)	(622)	1,027
Service cost – defined contribution			65	37
TOTAL cost/(gain) for all schemes			(557)	1,064

Combined pension liability

	2020 £'000	2019 £'000
Social Housing Pension Scheme	749	1,529
London Pension Fund Authority	236	292
Total defined benefit pension liability	985	1,821

Further detail on each scheme is provided below.

Defined contribution schemes

The Group operates defined contribution retirement benefit schemes for qualifying employees. The total expense charged to Statement of Comprehensive Income in the period ended 31 March 2020 was £65,000 (2019: £37,000).

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, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1.5 billion across all employers. As a result of this funding valuation, the Group will pay deficit contributions from 1 April 2019 until 30 September 2026. The payment was £143,000 a year in 2019/20, rising by 2% a year each April thereafter.

The scheme is classified as a 'last-man standing arrangement'. Therefore 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. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The financial year ending on 31 March 2019 was the first year that it was possible to obtain sufficient information to enable the company to account for the scheme as a defined benefit scheme. The £660,000 difference between the deficit funding liability reported on 31 March 2018 and the restated defined benefit liability as at 31 March 2018 was charged to the Statement of Comprehensive Income in 2019.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for the year ended 31 March 2019. The liabilities were compared with the Group's fair share of the Scheme's total assets to calculate the Group's net deficit or surplus.

Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for the year ended 31 March 2020.

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

	2020	2019
	£'000	£'000
Service cost	108	99
Scheme administrative expenses	6	5
Net interest expense	35	33
Recognised loss/(gain) in other comprehensive income	(721)	270
Total cost/(gain) relating to this defined benefit scheme	(572)	407

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

	2020	2019
	£'000	£'000
Present value of defined benefit obligations	(5,373)	(5,728)
Fair value of scheme assets	4,624	4,199
Deficit	(749)	(1,529)

Movements in the present value of defined benefit obligations:

	2020	2019
	£'000	£'000
At 1 April	5,728	5,291
Service cost	108	99
Interest cost	138	139
Administrative expenses	6	5
Actuarial losses/(gains) – change in financial assumptions	(757)	428
Actuarial losses/(gains) – change in demographic assumptions	(50)	15
Actuarial losses/(gains) – due to scheme experience	187	(235)
Benefits paid and expenses	(66)	(80)
Member contributions	79	66
At 31 March	5,373	5,728

Movements in the fair value of scheme assets:

	2020	2019
	£'000	£'000
At 1 April	4,199	3,995
Interest on assets	103	106
Return on assets	101	(62)
Employer contributions	208	174
Member contributions	79	66
Benefits paid and expenses	(66)	(80)
At 31 March	4,624	4,199

Breakdown of the scheme assets:

	2020	2019
	£'000	£'000
Global equity	676	707
Absolute return	241	363
Distressed opportunities	89	76
Credit relative value	127	77
Alternative risk premia	323	242
Fund of hedge funds	3	19
Emerging markets debt	140	145
Risk sharing	156	127
Insurance-linked securities	142	120
Property	102	95
Infrastructure	344	220
Private debt	93	56
Opportunistic illiquid credit	112	-

Corporate bond fund	264	196
Liquid credit	2	-
Long lease property	80	62
Secured income	175	150
Liability driven investment	1,535	1,536
Net current assets	20	8
Total scheme assets at 31 March	4,624	4,199

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:

	2020	2019
Salary increases	2.53%	3.23%
Inflation (RPI)	2.53%	3.23%
Inflation (CPI)	1.53%	2.23%
Discount rate	2.34%	2.38%

Assumed life expectations on retirement at age 65:

	2020 years	2019 years
Retiring today		
Males	21.5	21.8
Females	23.3	23.5
Retiring in 20 years		
Males	22.9	23.2
Females	24.5	24.7

London Pension Fund Authority Pension Fund (LPFA)

This scheme is not open to new employees.

The scheme is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. The administering authority for the Fund is the London Pensions Fund Authority.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. An actuarial valuation of the Fund was carried out as at 31 March 2019 and has set contributions for the period from 1 April 2020 to 31 March 2023. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

To assess the accounting value of liabilities as at 31 March 2020, the actuary has rolled forward the values of the 2019 liabilities using financial assumptions that comply with FRS 102. To calculate the asset share, the actuary has rolled forward the 2019 assets, allowing for actual and estimated investment returns, contributions paid in and estimated benefits paid from the scheme.

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

	2020	2019
	£'000	£'000
Service cost	25	16
Scheme administrative expenses	1	1
Net interest expense	7	8
Recognised gain in other comprehensive income	(83)	(65)
Total cost/(income) relating to this scheme	(50)	(40)

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

	2019	2019
	£'000	£'000
Present value of defined benefit obligations	(1,323)	(1,434)
Fair value of scheme assets	1,087	1,142
Deficit	(236)	(292)

Movements in the present value of defined benefit obligations:

	2020	2019
	£'000	£'000
At 1 April	1,434	1,396
Service cost	17	16
Interest cost	34	35
Change in financial assumptions	(144)	72
Change in demographic assumptions	(54)	(69)
Experience loss/(gain) on defined benefit obligation	44	-
Benefits paid	(21)	(19)
Past service costs, including curtailments	8	-
Contributions from scheme participants	5	3
At 31 March	1,323	1,434

Movements in the fair value of scheme assets:

	2020	2019
	£'000	£'000
At 1 April	1,142	1,058
Interest on assets	27	27
Return on assets	(33)	68
Other actuarial gains/(losses)	(38)	-
Scheme administrative expenses	(1)	(1)
Employer contributions	6	6
Member contributions	5	3
Benefits paid	(21)	(19)
At 31 March	1,087	1,142

Breakdown of the scheme assets:

	2020	2019
	£'000	£'000
Equities	587	621
Target return portfolio	280	305
Infrastructure	79	69
Property	108	107
Cash	33	40
Total scheme assets at 31 March	1,087	1,142

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:

	2020	2019
Salary increases	2.90%	3.90%
Pension increases	1.90%	2.40%
Discount rate	2.35%	2.40%

Assumed life expectations on retirement at age 65:

	2020	2019
	years	years
Retiring today		
Males	19.4	19.8
Females	23.2	23.5
Retiring in 20 years		
Males	20.9	21.7
Females	24.7	25.4

Sensitivity analysis

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

The sensitivity analysis below shows the approximate increase in The Pioneer Group's liabilities for the SHPS scheme as at 31 March 2020 under the following circumstances:

Sensitivity	Liability	Change in liability	Change in liability
	£'000	£'000	%
Base assumptions	749	-	-
0.1% decrease in real discount rate	887	138	18%
0.1% increase in the salary increase rate	751	2	0%
0.1% increase in CPI and RPI	850	101	13%
0.1 year increase in life expectancy	765	16	2%

13. Intangible assets – group and association

	Computer Software £'000
Cost	
At 1 April 2019	527
Additions	52
Disposals	-
At 31 March 2020	579
Amortisation	
At 1 April 2019	(439)
Charge for the year	(41)
Disposals	-
At 31 March 2020	(480)
Net book value at 31 March 2020	99
Net book value at 31 March 2019	88

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 2019	90,746	2,432	-	1,258	94,436
Replacement of components	1,282	-	-	-	1,282
Reclassify/write off	-	5	-	(14)	(9)
Additions	-	1,455	-	943	2,398
Disposals	(1,797)	-	-	-	(1,797)
Completed properties	2,157	(2,157)	2,024	(2,024)	-
At 31 March 2020	92,388	1,735	2,024	163	96,310
Depreciation					
At 1 April 2019	(16,330)	-	-	-	(16,330)
Charge for year	(1,419)	-	-	-	(1,419)
Disposals	580	-	-	-	580
At 31 March 2020	(17,169)	-	-	-	(17,169)
Net book value at 31 March 2020	75,219	1,735	2,024	63	79,141
Net book value at 31 March 2019	74,416	3,690	-	-	78,106
Housing properties comprise				2020 £'000	2019 £'000
Freehold				79,141	78,106

15. Investment properties – group and association

	Market Rents	Commercial	Stadium	Total Investment Properties
Cost	£'000	£'000	£'000	£'000
At 1 April 2019	11,886	348	1,087	13,321
Additions	22	-	76	98
As at 31 March 2020	11,908	348	1,163	13,419
Revaluation				
As at 1 April 2019	1,047	-	(1,087)	(40)
Revaluation surplus/(deficit) for year	251	(173)	(76)	2
As at 31 March 2020	1,298	(173)	(1,163)	(38)
Net book value at 31 March 2020	13,206	175	-	13,381
Net book value at 31 March 2019	12,933	348	-	13,281

The historic cost of market rent investment properties, which is used for calculating the gearing covenant for the Santander loans, is £11,908,000 (2019: £11,886,000). The cumulative revaluation surplus included in the balance at 31 March 2020 is £38,000 (2019: £40,000).

16.i) 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 2019	1,387	222	83	810	2,385	4,887
Additions	40	96	19	52	-	207
Disposals	-	-	-	-	-	-
At 31 March 2020	1,427	318	102	862	2,385	5,094
Depreciation						
At 1 April 2019	(702)	(175)	(53)	(719)	(593)	(2,242)
Charge for the year	(126)	(24)	(12)	(46)	(42)	(250)
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	(46)	(46)
At 31 March 2020	(828)	(199)	(65)	(765)	(681)	(2,538)
Net book value at 31 March 2020	599	119	37	97	1,704	2,556
Net book value at 31 March 2019	685	47	30	91	1,792	2,645

16.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 2019	1,331	209	83	808	2,151	4,582
Additions	40	96	19	52	-	207
Disposal	-	-	-	-	-	-
At 31 March 2020	1,371	305	102	860	2,151	4,789
Depreciation						
At 1 April 2019	(671)	(162)	(53)	(718)	(416)	(2,020)
Charge for the year	(113)	(24)	(12)	(46)	(33)	(228)
Disposal	-	-	-	-	-	-
At 31 March 2020	(784)	(186)	(65)	(764)	(449)	(2,248)
Net book value at 31 March 2020	587	119	37	96	1,702	2,541
Net book value at 31 March 2019	660	47	30	90	1,735	2,562

17. Inventory – properties held for sale

	Shared ownership first tranche sale £'000	Outright sales £'000	Total £'000
At 1 April 2019	840	1,030	1,870
Write off	-	(19)	(19)
Additions	722	683	1,296
Sales	(1,292)	(1,272)	(2,564)
At 31 March 2020	270	422	692
Of which:			
Work in progress	109	-	109
Ready for sale	161	422	583
Total inventory	270	422	692

18. Debtors – amounts falling due within one year

	Group		Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Gross rental debtors – current tenants	311	385	311	385
Gross rental debtors – former tenants	294	294	294	294
Provision for doubtful debts	(591)	(560)	(591)	(560)
Net rental debtors	14	119	14	119
Gross other debtors	356	403	272	347
Provision for doubtful debts	(148)	(118)	(137)	(118)
Net other debtors	208	285	135	229
Prepayments and accrued income	466	373	447	335
Intercompany debtors	-	-	8	5
Total debtors due within one year	688	777	604	688

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

19. Creditors - amounts falling due within one year

	Group		Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	930	1,019	930	1,019
Other taxation	77	95	77	95
Bank loans	1,352	1,262	1,352	1,262
Intercompany creditors	-	-	337	220
Other creditors and accruals	1,670	1,094	1,395	933
Obligations under finance leases (note 24)	12	-	12	-
Corporation Tax	62	-	62	-
Government grants	236	236	236	236
Total creditors due within one year	4,339	3,706	4,401	3,765

20. Other creditors - amounts due after more than one year

	Group and association	Group	Association
	2020	2019	2019
	£'000	£'000	£'000
Housing loans	38,678	40,030	40,030
Deferred loan arrangement fees	(200)	(250)	(250)
Leaseholder sinking fund	444	369	369
Stadium sinking fund	49	24	24
Obligations under finance leases (note 24)	19	-	-
Government grants	32,706	32,071	32,071
Deferred Capital Grant	-	39	-
Total creditors due after more than one year	71,696	72,283	72,244

Housing loans – group and association

Conventional loans from Nationwide Building Society and Santander are secured by specific charges on the Association's housing properties.

Interest on fixed loan elements range from 0.8% to 5.4% and variable loan elements bear interest rates based on LIBOR.

Nationwide loans are repayable by a mixture of annual instalments and bullet repayments with final repayment in 2034. Santander loans are repayable by a mixture of annual instalments and bullet repayments with final repayment in 2025. Instalments are due as follows:

	2020 £'000	2019 £'000
Repayment schedule		
Between one and two years	1,448	1,352
Between two and five years	12,469	7,342
Between five and ten years	10,362	14,326
In ten years or more	14,399	17,010
Housing loans falling due after more than one year	38,678	40,030
Within one year	1,352	1,262
Total housing loans	40,030	41,292

Government grants – group and association

The total accumulated amount of capital grant received or receivable at the balance sheet date is £37,682,000 (2019: £36,905,000)

	2020 £'000	2019 £'000
Deferred income – government grants		
Social housing grant		
At 1 April	36,905	35,452
Grants receivable	1,426	1,523
Disposals	(649)	(70)
At 31 March	37,682	36,905
Amortisation		
At 1 April	4,598	4,372
Amortisation to Statement of Comprehensive Income	233	236
Disposals	(90)	(10)
At 31 March	4,741	4,598
Net deferred income – government grants		
Due within one year	236	236
Due after one year	32,706	32,071
At 31 March 2020	32,942	32,307

21. Financial instruments

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

	Group		Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Financial assets				
Measured at undiscounted amount receivable				
• Rent arrears and other debtors	222	404	148	348
• Cash				
Total	222	404	148	348
Financial liabilities				
Measured at amortised cost				
• Loans payable (see note 19, 20)	39,830	41,042	39,830	41,042
Measured at undiscounted amount payable				
• Trade and other creditors	2,495	2,065	2,222	1,904
• Amounts owed to related undertakings (see note 19)	-	-	337	220
Total	42,325	43,107	42,389	43,166

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

	Group		Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Interest income and expense				
Total interest income for financial assets at amortised cost	-	-	-	-
Total interest expense for financial liabilities at amortised cost	1,741	1,806	1,741	1,806
Total	1,741	1,806	1,741	1,806

22. Share capital - association

	2020 Number	2019 Number
Ordinary shares of £1 each:		
Allotted, issued and fully paid at 1 April	28	29
Shares issued during year for cash at par	0	1
Cancelled during the year	(4)	(2)
At 31 March	24	28
Comprising:		
Tenant shareholders	8	8
Community shareholders	6	7
Ordinary shareholders	10	13
	24	28

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.

23. Statement of cashflows - group

	2020 £'000	2019 £'000
Cash flow from operating activities		
Surplus for the year	7,064	1,204
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	1,774	1,647
(Increase)/decrease in debtors	(378)	535
Increase/(decrease) in creditors	560	(790)
Increase in provisions	100	71
Pension costs less contributions payable	(836)	837
(Increase)/decrease in fair value of investment property	(2)	275
Finance lease obligations	31	-
Adjustments for investing or financing activities:		
Surplus on sale of property, plant & equipment	(4,213)	(344)
Government grants utilised in the year	(233)	(236)
Interest payable	1,741	1,806
Interest receivable	(29)	(20)
	5,580	4,985
Cash and cash equivalents		
Cash at bank and in hand	11,202	4,718
Total	11,202	4,718

24. Financial commitments

	2020	2019
	£'000	£'000
Capital commitments are:		
Capital expenditure that has been contracted for but has not been provided for in the financial statements	6,392	6,258
Capital expenditure authorised by the Pioneer Group Board but not yet contracted for	-	3,426

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

	Group		Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Payments due:				
Within one year	13	29	1	15
Between one and five years	21	30	2	3
After 5 years	380	384	-	-
Total	414	443	3	18

Finance lease – group and association

	2020	2019
	£'000	£'000
Finance leases are repayable as follows:		
Between one and two years	19	-
Between two and five years	-	-
After five years	-	-
Within one year	12	-

25. 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.

26. 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 3.

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.

The ultimate controlling party of Stockland Green Opportunity Housing & Training Limited is the Pioneer Housing and Community Group Limited. Stockland Green Opportunity Housing & Training Limited is not registered with the Regulator of Social Housing. Stockland Green Opportunity Housing & Training Limited is currently dormant.

27. Related parties

During the year one Pioneer Group Board Member was a tenant of the Association. She received services on exactly the same basis as any other tenant of the Association. Rent and service charges charged for the year were £4,000 (2019: £4,000) and arrears at 31 March 2020 were nil (2019: nil).

28. 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:

	2020 Pioneer £'000	2020 Compass £'000	2020 Merlin £'000	2020 Group £'000
Delivery of community regeneration activity	(300)	300	-	-
Corporate overheads	43	(40)	(3)	-
Facilities management	(55)	55	-	-
Management fee	-	2	(2)	-
Other	(5)	5	-	-
Total intra-group	(317)	322	(5)	-
Total intra-group turnover	43	362	-	-
Total intra-group expenditure	(360)	(40)	(5)	-
Total intra-group eliminated on consolidation	(317)	322	(5)	-

	2019 Pioneer £'000	2019 Compass £'000	2019 Merlin £'000	2019 Group £'000
Delivery of community regeneration activity	(320)	320	-	-
Corporate overheads	42	(40)	(2)	-
Facilities management	(44)	44	-	-
Other services by Pioneer	8	(8)	-	-
Other services by Compass	(2)	2	-	-
Total intra-group	(316)	318	(2)	-
Total intra-group turnover	50	366	-	416
Total intra-group expenditure	(366)	(48)	(2)	(416)
Total intra-group eliminated on consolidation	316	318	(2)	-

Intra-group balance sheet items were:

	2020 Pioneer £'000	2020 Compass £'000	2020 Merlin £'000	2020 Group £'000
Debtor/(creditor) balance	8	-	(8)	-
Debtor/(creditor) balance	(337)	337	-	-
Total intra-group	(329)	337	(8)	-
Total intra-group debtors	8	337	-	345
Total intra-group creditors	(337)	-	(8)	(345)
Total intra-group eliminated on consolidation	(329)	337	(8)	-

	2019 Pioneer £'000	2019 Compass £'000	2019 Merlin £'000	2019 Group £'000
Debtor/(creditor) balance	5	-	(5)	-
Debtor/(creditor) balance	219	(219)	-	-
Total intra-group	224	(219)	(5)	-
Total intra-group debtors	224	-	-	224
Total intra-group creditors	-	(219)	(5)	(224)
Total intra-group eliminated on consolidation	224	(219)	(5)	-