

Registered number 08225808
Regulator of Social Housing number LH0279
Charity number 1149085

St Mungo Community Housing Association
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2024

**ST MUNGO COMMUNITY HOUSING ASSOCIATION REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2024**

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TRUSTEES AND ADVISORS

The Board of Trustees is the governing body of St Mungo Community Housing Association (St Mungo's). The Trustees are also the directors of the Association for the purpose of Company Law.

Trustees

Joanna Killian (Chair)(Resigned 8 May 2024)
Alexandra Beidas (Vice Chair)
Daniel Corry
Darren Johnson
Helen Walters
Jane Tabor (appointed 26 July 23, resigned 21 August 2023)
John Watts
Lorraine Mealings (appointed 26 July 23)
Philip Moore (appointed 26 July 23)
Rob Bradshaw
Rolande Anderson (resigned 31 Dec 23)
Stephen Smith (Resigned 31 July 2024)
Teddy Nyahasha

Executive Officers

Emma Haddad, Chief Executive
David Fisher, Executive Director of Client Services
Jonathan Manuel, Executive Director of Finance (Retired 31 July 2024)
Helen Rourke, Chief Financial Officer (Appointed 5 August 2024)
Sean Palmer, Executive Director of Transformation
Kerry McCafferty, Director of People, Inclusion and Culture

Company Secretary

Jonathan Manuel (Retired 31 July 2024)
Claire Tuffin (Appointed 1 August 2024)

Registered Office

5th Floor 3 Thomas More Square London E1W 1YW

Auditors

Crowe UK 55 Ludgate Hill London EC4M 7JW

Principal Solicitors

Ashfords LLP 1 New Fetter Lane London EC4A 1AN

Bankers

HSBC 123 Chancery Lane London WC2A 1QH

Company No. 08225808

Charity No. 1149085

Regulator of Social Housing Registration No. LH0279

CHAIR'S STATEMENT

This was my sixth year on the Board at St Mungo's and my third and final year as Chair. The work our organisation does always makes me feel extraordinarily proud. We supported around 24,000 people facing homelessness in the last financial year. This illustrates the ongoing, significant and increasing demand there is to support people to find a safe, secure and affordable place to live.

This was a tough year for St Mungo's due to the industrial action taken by one of our recognised unions, Unite, over the summer of 2023. We continued to maintain an open dialogue with Unite representatives and in August 2023, our pay offer was accepted. This resolved the dispute and we have worked hard to continue to build even stronger relationships with our colleagues and our partners to support people recovering from or at risk of homelessness.

In order to support the amazing work our colleagues do every day within a changed and challenging external environment, we set out to develop a new organisational strategy. To make sure all voices at St Mungo's were heard, we spoke to colleagues, volunteers, clients and external partners and listened to what was most important to them. We now have a strategy that enables us to focus on our two key missions:

- Working directly with people experiencing or at risk of homelessness, providing them with services to find paths away from the streets, for good. Our services will deliver the outcomes our clients need, using our expertise and our evidence on what works.
- Influencing policy makers to make positive change through the power of our clients' voices and our operational expertise. Our clients have a unique understanding of the real-life impact of the government's decisions, so we will give power to our clients' experiences and work with partners to strengthen our collective policy asks.

This strategy has allowed us to recommit to our service ethos and to focus on doing what we do best, working directly with clients. At the heart of our services is our commitment to doing everything we can to keep our clients safe, empowering them in their individual recovery journeys and preventing homelessness in the future.

Our aim is to support each client to live a fulfilling life with purpose and meaning, and helping them to connect with their friends, families and communities.

With this in mind, one of the things I am always impressed by is the range of St Mungo's provision, from outreach services to supported accommodation, we were able to help people off the streets and into their own homes. We've continued to run recovery services as well, like our Putting Down Roots gardening programme and construction skills training, to help people rebuild after homelessness and, where possible, get back into work.

While service delivery is at the heart of what we do, working with government is also critical to ending homelessness in this country. We know that in England 27% more people found themselves rough sleeping in Autumn 2023, the second year on year rise. In London alone, rough sleeping has increased by 44% since 2022.

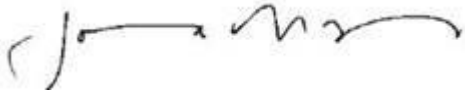
We worked closely with our partners in government and across the sector this year, continuing to call for an increased supply of supported housing, accessible and trauma informed care for people with multiple disadvantages, and for support for non-UK nationals. Following the General Election, a new government has just been formed and is developing their programme for the period ahead. We need to make sure that ending the homelessness crisis is high on their list of priorities. As a first step, the government need to make sure that charities and support services are saved from a financial cliff-edge and the vital funding that is set to end in early 2025 is extended and expanded.

For St Mungo's to be relevant and sustainable, we must also be financially and operationally resilient. Improving outcomes for our clients means change. Transformation for us means building a strong foundation, so that we continue to be well placed to deliver high quality services for our clients, for the long term.

As I step down as Chair this year, I am proud of the work that has been undertaken in the last year to ensure St Mungo's is fit for the future and can continue to make a difference for thousands of people every year. I am

sure that the external environment that St Mungo's operates in will continue to present challenges, and I am confident that the organisation is in a place to tackle them head on.

I would, as always, like to say a huge thank you to all the colleagues and volunteers who have worked so hard to run our services, support our clients and make ending homelessness a possibility. I look forward to hearing of even greater success and am forever grateful I have been able to play even a small part in moving us forwards towards ending homelessness.



Joanna Killian
Chair of the Board of Trustees until 8 May 2024



Alexandra Beidas
Vice Chair of the Board of Trustees
31 July 2024

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

Since being founded by a group of volunteers 55 years ago, St Mungo's has grown into one of the country's leading homelessness charities, supporting tens of thousands of people yearly. Our services cover almost every borough in London, as well as Bath, Bournemouth, Brighton, Bristol, Leicester, Oxford and Reading.

We support people experiencing or at risk of homelessness. Our clients often have complex needs and frequently face a range of interrelated challenges, including poor health, substance use issues, social isolation, unstable family relationships and experiences of trauma. We believe that a roof is not enough, so our services provide tailored support to ensure our clients can lead fulfilling lives in their communities and don't experience homelessness again.

Our provision is broad, encompassing outreach services; emergency, supported, and independent accommodation; and recovery, skills and welfare services. We also provide specialist services for groups who are more vulnerable to homelessness, like migrants and prison leavers, and run women only and gender informed services.

Our outreach teams supported 9,040 people off the streets last year. With the help of these teams, of the 4,170 people who were new to the streets in areas where we worked last year, 2,698 (63%) were not seen on the streets again.

Our accommodation services provided a safe place to stay for an average of 2,313 people each night. Of the people who left our accommodation services last year, 69% were supported to move into accommodation that better suited their evolving needs.

We also provide holistic support for people experiencing or recovering from homelessness, such as vital access to healthcare, peer support groups, practical skills courses and employment support. Last year we supported 1,018 people through our Recovery College.

Homelessness is not just a housing problem; it is a consequence of problems across a whole range of social policies and systems. These complexities mean we can't end homelessness alone. We work in close partnership with local authorities, the government and other charities to influence policy and achieve our aims.

KEY MISSION AND PUBLIC BENEFIT

St Mungo's purpose is to end homelessness and rebuild lives, and that drives everything that we do. We deliver this through two missions:

1. Working directly with people experiencing or at risk of homelessness, providing them with services to find paths away from the streets, for good.
2. Influencing policy makers to make positive change, through the power of our clients' voices and our operational expertise.

Between April 2023 and March 2024, St Mungo's ran 147 services, supporting 23,827 people experiencing or at risk of homelessness. Many of our services are made up of multiple projects, sometimes across different sites, to provide distinct, tailored and holistic support to our clients.

At the heart of all our services is our Service Ethos, a commitment to doing everything we can to keep our clients safe, empowering them in their individual recovery journeys and preventing homelessness in the future. We make the following commitment to every client:

1. Work with you to secure a safe place to live.
2. Listen to, understand and value your individual experience.
3. Focus on your strengths and support you to take practical steps towards achieving your goals.
4. Support you to build and enjoy positive, supportive relationships.
5. Create opportunities that empower you to learn, thrive and contribute to your community.

St Mungo's is a registered charity and in setting out our aims and planning our activities we have carefully considered the Charity Commission's general guidance on public benefit.

The Trustees ensure that the activities of the charity are consistent with its charitable objectives and aims. In our annual plans, the Trustees consider the Charity Commission's general guidance on public benefit relating to the prevention and relief of poverty, the advancement of education and health and the relief of those in need. The Trustees believe there is clear public benefit derived from the activities of our charity.

FUTURE PLANS

At the time of writing, we are facing a homelessness crisis in this country. The combination of the ongoing Cost of Living Crisis, lack of affordable and appropriate housing, and a reduction in public services is pushing more and more people onto the streets and making it harder for people to move on from rough sleeping and homelessness. We fear that there will be a growing need for homelessness services and continued insufficient funding from government and local government to address these needs.

Within this context, we published a new strategy in April 2024 to guide us to 2030. In the coming years, our purpose of ending homelessness and rebuilding lives will drive us to transform the way we operate, to continue supporting some of the most vulnerable people in our communities.

It also recognises St Mungo's as operating within local and national ecosystems dedicated to ending homelessness, and our commitment for this strategy is to be a valuable and valued sector partner and to focus on where we can have the most impact.

St Mungo's strategy lays out five strategic priorities:

1. Keeping clients at the centre of our work

Our clients drive what we do and how we do it. This will never change. We will empower our clients to shape their own support, services and communities. Embedding our Service Ethos, strengthening our Client Advisory Board and launching a new Client Involvement Strategy means our clients will inform what St Mungo's looks like next, from the services they rely on, to how we hold the government to account.

2. Focussing on our expertise and developing our practice

We have worked directly with people with complex needs for over 50 years. We remain committed to them. We will focus on our core areas of expertise and continuously improve them based on the evidence we gather on what works best. In doing so, we will increase consistency across our services. We will continue to own properties where it is sustainable and strategic. We will strengthen our partnerships with other landlords and property management experts to help us improve what we offer and to ensure our clients' homes are safe and comfortable.

3. Collaborating to continuously improve our work and increase our reach

Our clients continue to be isolated in their communities and in society. Together, we can change this. This strategy focuses on increasing connections and harnessing the power of convening. We will bring together people from across the sector to solidify our collective understanding of key issues and get to the bottom of where change is needed. We will build partnerships within and outside the sector to develop best practice, to explore joint opportunities and to deliver our missions.

4. Being impactful and influencing change

We have powerful and unique insights into ending homelessness for good. We will use this to influence change. We will gather and use evidence to inform our own practice and to advocate for change on behalf of our clients. We will use data and our clients' experiences to identify solutions to the complex issues that both lead to homelessness and prevent its eradication. We will seek to increase our visibility and our collaborative work with partner organisations to strengthen our influence.

5. Ensuring St Mungo's is a great place to work

Our purpose and values motivate people to work with us. It's not enough. Our new People Strategy will ensure we attract, retain, support and develop all our people. Through our commitment to Equity, Diversity and Inclusion we will continue to embed an inclusive culture where we better represent the diversity of the communities we work in, at all levels of the organisation. And we will continue to modernise and improve the tools our colleagues need to do their jobs well.

FINANCIAL PERFORMANCE

Overview

2024 has been another very challenging year due to the ongoing macro-economic environment, operating costs, and the one-off costs associated with the exit from a substantial part of our non-social housing portfolio, Real Lettings. The increased costs together with a fall in fundraising income have resulted in an overall operational deficit for St Mungo's.

Income and Expenditure Review

£m	Unrestricted	Restricted	2024	2023	Variance
Rent and Service Charges	47.0		47.0	44.5	5.6%
Support	63.2		63.2	61.8	2.3%
Fundraising	10.2	3.3	13.5	16.5	(18.2)%
Total Income	120.4	3.3	123.7	122.8	0.7%
Operating expenditure	(123.2)	(3.5)	(126.7)	(126.0)	(0.6)%
Operating Deficit	(2.8)	(0.2)	(3.0)	(3.2)	
Non-Operating items	(2.3)		(2.3)	0.8	
Total Loss for the Year	(5.1)	(0.2)	(5.3)	(2.4)	

Rent and Service charge income is 5.6% above 2023 with the annual CPI+1% increase on the social housing element of our portfolio partially offset by a reduction of our non-social housing stock as we continue the gradual transfer of our Real Lettings stock to other providers.

Support income is ahead of 2023 as we maintained the majority of our contracts from 2023 into 2024. Services exits in Bristol, mainly driven by the rationalisation of our portfolio, and a few reductions have been compensated by new services such as an assessment centre in Hackney and expansions of existing contracts such as Housing First in Reading and Lambeth. In parallel, we increased our services in Westminster and extended our last temporary Pandemic hotel provision in London.

In 2023 fundraising income benefitted from a one-off restricted donation of £2.3m and this explains the majority of the year on year shortfall in 2024.

As well as being a core income stream, fundraising also enables St Mungo's to support a number of activities that would otherwise not have funding such as the Recovery College and our gardening skills programme, Putting Down Roots.

Total expenditure at £126.7m is marginally above 2023. There are a number of offsetting movements with the key elements being:

- A substantial increase in repairs and maintenance spend as we invested in our property portfolio to meet our regulatory requirements and supporting our real lettings exits.
- Increased staff costs as a result of the annual NJC pay award and additional strike settlement.

- The end of our long-term fixed pre-crisis energy contracts part way through the financial year and the subsequent increase in rates.
- Reduced lease costs as we reduce our non-social Real Lettings portfolio.

The reduction in fundraising income, together with incremental spend on repairs, staff and energy, results in an unrestricted operating deficit of £2.8m. However, a substantial non-cash pension charge, driven by the divergence of gilt and corporate bond yields and the impact this has had on the valuation of pension assets and liabilities, means a total unrestricted deficit of £5.1m.

Balance sheet Review

Unrestricted reserves have fallen to £5.1m reflecting the challenging cost environment and a substantial non-cash pension charge. As a result, unrestricted reserves sit well below the trustee target range of £10m to £13m. However, as noted below, we expect the reserves position to be back within the trustee target range in the current financial year.

Net assets are 43% below 2023 due to the unrestricted deficit on the income and expenditure account together with the very high pension charge. The pension deficit on an accounting basis at £7.7m is now higher than the latest actuarial valuation at March 2024 that showed a funded deficit of £6.7m, a very unusual position driven by the market changes noted above.

Fixed assets show a 2% decline with depreciation and one property disposal more than offsetting incremental investment in IT and our stock improvement programme. Debtors have reduced by 40% reflecting an on-going project to improve our working capital position through better debtor collection while current creditors have fallen by 19% due to a reduction in deferred income and due to the impact on trade creditors of a change in payment methodology for utilities.

Cash Review

Cash at £14.4m is below 2023, reflecting the impact of the deficit for the year, our capital investment in both property and IT, and our continued contribution to the defined benefit pension scheme, substantially offset by a significant improvement in working capital. The Trustee set range is £14m-£18m for cash and the current cash position is within the range.

Looking Forward

After two very challenging years, we remain focused on delivering long term financial stability that will enable delivery of our mission and strategy. Cross-functional working has delivered a material improvement in working capital and helped secure a compliant cash position. Meanwhile, the recently implemented transformation programme is anticipated to deliver annualised savings of c£3m which, together with the non-repeat of specific one-off costs such as those related to our exit from a number of Real Lettings Properties and a small number of property disposals will support the recovery of our reserves position. The property disposals reflect those that do not support our requirements or require significant investment, and the proceeds will support our investment in systems and our investment in improvements to the rest of our property portfolio.

VALUE FOR MONEY

St Mungo's is a charity but also a registered provider of social housing and is obliged by the Regulator of Social Housing to provide an overview of its approach to Value for Money. This is set out below together with a set of indicators also required by the regulator. For St Mungo's, value for money means delivering our strategic objectives in the most cost effective way, that enables us to maximise our support to people who are homeless and remain financially sustainable for the long term. The Board regularly monitors performance through the budget and 5 year plan process, together with review of our management accounts and latest forecast. Our strategy delivers homes that meet a wide range of requirements, from initial move off the street to longer term recovery, supporting clients with complex needs. St Mungo's regularly reviews the allocation of resource and assets to ensure the most effective support to our strategic objectives. As part of the budgeting process we also review specific opportunities for improvement, such as procurement savings, support contract margin and central overhead spend. However, as a charity we also choose to use fundraising income to

invest in projects that generate no financial return, as they contribute to the core strategic goals of ending rough sleeping and helping people recover from homelessness.

The VFM measures as required by the Regulator of Social Housing are set out below. It should be noted that, given the complexity of needs of our tenant base, and given that St Mungo's is a charity with charitable goals and invests the maximum possible to support those goals, there will be significant variations in the measures for St Mungo's as set against the Housing Association sector average.

	2023 Sector Average	2024 Target	2024	2023	2022	2021	2020	2019
Reinvestment	6.90%	1.20%	2.12%	3.92%	1.89%	2.83%	4.08%	2.80%
New Supply (social)	1.70%	-	-	1.51%	0.73%	1.09%	3.56%	0.09%
New Supply (Non social)	0.27%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gearing	47.40%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA MRI Interest cover	104.00%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Social Housing Cost per Unit £'000	5.30	30.51	29.57	24.77	21.98	21.03	20.58	23.04
Operating margin (Social)	21.30%	2.30%	(4.93%)	(4.40%)	0.52%	1.84%	0.58%	2.30%
Operating Margin (Overall)	16.60%	0.80%	(2.43%)	(2.61%)	0.08%	(0.79%)	(1.54%)	3.70%
Return on capital employed (ROCE)	2.60%	4.25%	(2.92%)	(2.94%)	0.10%	(1.00%)	0.12%	3.50%

Reinvestment

The recent financial environment means minimal planned and actual re-investment.

New Supply (social)

St Mungo's has not been able to invest in new supply due to the current financial environment.

New Supply (Non-social)

St Mungo's does not own non-social units.

Gearing/EBITDA MRI Interest Cover

St Mungo's is debt free and therefore these measures do not apply.

Social Housing Cost per Unit

The housing cost per unit is ahead of target due a higher than anticipated number of bed-spaces during the year, therefore a lower cost incurred per bed space. The costs incurred by St Mungo's are significantly higher than the sector average due to a number of factors including the short term nature of our tenancies and hence much higher renewal rates, and the level of staffing required to safely run support services.

Operating margin (social)

The in-year performance is well below target due to significant operating cost increases.

Operating margin (overall)

St Mungo's budgeted for a small surplus but the deficit for the year results in a negative margin due to lower fundraising income, increased operating costs, and the incremental costs associated with property exits in our Real Lettings non-social portfolio.

Return on Capital Employed

The deficit for the year means that the ROCE is negative rather than positive as anticipated, due to the impact of higher costs on our operating margin.



Alexandra Beidas
Vice Chair of the Board of Trustees

TRUSTEES' REPORT

The Trustees present the annual report and audited financial statements of St Mungo's for the year ended 31 March 2024. The financial position and results for the year are set out on pages 27 - 52 of these statements.

OBJECTIVES AND ACTIVITIES

The Trustees have reported St Mungo's strategic objectives and outlined our activities within the Strategic Report on pages **6 – 10**.

STRUCTURE, GOVERNANCE AND MANAGEMENT

St Mungo Community Housing Association ("the Group"), a registered housing association and charity, is made up of a lead association and two directly and wholly owned subsidiaries.

Broadway Homelessness and Support (a registered charity and company limited by guarantee) holds several leasehold interests on behalf of St Mungo's, its parent.

St Mungo's Homes Limited (a community benefit society) was established in 2019 as part of a strategy to acquire move on accommodation for former rough sleepers. This entity is currently dormant.

These are the financial statements of the Group. Any activity relating to the Association will be specified. All references to comparable 2023 figures are to those of the Group, unless otherwise specified.

The Board of St Mungo's is responsible for ensuring that a sound system of governance exists across the Group and that it is financially viable and properly managed. The Board works alongside the Executive team, which is responsible for the day-to-day management of the Group.

The Board comprised of eleven Trustees as at 31 March 2024, who for purposes of company law are non-executive directors. They bring a broad range of skills, knowledge and experience to their roles from fields including finance, legal and government policy. During the year the Board met on seven occasions, including a Strategy Day.

The Board has a formal schedule of matters reserved for its decisions, which includes overall strategy and future development, allocation of financial resources, acquisitions and disposals, annual budgets, senior executive appointments, treasury policy and risk management.

The Board has identified the skills it requires to fulfil its functions and recruits new members as required. During the year, the Board recruited new trustees to strengthen the range of skills on the Board specifically in finance, housing and transformation and strategic change.

Trustees are elected for a three-year term at the Annual General Meeting. Trustees who have served a three-year term are eligible to stand for re-election for a further three years. A Trustee who has served six years may serve further terms of one year up to a maximum of nine years in total, where the Board agrees that it is in the interests of St Mungo's for them to do so.

The Board is supported by a Committee structure comprising:

- The Audit, Risk and Assurance Committee that exists to ensure that a sound system of internal control and risk management exists within St Mungo's, to review the integrity of the annual accounts and to maintain an appropriate relationship with the internal and external auditors.
- The Finance and Transformation Committee that was established to support the Board in its responsibilities in relation to financial planning and management and the development and delivery of its transformation programme.
- The Client Services Committee which assists the Board with ensuring clients have a voice in the services they receive, obtaining feedback and insight from clients on service delivery and monitoring service delivery performance and quality including housing management services to our owned and managed accommodation.

- The People Committee has oversight of matters relevant to people and leadership. This includes supporting the delivery of the People Strategy, overseeing the employment and remuneration of the workforce and Board succession planning and development.

St Mungo's is committed to involving clients in all aspects of our work, including in its decision-making structures. The Client Advisory Board, made up of ten current or former clients of St Mungo's, reviews Board and Committee papers and provides input for discussion at Board meetings. A recent review of the Client Advisory Board was undertaken to ensure meaningful client engagement and to ensure client experiences and feedback help shape the direction of the organisation.

The Board is covered by Trustees' indemnity insurance policy. No claims have been made during the year.

Compliance with the Code of Governance

St Mungo's has adopted the National Housing Federation's 2020 Code of Governance which is designed to ensure that the Association operates to the highest possible standards. An underlying principle of this is that we will comply with the Code or explain any areas where we do not comply. An assessment of compliance with the NHF Code has been undertaken and compliance confirmed.

Compliance with Regulator of Social Housing Governance and Financial Viability Standard

Registered providers are required by their regulator, the Regulator of Social Housing, to certify their compliance with the Governance and Financial Viability Standard. Compliance with the standard has been reviewed and compliance confirmed in all material respects including compliance to the Rent Standard.

Following an in-depth assessment in 2021, the Regulator confirmed St Mungo's governance rating as G2, meaning that St Mungo's meets its governance requirements but needs to improve some aspects of its governance arrangements to support continued compliance. An action plan was put in place to address the issues identified by the regulator with all actions now complete.

The Regulator has assessed St Mungo's financial viability as V2, meaning that St Mungo's complies with the financial viability elements of the Governance and Financial Viability Standard and can deal with a reasonable range of adverse scenarios. However, there remain material risks which St Mungo's needs to manage. The Board has agreed a transformation plan to improve operating margins and strengthen financial sustainability. In December 2023, the Regulator refreshed its assessment of St Mungo's compliance with the Governance and Viability Standard and confirmed our governance and viability rating as G2 / V2.

Compliance with Section 172 of the Companies Act 2006

The Board of Trustees is aware of its duty under Section 172 of the Companies Act 2006. This duty includes acting in the interests of stakeholders when promoting the success of the charity.

The trustees act in accordance with this requirement and in doing so have to regard:

- The likely consequences of any decision in the long-term.
- The interests of St Mungo's employees
- The need to foster St Mungo's business relationships with suppliers, customers and others.
- The impact of St Mungo's operations on the community and the environment.
- The desirability of St Mungo's maintaining a reputation for high standards of business conduct.
- The need to act fairly between members of the association.

Set out in the Chair's Statement, Strategic Report and Trustees' Report is a description of how the Trustees have had regards to the matters set out in section 172 (1) when performing their duties under section 172.

STAKEHOLDERS

The Board has an overriding duty to promote the success of the charity to achieve its charitable purpose. In agreeing its strategic plans and in its decision-making regard has been given to St Mungo's stakeholders. The commissioners and partner agencies we work with are fundamental to delivering our mission. Furthermore, we

recognise that our success in supporting the recovery of our clients against the backdrop of the challenges we face depends on the skill, commitment and engagement of our supporters, colleagues and volunteers.

Fundraising report

St Mungo's is registered with the Fundraising Regulator and works in a way that is compliant with the Code of Fundraising Practice. This report covers the requirements charities must follow as set out in the Charities Act.

Fundraised income supports both new and existing projects to help people who are at risk of or experiencing homelessness. Our fundraising efforts involve encouraging donations from corporate partners, community groups and individuals. In addition, we also raise funds through legacy giving, special events and challenge events.

Our donors and clients are at the heart of everything we do, and our practices aim to be more than just about compliance. We want to ensure that our supporters are treated with the care and attention they deserve. As the regulatory environment has continued to change, we have adapted and challenged the way we work to ensure we operate to a high standard. We regularly review all fundraising materials and consent options and update our consent and privacy statements to ensure compliance with data protection law. We also regularly update our fundraising database to ensure we record consent consistently and compliantly.

We continue to have three Professional Fundraising Organisations working on our behalf, which are:

- Payroll Giving in Action
- STC Payroll Giving
- Hands on Payroll Giving

We have safeguards in place to ensure that organisations who fundraise on our behalf operate to the correct standard, including requiring them to comply with the Code of Fundraising Practice.

We follow up on all feedback we receive from members of the public to ensure compliance with the Fundraising Regulations and to ensure there is no unreasonable intrusion on a person's privacy.

Across the year and across all our fundraising activity, which in total resulted in 461,889 donations, we received 11 complaints about our fundraising. All complaints were investigated and appropriate action taken. We regularly record, report and share positive unprompted feedback about our work and our fundraising from the public along with many messages of support we receive directly from our donors.

Every donation we receive is greatly appreciated. We wish to say thank you to all our supporters who made donations of their time and energy or gave financial support to St Mungo's during 2023-24, including those who left us a special gift in their Will.

Employee engagement

Our existing People Strategy 2021-26 sets out our commitment to recruiting and retaining the very best people from diverse backgrounds and investing in their learning, development and engagement. This will be reviewed in early 2024/25 but the core commitments will remain.

In October 2023 we completed our Colleague survey, the previous one having last been undertaken in 2021. A 58% response rate gave us a good range of views from across the organisation. Our core engagement score came out at 73% which was a drop from 86% in 2021 but was against the backdrop of significant industrial action.

Alongside local action plans, we agreed an organisational level action plan with six key areas of focus:

- Leadership
- Strategy
- Wellbeing
- Retention
- Recognition
- Communications

We have committed to keep colleagues aware of progress against the organisational action plan and to run the Colleague Survey annually, and this is just one of many opportunities for us to understand and engage with our workforce.

The Colleague Forum has been reinvigorated and meets quarterly to discuss key organisational issues and allows colleagues to give their views. Senior leaders regularly visit services, and the Chief Executive continues to give regular updates across the organisation. Face to face inductions have been re-introduced, and a senior leader face to face event took place in June 2024. Trustees have been sharing blogs with colleagues, and these have been well received.

Supporting the wellbeing of colleagues continues to be a major area of focus, and in May we sent every colleague a reminder of all the support available. We also introduced a new Wellbeing Fund which launched in April 2024.

St Mungo's recognises two unions, Unite and Unison, and meets regularly with union representatives to discuss key issues affecting colleagues. After the pay dispute and lengthy industrial action in the summer of 2023, we have focused hard on improving union relationships. We have introduced a new Joint Consultative Committee (JCC) with the CEO, Trustees and Union leads that meets quarterly, in addition to the regular negotiating meetings, and are ensuring transparency by providing regular updates on our financial position and other matters with colleagues and unions.

Volunteers, apprentices and students

Volunteering at St Mungo's is an integral and valued part of our work. Volunteers play a vital role in supporting our clients and make a huge difference to the range of services we can offer homeless people. Volunteer numbers at St Mungo's have seen a reduction post Covid, mirroring a national trend. We are continually reviewing our recruitment and engagement tools to ensure we can increase and develop our volunteer pool. We have introduced micro volunteering roles which has helped increase numbers but, in some areas, recruitment remains a significant challenge.

Corporate volunteering, through the corporate partnerships team, has been a successful way of supporting our services and engaging partners in our work.

We are proud of our award-winning apprenticeship scheme for people with lived experience of homelessness. Following a drop in numbers during Covid, we are pleased to see increasing numbers of apprentices, in either contracted services or fundraised services.

We also provide placements for Social Work, Nursing, Occupational Therapy and pharmacy students to influence future professionals and help shape their practice. Student social workers have returned to pre pandemic numbers, and we are starting to see an increase in nursing students again.

Business relationships

We have robust policies and practices in place to ensure that our procurement decisions are transparent, fair and non-discriminatory. Compliance with procurement requirements and any decisions taken outside of our policies are reviewed regularly by our Audit and Risk Committee.

During the year we have reported on our business payment practices in line with government requirements.

Our contracted services, commissioned by local authorities, the Greater London Authority and central government continue to be a driving force behind our organisation's purpose to end homelessness and rebuild lives. In 2023-24 we worked with over 30 commissioning bodies and over 100 individual commissioners across 130 contracts, generating income of £63.2 million, a £1.4 million increase compared to 2023.

Building on the findings of our 2022-23 satisfaction survey, whose aim is to help us further embed a culture of customer focus across the organisation, we involved our commissioners in the development of our new 2024-2030 organisational strategy. The information gathered via surveys and one to one conversations was shared with our Board of our Trustees in January and helped shape our strategic priorities for the coming years.

Energy and carbon reporting

Greenhouse Gas (GHG) Emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, St Mungo's continues to be engaged in aiming to reducing energy and greenhouse gas emissions.

St Mungo's maintains scopes one (1) and three (3) emissions, which include electricity transmission and distribution (T&D) and natural gas. St Mungo's also maintain transport emissions inclusive of company owned and operated vehicles and employee owned and operated vehicles (whereby mileage is claimed as a company expense).

We aim to reduce our overall carbon footprint significantly including by:

- Purchasing energy efficient equipment where appropriate in offices,
- Replacing heating, ventilation and air conditioning (HVAC) systems with energy-efficient equipment where possible,
- Adopting behavioural change measures where possible.

We have a longstanding commitment to helping tackle climate change. Calculated carbon footprint for the current financial year is 3,361.32 tCO₂e, whilst energy consumption was 24,995,067.24 kWh (24,995.07 MWh).

We procure all electricity from 100% renewable courses, which is a contributing factor to our improvement in emissions.

Methodology

St Mungo's has reported all emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. Reporting of calculated emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2023.

The reporting period is the financial year 2023-24, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

2023 / 2024 Emissions

Scope 1 (natural gas and company vehicles)	Tonnes CO ₂ equivalent (tCO ₂ e) 3,183.23
Scope 2 (electricity)	Tonnes CO ₂ equivalent (tCO ₂ e) 0.00
Scope 3 (electricity T&D and personal vehicles)	Tonnes CO ₂ equivalent (tCO ₂ e) 178.09
Total	3,361.32 tCO ₂ e
Scope 1 and scope 3 carbon intensity	1.98 (tCO ₂ e/staff number)

The calculated intensity metric is based on total staff numbers of 1,699 employees.

Emissions have decreased by 7.09% since our previous reporting period.

Efficiency Measures Taken

- Roll out of replacement roof space insulation
- Upgrading of natural gas boilers with improved efficiencies
- Improvement of electrical storage heaters
- Upgraded some sites with PVC-U double-glazed windows
- Developing our net zero strategy
- Roll out of SMETS II electricity meters, which will provide us with more accurate consumption data
- Adoption of IMServ's DataVision software, which allows us real-time access to energy consumption

Objectives for 2024-25

- Lighting: Continue to evolve and install low energy lighting across our building portfolio
- Continual review of existing office equipment and company policies
- Reviewing supply contracts to determine feasibility of renewable energy

We will report on progress in the next set of financial accounts.

EQUITY, DIVERSITY AND INCLUSION

Our continued commitment to Equity, Diversity and Inclusion (ED&I) is central to our values and vital to our work with our diverse range of clients, colleagues and volunteers. In 2023 we published our new ED&I Strategy which supports us in continuing to embed an inclusive culture and sets out a vision where colleagues, clients and volunteers from all backgrounds can be their best selves, bringing their experience, commitment and expertise to deliver a personalised recovery approach.

The central ED&I team work closely with the seven Colleague Diversity Networks which meet regularly and work together to help shape the strategic direction of our inclusion practices. Each Diversity Network is run by coordinators and has a senior sponsor. We also have over 150 ED&I Allies across the organisation who champion diversity and inclusion within their teams, help to plan awareness-raising events, challenge any non-inclusive practices and come together to share best practices and learn. In May, many colleagues came together to celebrate St Mungo's Diversity Day with several well-attended events across the organisation including in London, Bristol and Reading.

We launched our Inclusion Passport, which has been designed for colleagues to capture what helps them to work best, feel included and get the support they need, and which they can take from job to job.

Early in 2024, we refreshed our Race Action Plan to ensure that we are actively combating the potential for racism to be experienced by our clients and colleagues and working towards being an Anti-Racist organisation. This also includes refreshing and renaming our Ethnically Diverse Interview Panels with an ambition that every interview panel should have a colleague from the Global Majority on it.

In support of our LGBTQIA+ colleagues and clients, we recently had our first meeting of the Trans and Non-Binary Working Group which is chaired by the senior sponsor of the LGBTQIA+ Network. This group is one of several steering groups across the organisation in support of ED&I.

Our current People Strategy sets representation targets across all levels of management and leadership, and whilst our overall workforce demographics are largely representative, we continue to have low representation at the leadership level for colleagues from the Global Majority. Therefore, as part of our Race Action Plan, we have implemented positive action strategies within recruitment to increase Global Majority representation. Performance against ED&I targets and key performance indicators are monitored through the People Committee and will be reviewed as part of the development of the new People Strategy.

MODERN SLAVERY ACT

Information about St Mungo's compliance with the Modern Slavery Act, which seeks to curb slavery and human trafficking, is available on our website www.mungos.org This was last updated in October 2023 and is reviewed annually to ensure we continually improve our practice in this area.

REMUNERATION POLICY

The aim of our remuneration policy is to offer pay rates and a broader package of terms and conditions that will attract, retain and motivate high calibre and talented colleagues. We aim to pay salary rates at all levels that effectively support attraction and retention. Changes to broader benefits in 2023-24 included increased annual leave and improved family friendly benefits.

Most roles in St Mungo's are paid at salary grades linked to the National Joint Council (NJC) for Local Government Services. The appropriate grade is determined by evaluation of the role within the terms of St Mungo's Job Evaluation scheme. We apply the NJC annual pay award if affordable, and in addition in 2023 we agreed a St Mungo's specific allowance for many grades as part of the resolution to the pay dispute and industrial action.

The base pay for certain posts is determined outside of NJC salary grades. In these cases, spot salary rates are determined by external market testing and other factors. These posts include the Chief Executive, Executive Directors, Directors and some specialist roles.

In the years which fall between market tests, those on spot rates usually receive the same cost of living increase as all other members of staff, which is determined by reference to the NJC annual settlements. In 2023, as part of the industrial action settlement, the Executive Directors and Chief Executive did not take an annual cost of living pay rise.

All colleagues at St Mungo's receive the same standard package of terms and conditions of employment, apart from access to Flexi/Toil, which is not available to recent and newly appointed Executive Directors and the Chief Executive. There are no enhancements to the standard terms and conditions, and no bonuses or discretionary additional awards in terms of salary to any individual.

As a responsible employer our aim is to secure the best benefits for St Mungo's employees past, present and future. Employees are auto enrolled into our defined contribution pension scheme with Aviva, and we have a bi-annual governance board to review scheme performance. Our standalone defined benefit scheme with TPT Retirement Solutions is closed to new employees and membership reduces each year.

RESERVES POLICY

Reserves are that part of the Group's funds that are freely available to spend on any of the Group's purposes. This definition excludes restricted reserves which arise from specific restrictions being imposed on the reserves by the donor. As a Group which has no complex financial arrangements, the Group and Association's reserves are made up of the liquid working capital offset by provisions for long-term liabilities associated with property and pension commitments.

In June 2024 the Board approved the 2025-29 Five Year Plan. The Board considered the worst-case impact of an economic recession leading to an adverse impact on our three income streams, fundraising, support contracts and rents, together with an increase in core costs. The Reserves and Liquidity policy sets thresholds to manage adverse risks should they materialise. St Mungo's will manage to cash balances of £14 million - £18 million and unrestricted reserves of £10 million - £13 million to ensure that St Mungo's is viable longer term.

Total reserves as at 31 March 2024 were £7.1 million (2023: £12.4 million). We held restricted reserves of £2.0 million (2023: £2.2 million) and unrestricted or free reserves of £5.1 million (2023: £10.2 million). The year-end cash balance was £14.4 million (2023: £16.1 million).

The Trustees have reviewed the reserves and cash of the Association and Group taking into consideration future activity, uncertainties and risks and have concluded that, while the level of reserves is temporarily below the minimum level required by the Board at 31 March 2024, the level of cash and forward plan of activity to rectify the reserves position means that it is appropriate to maintain the continuation of the Association and Group as a going concern.

PRINCIPAL RISKS AND UNCERTAINTIES

Our Strategic Risk Register sets out the principal risks and uncertainties which could impact on St Mungo's achieving its strategic objectives. Risks are captured with reference to the Board's strategic priorities and the Regulator's sector risk profile. The internal and external environment is scanned on an ongoing basis to identify any new and emerging risks to the organisation.

The impact of recent and ongoing macroeconomic shocks, coupled with reform of the social housing sector, presents a challenging external context, which has in turn brought several internal challenges into sharp focus. Responding to these risks has been a major focus of the Board during the year.

Our business plan is fully funded and based on reasonable assumptions. However, much of our contract income is short-term and low-margin and it is because of this that we maintain a robust focus on our reserves and liquidity. To further strengthen financial resilience, the Board has implemented a transformation programme, which aims to achieve long term financial stability. The five-year financial plan, agreed by the Board in June 2024, has been stress-tested against a range of plausible scenarios and provides assurance. The Board has continued to ensure that the risks arising from our day-to-day work are effectively managed prioritising safety and essential services. Further information about our principal risks and the key controls in place is set out below.

Risk	Key controls
Failure to achieve the cash flow and operating margins needed to strengthen our financial resilience. Rating: High*	<ul style="list-style-type: none"> Cash and reserves targets informed by annual stress-testing of annual budget and five year plan. Close monitoring of cash and reserves. Transformation programme implemented to deliver cash and reserves improvement. Investment decisions subject to consideration of cash flow forecasts with short term interventions in place.
Providing good quality accommodation and meeting our obligations as a landlord. Rating: Medium (Concerned)*	<ul style="list-style-type: none"> Housing Services Action Plan being updated to cover regulatory assurance and operational improvements. Asset Management Strategy being updated to meet new regulatory and legal obligations. Phase 1 of the stock condition survey completed and stock investment plan underway. Integrated Fire and Building Safety Action Plan in place to respond to forthcoming changes in building safety and consumer regulation.
Industrial relations do not improve following the dispute, resulting in financial and reputational consequences. Rating: Medium (Cautious)	<ul style="list-style-type: none"> Regular Joint Negotiating Council with both unions in attendance, as well as a new Joint Consultation Committee with CEO and Trustees, where the financial position is shared. Return to work agreement specifying commitments from all parties to work collaboratively and positively. Wide and regular communications directly with the workforce. 2023 Colleague survey enables focus on priority areas.
Level of staff vacancies impacts on essential service provision. Rating: Medium (Cautious)	<ul style="list-style-type: none"> Proactive recruitment campaigns via a range of media. Increased focus on transferable skills and priority roles. Competitive rates of pay which are regularly reviewed. Temporary cover is available through our locum and agency arrangements. Streamlined recruitment processes have been implemented following an end-to-end review.
Failure to ensure that our data is protected from the risk of cyber-attacks. Rating: High*	<ul style="list-style-type: none"> IT security function delivered by expert third party including identifying security vulnerabilities. Technical measures to ensure data security including multi-factor authentication. Organisational measures to implement the data protection principles including training and guidance. Security Monitoring and alerting solution implemented.

Managing significant Change across the organisation. Rating: Low	<ul style="list-style-type: none"> • Programme management office and processes established including gating, milestones and clear success criteria. • Transformation Portfolio Board in place to oversee delivery. • Strategy and annual priorities set, providing contextual framework for change. • Resourcing being brought in to increase change capacity and capability. • Learning from previous projects applied to future projects.
Lack of data integrity results in sub-optimal control and decision making. Rating: Medium (Concerned)*	<ul style="list-style-type: none"> • Policies and procedures to ensure the quality of data in key areas of regulatory exposure. • Mandatory data protection training and guidance to embed the right information management behaviours. • Interim data integrity improvement plan pending a longer-term review of our system architecture. • Building an Enterprise Data Model.
Failure to safeguard clients from serious harm caused by staff or corporate negligence. Current risk rating: Low	<ul style="list-style-type: none"> • Referencing, DBS checks and mandatory training. • Management support through case call-overs and supervision. • Central support available including helpdesk and surgeries. • Best practice reviews to identify lessons learnt and prevent future occurrences. • Comprehensive incident reporting and escalation systems.
Failure to comply with health and safety legislation resulting in death or serious injury. Current risk rating: Low	<ul style="list-style-type: none"> • Comprehensive suite of health and safety policies in place. • Compulsory health and safety training for all managers. • Programme of health and safety inspections across services. • Investigations into incidents and near misses and lessons learnt disseminated. • Comprehensive incident reporting and escalation systems.
Failure to deliver high quality services which meet the expectations of our commissioners and clients. Current risk rating: Low	<ul style="list-style-type: none"> • Service specifications are developed through the tender process and regularly reviewed. • Influencing work to ensure the needs of our clients are addressed through national policy and local commissioning. • Transformation programme will improve internal systems and processes and help us respond to feedback.

* The current rating for these risks falls outside the Board's risk appetite and each has a timeframe agreed by the Board to revert to within the Board's risk appetite.

Failure to achieve the cash flow and operating margins needed to strengthen our financial resilience has a high risk rating due to the current reserves position. The recently implemented transformation programme provides significant mitigation alongside our compliant cash position supported by selected property disposals, and the non-repeat of specific one-off costs such as those related to our exit from a number of Real Lettings Properties.

Failure to ensure that our data is protected from the risk of cyber-attacks is rated high due to recent incidents in the Housing Sector and Charity sector, with a noticeable increase of attacks on not for profit organisations. We continue to implement mitigation but vulnerability attacks are increasing globally.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges its ultimate responsibility for ensuring that St Mungo's has a system of internal control and risk management in place to safeguard people, assets, compliance and the reputation of the organisation. The system of internal control is designed to give reasonable rather than absolute assurance that key objectives and expected outcomes will be achieved.

The Audit and Risk Committee provides oversight on behalf of the Board regarding the system of internal control and risk management and regularly reviews its effectiveness.

Risk review

A programme is in place to ensure that risks are regularly reviewed. St Mungo's has ten Strategic Risks, as set out above.

The Executive team reviews the Strategic Risk Register regularly to ensure that risks are identified, assessed and mitigated appropriately. The Audit and Risk Committee reviews the Strategic Risk Register on a quarterly basis and provides assurance to the Board.

The Board has reviewed its risk appetite and agreed risk tolerance levels, and these are used to guide our day-to-day activities. The Executive team is responsible for ensuring that the organisation is managed in line with the agreed risk appetite.

Internal control and assurance

We have a framework of policies and procedures in place which set out our expectations of employees. Processes are in place to monitor compliance and ensure controls are operating effectively.

Our Quality Audit Programme for client-facing services identifies areas of good practice and highlights any improvements that are needed. A regular programme of Health and Safety inspections across our projects provides further assurance on compliance with statutory and regulatory obligations.

A framework of key performance indicators and regular reporting to the Board exists to ensure that any performance issues are identified and corrective action is taken.

Concerns about weaknesses in controls can be raised via line management or confidentially via our Whistleblowing Policy. Our Services of Concern Procedure ensures a comprehensive action plan is put in place where concerns relate to client-facing services.

Executive Directors are responsible for effective risk management and providing assurance, both within their areas of responsibility and collectively as part of their leadership roles.

Sources of assurance are identified using the three lines of assurance model and recorded in our risk register. The Audit and Risk Committee reviews the sources of assurance to identify gaps in assurances, overlaps and assurance effectiveness.

Internal assurance is provided through the Chief Executive's annual assurance report, which is reviewed by the Audit and Risk Committee and used to inform the Board's review of the system of internal control.

Internal and external audit

St Mungo's internal audit function, delivered by Beever and Struthers, is used to provide objective assurance on our control framework and management of risks. A programme of internal audits has been overseen by the Audit and Risk Committee. The internal auditors concluded that, based on the work undertaken and subject to the weaknesses identified and reported in the internal audit reports, the Board can take adequate assurance that there is an effective framework of governance, risk management and controls at St Mungo's.

The work of our external auditors provides further independent assurance on the control environment. Any weaknesses in internal control identified by our external auditors are considered by the Audit and Risk Committee and the Board along with an action plan to address any issues.

Fraud and whistleblowing

A Fraud Register has been maintained during the year and reviewed by the Audit and Risk Committee. During the period there have been some minor losses due to isolated fraud.

St Mungo's has a Whistleblowing Policy that encourages employees and others to express any serious concerns regarding suspected misconduct or malpractice within the organisation. No whistleblowing concerns were raised during the year.

Conclusion

The Board has considered the effectiveness of the risk management and internal control system in place across the organisation for the year ended 31 March 2024 and has concluded that it has an adequate level of assurance that there is an effective framework of governance, risk management and control at St Mungo's. No other weaknesses or relevant information have been identified which would result in material misstatement or loss and which require disclosure in the financial statements.

Auditor


Crowe UK LLP was appointed as external auditors at the Annual General Meeting on 21 September 2022. Pursuant to section 487 of the Companies Act 2006, Crowe UK LLP have indicated their willingness to be reappointed for another term. A resolution to re-appoint them will be proposed by the Board.

Disclosure of Information to the Auditor

The Board who held office at the date of the approval of this Trustees' Report confirm that in so far as the Board is aware:

- there is no relevant audit information of which the Association's auditor is unaware
- the Board has taken all the steps it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

Certain information as required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) regulations has been included within the Strategic Report. As permitted by section 414C (11) details of future developments, analysis of the development and performance of the business, commentary of key performance indicators and financial review are included in the Strategic Report. This report was approved by the Board in their capacity as company directors.



Alexandra Beidas
Vice Chair of the Board of Trustees
31 July 2024

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

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

Board members (who are also directors of the Association for the purpose of company law) are required by Company law and registered social housing legislation 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 and of the Group and Association income and expenditure for that period. In preparing each of the Group and Association financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group and the Association will continue their activities.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that its financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction of Private Registered Providers of Social Housing 2019. The Board has general responsibility for taking such steps as are reasonably open to safeguard the assets of the Group and the Association and to prevent and detect fraud and other irregularities.

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

This report was approved by the Board of Trustees on the 31st of July 2024 and signed on its behalf by:

By order of the Board



Alexandra Beidas
Vice Chair of the Board of Trustees
31 July 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MUNGO'S COMMUNITY HOUSING ASSOCIATION

Opinion

We have audited the financial statements of St Mungo Community Housing Association (the "Association") and its subsidiaries (the "group") for the year ended 31 March 2024 which comprise Consolidated statement of comprehensive income, the Association Statement of comprehensive Income, the Consolidated and Association statement of financial position, the Consolidated and Association statement of changes in reserves, the Consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 the Association's affairs as at 31 March 2024 and of the group's and Association's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine 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 trustees are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 together with the Housing Statement of Recommended Practice (Housing SORP). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Association's ability to operate or avoid a material penalty or have another material effect on the financial statements. We also considered the opportunities and incentives that may exist within group for fraud. The laws and regulations we considered in this context were the requirements imposed by the Regulator of Social Housing, health and safety legislation, taxation legislation, employment legislation and General Data Protection Regulations (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income, the assumptions applied in the consideration of impairment of property assets and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and substantive testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with relevant regulators and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, forgery, collusion or the provision of intentional misrepresentations. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 our report

This report is made solely to the Association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.



Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
27 September 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2024

	Note	Unrestricted £million	Restricted £million	Total 2024 £million	Total 2023 £million
TURNOVER	3	120.4	3.3	123.7	122.8
Operating expenditure	3	(123.2)	(3.5)	(126.7)	(126.0)
OPERATING SURPLUS / (DEFICIT)		(2.8)	(0.2)	(3.0)	(3.2)
Gain/(loss) on disposal of freehold property	7	0.4	-	0.4	0.4
Interest receivable		0.3	-	0.3	0.1
Interest payable and similar charges	6	(0.3)	-	(0.3)	(0.2)
(DEFICIT) / SURPLUS BEFORE TAX		(2.4)	(0.2)	(2.6)	(2.9)
Taxation	10	-	-	-	-
(DEFICIT) / SURPLUS FOR THE YEAR		(2.4)	(0.2)	(2.6)	(2.9)
Other comprehensive income:					
Actuarial gains / (losses) in respect of pension schemes	22	(2.7)	-	(2.7)	0.5
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(5.1)	(0.2)	(5.3)	(2.4)

The consolidated results relate wholly to continuing activities.

The accompanying notes on pages 32 - 52 form part of these financial statements.

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2024

		Unrestricted	Restricted	Total 2024	Total 2023
	Note	£million	£million	£million	£million
TURNOVER	3	120.4	3.3	123.7	122.9
Operating expenditure	3	(123.2)	(3.5)	(126.7)	(126.0)
OPERATING SURPLUS / (DEFICIT)		(2.8)	(0.2)	(3.0)	(3.1)
Gain/(loss) on disposal of freehold property	7	0.4	-	0.4	0.4
Interest receivable on bank deposits		0.3	-	0.3	0.1
Interest payable and similar charges	6	(0.3)	-	(0.3)	(0.2)
(DEFICIT) / SURPLUS BEFORE TAX		(2.4)	(0.2)	(2.6)	(2.8)
Taxation	10	-	-	-	-
(DEFICIT) / SURPLUS FOR THE YEAR		(2.4)	(0.2)	(2.6)	(2.8)
Other comprehensive income:					
Actuarial gains / (losses) in respect of pension schemes	22	(2.7)	-	(2.7)	0.5
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(5.1)	(0.2)	(5.3)	(2.3)

The association's results relate wholly to continuing activities.

The accompanying notes on pages 32 - 52 form part of these financial statements.

CONSOLIDATED AND ASSOCIATION STATEMENT OF FINANCIAL POSITION
For the year ended 31 March 2024

		Group		Association	
	Note	2024	2023	2024	2023
		£million	£million	£million	£million
FIXED ASSETS					
Intangible assets	11a	1.8	1.1	1.8	1.1
Housing properties	11b	80.1	82.7	80.1	82.7
Other fixed assets	11c	1.0	0.6	1.0	0.6
Investment in subsidiaries	12	-	-	0.1	0.1
		<u>82.9</u>	<u>84.4</u>	<u>83.0</u>	<u>84.5</u>
CURRENT ASSETS					
Trade and other debtors	13	11.6	19.2	11.5	19.1
Cash and cash equivalents	19	14.4	16.1	14.4	16.1
		<u>26.0</u>	<u>35.3</u>	<u>25.9</u>	<u>35.2</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(19.9)	(24.4)	(20.0)	(24.5)
NET CURRENT ASSETS		<u>6.1</u>	<u>10.9</u>	<u>5.9</u>	<u>10.7</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>89.0</u>	<u>95.3</u>	<u>88.9</u>	<u>95.2</u>
NON-CURRENT LIABILITIES					
Creditors: Amounts falling due after more than one year	15	(71.0)	(72.3)	(71.0)	(72.3)
Retirement benefit obligations	22	(7.7)	(6.3)	(7.7)	(6.3)
Provisions for liabilities	17	(3.2)	(4.3)	(3.2)	(4.3)
		<u>(81.9)</u>	<u>(82.9)</u>	<u>(81.9)</u>	<u>(82.9)</u>
TOTAL NET ASSETS		<u>7.1</u>	<u>12.4</u>	<u>7.0</u>	<u>12.3</u>
RESERVES					
Restricted reserve	18	2.0	2.2	2.0	2.2
Income and expenditure reserve		5.1	10.2	5.0	10.1
TOTAL RESERVES		<u>7.1</u>	<u>12.4</u>	<u>7.0</u>	<u>12.3</u>

The accompanying notes on pages 32 - 52 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 31 July 2024 and are signed on its behalf by:



Alexandra Beidas
Vice Chair



Philip Moore
Trustee

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
For the year ended 31 March 2024

	Unrestricted reserves £million	Restricted reserves £million	Total reserves £million
Balance at 31 March 2022	13.0	1.8	14.8
Surplus/(Deficit) for the year	(4.1)	1.8	(2.4)
Capital Reserves Adjustment	1.3	(1.3)	-
Balance at 31 March 2023	10.2	2.2	12.4
Surplus / (Deficit) for the year	(5.1)	(0.2)	(5.3)
Capital Reserves Adjustment	-	-	-
Balance at 31 March 2024	5.1	2.0	7.1

ASSOCIATION STATEMENT OF CHANGES IN RESERVES
For the year ended 31 March 2024

	Unrestricted reserve £million	Restricted reserve £million	Total reserves £million
Balance at 31 March 2022	12.8	1.8	14.6
Surplus/(Deficit) for the year	(4.0)	1.8	(2.3)
Capital Reserves Adjustment	1.3	(1.3)	-
Balance at 31 March 2023	10.1	2.2	12.3
Surplus / (Deficit) for the year	(5.1)	(0.2)	(5.3)
Capital Reserves Adjustment	-	-	-
Balance at 31 March 2024	5.0	2.0	7.0

The Capital Reserve Adjustment represents the spend to date of a donation restricted to capital property acquisition.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2024

	Note	2024 £million	2023 £million
Net cash generated from operations	19	(0.1)	(3.9)
Interest received		0.4	0.1
NET CASH GENERATED FROM OPERATING ACTIVITIES		0.3	(3.8)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed and intangible assets		(3.0)	(6.4)
Proceeds on disposal of tangible fixed assets		0.7	0.9
Grants received		0.3	2.9
NET CASH (USED IN) INVESTING ACTIVITIES		(2.0)	(2.6)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan finance		-	-
NET CASH (USED IN) FINANCING ACTIVITIES		-	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(1.7)	(6.4)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		16.1	22.5
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	14.4	16.1

(I) ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2023 £million	Cash Flows £million	At 31 March 2024 £million
CASH AND CASH EQUIVALENTS			
Cash	16.1	(1.7)	14.4

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

1. LEGAL STATUS

St Mungo Community Housing Association ("the Association") is a company limited by guarantee and registered charity, a public benefit entity and is an English registered social housing provider.

The address of the Association's registered office and principal place of business is St Mungo's, 5th Floor, 3 Thomas More Square, London E1W 1YW.

2. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements have been prepared under the historical cost convention and on a going concern basis.

GOING CONCERN

During the year, the Board considers the worst case impact of different business scenarios (stress testing) on the financial plan. The Board considered the worst case impact of an economic recession leading to a reduction in fundraising receipts, loss of contracts and rent service charge income, cost and wage inflation, strike impact and an increase in voids and bad debts. The Board also considered the impact of a "perfect storm" which included several scenarios occurring at the same time considering mitigating actions including cost cutting measures and supporting the conclusions that sufficient cash reserves remain available for at least the next 12 months.

Based on the review of these forecasts and the available free cash reserves the Trustees have concluded the Group is a going concern and accordingly have prepared the financial statements on this basis.

BASIS OF CONSOLIDATION

Under the Companies Act 2006 the Group has prepared consolidated financial statements. The consolidated financial statements incorporate those of the Association and all its subsidiaries (i.e., entities that the Group controls through its power to govern the financial and operating policies to obtain economic benefits). All financial statements are made up to 31 March 2024.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

Where the Group does not control the financial and operating policies of an entity but is able to exert significant influence over them then that entity is accounted for as an Associate. The Group includes its share of the entities result and financial position in its consolidated financial statements.

All subsidiaries are dormant and listed in note 12

REDUCED DISCLOSURES

In accordance with FRS 102, the Association has taken advantage of the exemption from the following disclosure requirement in the individual financial statements of the Association under Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

TURNOVER AND REVENUE RECOGNITION

Turnover comprises rental and service charge income receivable in the period net of rent and service charge loss from voids. Turnover also includes fees and revenue grants receivable from Local Authorities, Government departments and charitable bodies, amortisation of deferred capital grants, donations and income from fundraising activities and other services provided in the year (excluding VAT).

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

Donations and income from fundraising activities are recognised when the Group has entitlement to these and receipt is probable, being at the point of cash receipt.

Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

OTHER INCOME

Interest income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

INTANGIBLE ASSETS

Software – Internal and external costs incurred during the preliminary stage of developing computer software for internal use are expensed as incurred. Internal and external costs incurred to develop computer software for internal use during the application development stage are capitalised if the company expects economic benefits from the development. Capitalisation in the application development stage begins once the company can reliably measure the expenditure attributable to the software development and has demonstrated its intention to complete and use the software. Software is amortised on a straight-line basis over its estimated useful life of 4 years.

TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

Housing properties are properties for the provision of social housing and are principally properties available for rent.

Completed housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in:

- An increase in rental income;
- A material reduction in future maintenance costs;
- A significant extension to the life of the property;

DONATED LAND AND OTHER ASSETS

Land or other assets which have been donated by a government source is added to the cost of assets at the fair value of the land at the time of the donation. The difference between the fair value of the asset donated and the consideration paid is treated as a non-monetary government grant and included within the Statement of Financial Position as a liability. The terms of the donation are considered to be performance related

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

conditions. Where the donation is not from a public source, the value of the donations less the consideration is included in income.

DEPRECIATION OF HOUSING PROPERTIES

Freehold land or assets under construction are not depreciated.

The Group separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the shorter of the length of the lease or the following years:

Structure	60 years
Land	Nil
Kitchens	10 years
Bathrooms	15 years
Pitch roof	60 years
Flat roof	20 years
Windows	25 years
Electrical works	15 years
Boilers	10 years

IMPAIRMENTS OF FIXED ASSETS

An assessment is made at each reporting date of whether indications exist that an Asset or Cash Generating Unit (CGU) may be impaired, or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset.

Impairment losses are recognised through expenditure.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised through expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

OTHER TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:-

Motor vehicles	over 4 years
Office equipment, fixtures and fittings	over 4 years
Computer equipment	over 4 years
Leasehold improvements	up to the break clause in the lease

GOVERNMENT GRANTS

Government grants include grants receivable from Homes England, local authorities and other government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants received for housing properties are recognised as income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Association will comply with the conditions and the funds will be received.

OTHER GRANTS

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

TAXATION

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Irrecoverable VAT is not separately analysed and is charged to expenditure when incurred. It is allocated as part of the expenditure to which it relates.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable surpluses.

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Current and deferred tax is charged or credited as income or expenditure, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

LEASES

Operating Leases

The Group enters into operating leases, the annual rentals are charged to expenditure on a straight line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense. Employees are entitled to carry forward up to five days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

RETIREMENT BENEFITS

Defined contribution plans

For defined contribution schemes the amount charged is the contributions payable in the year. Differences between contributions payable in the year and contributions paid are shown as either accruals or prepayments.

Defined benefit plans

The Employer operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. The disclosure in these accounts complies with FRS102, with the Scheme's liability updated to 31 March 24 by a qualified actuary, independent of the Scheme's sponsoring employer.

The Consolidated Statement of Comprehensive Income includes pension expense and net interest expense together with the actuarial loss for the year.

FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income.

Financial liabilities

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

De-recognition of financial assets and liabilities

A financial asset is de-recognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

PROVISIONS

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

RESERVES

The Group establishes restricted funds for specific purposes where their use is subject to restrictions imposed by third parties. Designated reserves are established as appropriate and are part of unrestricted free reserves.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised in the accounting period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting policies where judgements or estimation are necessarily applied are summarised below.

Impairment

The Group determines whether non-current assets are impaired on annual basis. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Defined benefit pension plan

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

3. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

2024: Group and Association

	Turnover £million	Operating expenditure £million	Operating surplus/(deficit) £million
SOCIAL HOUSING ACTIVITIES			
Income and expenditure from social housing lettings (note 4)	48.7	51.1	(2.4)
OTHER SOCIAL HOUSING ACTIVITIES			
Supporting people contract income	22.8	22.8	-
NON SOCIAL HOUSING ACTIVITIES			
Support Services	33.1	40.1	(7.0)
Fundraising	13.5	4.9	8.6
Real Lettings	5.6	7.8	(2.2)
	<u>123.7</u>	<u>126.7</u>	<u>(3.0)</u>

2023: Group and Association

	Turnover £million	Operating expenditure £million	Operating surplus/(deficit) £million
SOCIAL HOUSING ACTIVITIES			
Income and expenditure from social housing lettings (note 4)	40.9	42.7	(1.8)
OTHER SOCIAL HOUSING ACTIVITIES			
Supporting people contract income	22.0	24.4	(2.4)
NON SOCIAL HOUSING ACTIVITIES			
Support Services	33.6	43.1	(9.5)
Fundraising	16.5	4.9	11.6
Real Lettings	9.8	10.9	(1.1)
	<u>122.8</u>	<u>126.0</u>	<u>(3.2)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

4. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

Group and Association

	2024				2023			
	Supported Housing	Care homes	Short stay housing	Total	Supported Housing	Care homes	Short stay housing	Total
	£million	£million	£million	£million	£million	£million	£million	£million
TURNOVER FROM SOCIAL HOUSING LETTINGS								
Rent receivable net of voids	11.0	2.4	0.2	13.6	9.9	2.1	0.4	12.4
Service charges net of voids	26.7	-	0.5	27.2	22.2	-	0.1	22.3
NET RENTAL INCOME	37.7	2.4	0.7	40.8	32.1	2.1	0.5	34.7
Other revenue grants	6.1	-	-	6.1	4.2	0.1	0.2	4.5
Amortisation of deferred capital grants	1.6	0.1	0.1	1.8	1.5	0.1	0.1	1.7
TURNOVER FROM SOCIAL HOUSING LETTINGS	45.4	2.5	0.8	48.7	37.8	2.3	0.8	40.9
EXPENDITURE ON SOCIAL HOUSING LETTINGS								
Management	12.3	1.0	0.2	13.5	8.8	0.6	0.4	9.8
Service charge costs	17.0	1.9	0.7	19.6	14.0	1.6	0.5	16.1
Routine maintenance	2.8	0.1	0.1	3.0	3.2	0.1	0.1	3.4
Planned maintenance	1.4	-	-	1.4	1.0	-	-	1.0
Bad debts	1.9	-	0.1	2.0	2.0	(0.2)	-	1.8
Depreciation charged	3.4	0.1	0.2	3.7	3.4	0.2	0.2	3.8
Lease Charges	6.4	-	-	6.4	6.1	-	-	6.1
Landlord charges	0.3	-	-	0.3	0.2	-	-	0.2
Other costs	1.2	-	-	1.2	0.5	-	-	0.5
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	46.7	3.1	1.3	51.1	39.2	2.3	1.2	42.7
OPERATING SURPLUS/(DEFICIT) ON SOCIAL HOUSING LETTINGS	(1.3)	(0.6)	(0.5)	(2.4)	(1.4)	-	(0.4)	(1.8)
<i>Rent losses due to voids</i>	<i>3.5</i>	<i>0.2</i>	<i>0.1</i>	<i>3.8</i>	<i>3.4</i>	<i>0.1</i>	<i>-</i>	<i>3.5</i>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

5. ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

Group and Association	2024 Units	2023 Units
Supported Housing		
- Supported housing	2,280	2,405
- Care homes	56	55
- Short stay housing	-	-
Total number of Supported Housing managed units	2,336	2,460
Other Units		
- Non-Social	225	650
- Owned but managed by another organisation	21	75
	2,582	3,185

Supported Housing managed units and units owned but managed by another organisation are measured by bedspace. Non-Social units are measured as self-contained properties.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Group 2024 £million	2023 £million	Association 2024 £million	2023 £million
Interest arising on;				
Unwinding of discount factor on pension deficit provision	0.3	0.2	0.3	0.2

7. GAIN ON DISPOSAL OF PROPERTY

Association and Group	2024 £million	2023 £million
Disposal proceeds	0.7	0.9
Carrying value of fixed assets	(0.3)	(0.3)
Write back amortised grant	-	(0.2)
Gain on Disposal	0.4	0.4

8. OPERATING SURPLUS

	Note	Group 2024 £million	2023 £million	Association 2024 £million	2023 £million
Operating surplus is stated after charging/(crediting):					
Amortisation of intangible fixed assets	11a	0.3	0.7	0.3	0.7
Depreciation of housing properties	11b	3.6	3.7	3.6	3.7
Depreciation of other tangible fixed assets	11c	0.1	0.1	0.1	0.1
Operating lease rentals		7.9	11.0	7.9	11.0
Fees payable to external auditors		0.1	0.1	0.1	0.1
Non audit services		-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

9. EMPLOYEES

The average monthly number of persons (including directors) employed during the year was:

	Group and Association 2024 No.	Group and Association 2023 No.
Full time	1,274	1,256
Part time (full time equivalent 116) (2023:88)	167	163
Locums (full time equivalent 145) (2023:117)	258	210
	<u>1,699</u>	<u>1,629</u>

Staff costs:	Group and Association 2024 £million	Group and Association 2023 £million
Wages and salaries	56.3	53.6
Social security costs	5.8	5.6
Other pension costs and current service cost (note 21)	2.4	2.3
Agency staff	9.6	12.1
	<u>74.1</u>	<u>73.6</u>

Total compensation for loss of office was £364,995 in F24 (F23: £109,391)

The full time equivalent number of staff who received remuneration (excluding trustees, including executive directors):	2024	2023
£60,001 - £70,000	31	17
£70,001 - £80,000	11	9
£80,001 - £90,000	9	9
£90,001 - £100,000	1	1
£100,001 - £110,000	4	-
£110,001 - £120,000	-	-
£120,000 - £130,000	-	1
£130,001 - £140,000	2	2
£140,001 - £150,000	-	1
£150,001 - £160,000	-	-
£180,001 - £190,000	-	-
£190,001 - £200,000	1	-

EXECUTIVE DIRECTORS

The key management of the charity, as at 31 March 2024, comprised the Chief Executive and the four directors of the organisation (Finance Director, Client Services Director, Director of Housing Services and Director of Transformation). The total remuneration and benefits, including salary and employer's pension contributions, of the key management personnel of the charity are outlined below:

	2024 £	2023 £
Remuneration and fees	693,981	694,790
Association contributions to money purchase pension schemes	30,823	25,307
Compensation for loss of office	-	10,000
	<u>724,804</u>	<u>730,097</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

Pension contributions were paid on behalf of key management personnel. The amount paid to the highest paid director (the Chief Executive), including pension contributions, was £192,010 (2023 part year: £73,285). She was an ordinary member of the Association's Aviva defined contribution pension scheme and no enhancement or special terms applied. The Association does not make any further contributions to an individual pension arrangement for the Chief Executive. None of the Trustees received any emoluments in the year. Trustees claimed £16 in expenses during the year (2023: £86)

10. TAXATION

Factors affecting the tax charge for the year.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (25%). The differences are explained below:

	Group		Association	
	2024	2023	2024	2023
	£million	£million	£million	£million
(Deficit) on ordinary activities before tax	(2.6)	(2.9)	(2.6)	(2.8)
(Deficit) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25%	(0.7)	(0.5)	(0.7)	(0.5)
Effects of:				
Exempt charitable activities	0.7	0.5	0.7	0.5
Tax expense	-	-	-	-

Any profits are donated by gift aid by the subsidiaries. No UK corporation tax has arisen in the period to 31 March 2024 (31 March 2023: £nil). As any profits are donated by gift aid no deferred tax asset is recognised in respect of any tax

11A. INTANGIBLE FIXED ASSETS

Group and Association

	£million
Cost	
At 1 April 2022	1.5
Additions	0.7
Disposals	(0.3)
At 31 March 2023	1.9
Additions	1.0
Disposals	-
At 31 March 2024	2.9
Depreciation and impairment	
At 1 April 2022	0.1
Depreciation charged in year	0.7
At 31 March 2023	0.8
Depreciation charged in year	0.3
At 31 March 2024	1.1
Carrying amount	
31 March 2024	1.8
31 March 2023	1.1

Internal and external costs associated with developing computer software for own use.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

11B. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

Group and Association

Social housing properties held for letting

	Completed properties £million	Properties under construction £million	Total £million
Cost			
At 1 April 2022	121.3	0.7	122.0
Properties acquired	1.9	-	1.9
Works to existing properties	2.3	1.1	3.4
Schemes completed	0.6	(0.6)	-
Disposals	(1.2)	-	(1.2)
At 31 March 2023	124.9	1.2	126.1
Properties acquired	-	-	-
Works to existing properties	1.5	-	1.5
Schemes completed	1.2	(1.2)	-
Disposals	(0.5)	-	(0.5)
At 31 March 2024	127.1	-	127.1
Depreciation and impairments			
At 1 April 2022	40.2	-	40.2
Depreciation charged in year	3.7	-	3.7
Released on disposal	(0.4)	-	(0.4)
At 31 March 2023	43.5	-	43.5
Depreciation charged in year	3.6	-	3.6
Released on disposal	(0.1)	-	(0.1)
At 31 March 2024	47.0	-	47.0
Net Book Value			
At 31 March 2024	80.1	-	80.1
At 31 March 2023	81.5	1.2	82.7

At each reporting date an assessment must be made of whether any indicators of impairment exist. A review has been undertaken and no impairment indicators have been identified. Cumulative impairments on housing properties amounted to £nil at 31 March 2024 (2023: £nil). Development and works to existing properties include capitalised administration costs of £0.1m (2023: £0.1m).

EXPENDITURE ON WORKS TO EXISTING PROPERTIES

Group and Association

	2024 £million	2023 £million
Total capitalised costs in respect of existing properties and replacement components	1.5	3.4
	1.5	3.4

HOUSING PROPERTIES BY TENURE

Group and Association

	2024 £million	2023 £million
Freehold land and buildings	70.9	73.6
Long leasehold land and buildings	6.7	6.6
Short leasehold land and buildings	2.5	2.5
	80.1	82.7

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

11C. TANGIBLE FIXED ASSETS – OTHER

Group and Association	Computers Equipment	Furniture and Equipment	Leasehold improvements	Total
	£million	£million	£million	£million
Cost at March 2022	0.1	0.3	0.8	1.2
Additions	0.3	-	-	0.3
Cost at March 2023	0.4	0.3	0.8	1.5
Additions	0.5	-	-	0.5
As at 31 March 2024	0.9	0.3	0.8	2.0
Depreciation and impairment				
31 March 2022	0.1	0.3	0.3	0.7
Depreciation charged in year	0.1	-	0.1	0.2
31 March 2023	0.2	0.3	0.4	0.9
Depreciation charged in year	0.1	-	-	0.1
31 March 2024	0.3	0.3	0.4	1.0
Carrying amount				
31 March 2024	0.6	-	0.4	1.0
31 March 2023	0.2	-	0.4	0.6

12. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Association	2024	2023
Investment in subsidiaries	£million	£million
Cost		
At start of period	0.1	0.1
At end of period	0.1	0.1

The St Mungo Community Housing Association subsidiary undertakings are:

<i>Name of undertaking</i>	<i>Class of shareholding</i>	<i>Country of incorporation</i>	<i>Proportion of nominal value held directly</i>	<i>Nature of Business</i>
Broadway Homelessness and Support St Mungo's Homes Limited	Ordinary Ordinary	England England	100% 100%	Dormant Dormant.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

13. DEBTORS

	Group		Association	
	2024	2023	2024	2023
	£million	£million	£million	£million
Amounts falling due within one year:				
Rent and services receivable	9.3	8.7	9.3	8.7
Less: provision for bad and doubtful debts	(6.5)	(6.3)	(6.5)	(6.3)
	<u>2.8</u>	<u>2.4</u>	<u>2.8</u>	<u>2.4</u>
Trade debtors	5.5	11.5	5.4	11.5
Other debtors	0.1	-	0.1	-
Prepayments and accrued income	3.2	5.3	3.2	5.3
Capital grant receivable	-	-	-	-
	<u>11.6</u>	<u>19.2</u>	<u>11.5</u>	<u>19.1</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Association	
	2024	2023	2024	2023
	£million	£million	£million	£million
Rent and service charges received in advance	5.9	7.0	5.9	7.0
Deferred capital grants	1.7	1.6	1.7	1.6
Trade creditors	0.2	1.1	0.2	1.1
Amounts owed to subsidiary undertakings	-	-	0.1	0.1
Other taxation and social security costs	1.5	1.6	1.5	1.6
Other creditors	0.4	0.5	0.4	0.5
Accruals and deferred income	10.2	12.6	10.2	12.6
	<u>19.9</u>	<u>24.4</u>	<u>20.0</u>	<u>24.5</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Association	
	2024	2023	2024	2023
	£million	£million	£million	£million
Recycled capital grant	0.6	0.5	0.6	0.5
Deferred capital grants (note 16)	70.4	71.8	70.4	71.8
	<u>71.0</u>	<u>72.3</u>	<u>71.0</u>	<u>72.3</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

16. DEFERRED CAPITAL GRANT

Association and Group	2024 £million	2023 £million
As at 1 April	73.4	73.2
Grant received in the year	0.3	2.1
Capital grant amortised	(1.7)	(1.7)
Grant moved to creditors	-	(0.2)
As at 31 March	<u>72.0</u>	<u>73.4</u>

In full the Association has received Social Housing Grants of £104,654,708 from Government Bodies (2023: £104,314,168). The Association intends to use the recycled grant to fund new property development activities furthering the Associations aims and objectives.

Recycled Capital Grant

	2024 £million	2023 £million
As at 1 April	0.5	0.5
As at 31 March	0.6	0.5

17. PROVISIONS FOR LIABILITIES

Group and Association

	Dilapidations £million	Total £million
1 April 2022	4.0	4.0
Utilised in the year	(0.2)	(0.2)
Additional provision in year	0.5	0.5
31 March 2023	<u>4.3</u>	<u>4.3</u>
Utilised in the year	(1.6)	(1.6)
Additional provision in year	0.5	0.5
31 March 2024	<u>3.2</u>	<u>3.2</u>

Dilapidations: This represents the anticipated cost of making good properties at the end of their lease terms.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

18. MEMBERS AND RESERVES

The Association is limited by guarantee and consequently has no share capital. Each of the Association's members agrees to contribute £1 in the event of the Association winding up.

	2024 No.	2023 No.
Number of members		
1 April	10	12
Joined during the year	2	1
Left during year	(1)	(3)
31 March	<u>11</u>	<u>10</u>

	At 1 April 2023 £million	Income £million	Expenditure £million	At 31 March 2024 £million
RESTRICTED RESERVES				
Recovery College	0.3	0.6	(0.9)	-
Street Legal	0.3	-	(0.1)	0.2
HARP	-	0.4	(0.3)	0.1
HomelessWise	-	0.5	(0.4)	0.1
Lifeworks	-	-	-	-
Putting Down Roots	-	0.2	(0.2)	-
Social Enterprise P+D	-	-	-	-
Social Enterprise Bricks & Mortar	-	0.1	(0.1)	-
SELHP	0.1	-	(0.1)	-
Oxford Mental Health	0.5	-	-	0.5
Barratt Developments	-	-	-	-
Leicester Constriction Skills	0.2	0.1	(0.1)	0.2
Tower Hamlets SORT	-	0.1	-	0.1
Westminster SOS	-	0.2	(0.2)	-
Camden HF	-	0.1	(0.1)	-
First Response	0.1	-	(0.1)	-
Other	0.7	1.0	(0.9)	0.8
Total	<u>2.2</u>	<u>3.3</u>	<u>(3.5)</u>	<u>2.0</u>

Restricted reserves

Restricted donations are applied to part or fully fund projects that meet the donor restriction and that further the charitable activities of St Mungo's.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

19. RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

Group	2024 £million	2023 £million
(Deficit) / for the year	(2.6)	(2.9)
(Gain) on disposal of tangible fixed assets	(0.4)	(0.4)
Interest receivable	(0.3)	(0.1)
Interest payable	0.3	0.2
Operating Surplus / (Deficit)	(3.0)	(3.2)
Defined Benefit Pension Scheme payment toward deficit	(1.7)	(1.6)
<i>Adjustments for non-cash items:</i>		
Amortisation of capital grant	(1.7)	(1.7)
Amortisation of intangible assets	0.3	0.7
Depreciation of tangible fixed assets	3.7	3.8
Fixed Asset non-cash movement	0.2	0.2
Increase / (Decrease) in provisions	(1.1)	0.3
Defined Benefit Pension costs recognised in Statement of Comprehensive Income	0.1	0.1
Operating cash flows before movements in working capital	(3.2)	(1.4)
Decrease / (Increase) in trade and other debtors	7.6	(0.4)
Increase / (Decrease) in trade and other creditors	(4.5)	(2.1)
Cash generated from operations	(0.1)	(3.9)
	2024 £million	2023 £million
Cash and cash equivalents represent:-		
Cash at bank	0.8	0.8
Short-term deposits	13.6	15.3
	<u>14.4</u>	<u>16.1</u>

20. CAPITAL COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS
Group and Association

	2024 £million	2023 £million
Capital expenditure contracted for but not provided in the financial statements	-	0.4
Expenditure authorised by the Board, but not contracted	4.6	3.2
	<u>4.6</u>	<u>3.6</u>

These liabilities will be met by the use of free cash reserves.

21. COMMITMENTS UNDER OPERATING LEASES
Group and Association

	2024 £million	2023 £million
The total future minimum lease payments are payable:		
Within one year	2.4	5.8
Between one and five years	4.3	3.9
After five years	1.1	1.9
	<u>7.8</u>	<u>11.6</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

22. RETIREMENT BENEFITS

The Group participates in two defined contribution pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the Group in independently administered funds. The contributions payable by the Group are charged to expenditure, and contributions payable to the fund at the year-end are included in creditors as follows:

Administrator	Contributions payable charged to Statement of Comprehensive Income		Contributions payable to the fund included in creditors	
	2024 £million	2023 £million	2024 £million	2023 £million
Pensions Trust	0.1	0.2	-	-
Aviva	2.3	2.1	(0.4)	(0.4)
	<u>2.4</u>	<u>2.3</u>	<u>(0.4)</u>	<u>(0.4)</u>

ST MUNGO'S DEFINED BENEFIT SCHEME

The Employer operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. Scheme liabilities have been based on liability information as at 30 September 2021 updated to 31 March 2024 by a qualified actuary, independent of the Scheme's sponsoring employer.

The triennial actuarial valuation at 30 September 2021 showed a deficit of £14,072,000 and a funding level of 76%. The Employer has agreed with the Trustee that it will aim to eliminate the deficit by 30 May 2029. To achieve this, prior to 1 April 2023, deficit contributions of £1,560,600 p.a. plus £81,000 p.a. in respect of scheme expenses were payable. From 1 April 2023, deficit contributions of £1,592,000 p.a. (payable monthly) and £94,764 p.a. in respect of scheme expenses are payable, both increasing by 2% p.a. on 1 April 2024 and each 1 April thereafter. As at 31 March 2024, the ongoing funding deficit in the Scheme was £6.7m and the funding level was 80.9%.

DEFINED BENEFIT PENSION LIABILITY

	2024 £million	2023 £million
1 April 2023	6.3	8.1
Defined benefit costs recognised in Statement of Comprehensive Income	0.4	0.3
Defined benefit (gains) / costs recognised in Other Comprehensive Income	2.7	(0.5)
Deficit contribution paid	<u>(1.7)</u>	<u>(1.6)</u>
31 March 2024	<u>7.7</u>	<u>6.3</u>

PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT LIABILITY

	2024 £million	2023 £million
Fair value of plan assets	28.2	29.4
Present value of defined benefit obligation	<u>(35.9)</u>	<u>(35.7)</u>
Net defined benefit liability to be recognised	<u>(7.7)</u>	<u>(6.3)</u>

NOTES TO THE FINANCIAL STATEMENTS
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RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	2024	2023
	£million	£million
Defined benefit obligation at start of period	35.7	51.7
Interest expense	1.7	1.5
Actuarial losses / (gains) due to scheme experience	0.6	2.8
Actuarial losses / (gains) due to changes in demographic assumptions	(0.4)	(1.2)
Actuarial (gains) / losses due to changes in financial assumptions	(0.4)	(18.1)
Benefits paid and expenses	(1.3)	(1.0)
Defined benefit obligation at end of period	<u>35.9</u>	<u>35.7</u>

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	2024	2023
	£million	£million
Fair value of plan assets at start of period	29.4	43.6
Interest income	1.4	1.2
Experience on plan assets (excluding amounts added as interest income) loss	(2.9)	(16.0)
Contributions by the employer	1.7	1.6
Benefits paid and expenses	(1.4)	(1.0)
Fair value of plan assets at end of period	<u>28.2</u>	<u>29.4</u>

The actual return on plan assets (including any changes in share of assets) over the year ended 31 March 2022 was £2,123,000 (year ended 31 March 2021 - £2,813,000).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)

	2024	2023
	£million	£million
Expenses	0.1	0.1
Net interest expense	0.3	0.2
Defined benefit costs recognised in statement of comprehensive income (SoCl)	<u>0.4</u>	<u>0.3</u>

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	2024	2023
	£million	£million
Experience on plan assets (excluding amounts included in net interest cost) – gain/(loss)	(2.9)	(16.0)
Experience gains and losses arising on the plan liabilities – (loss) / gain	(0.6)	(2.8)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – (loss) / gain	0.4	1.2
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain / (loss)	0.4	18.1
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain / (loss)	<u>(2.7)</u>	<u>0.5</u>
Total amount recognised in other comprehensive income – gain / (loss)	<u>(2.7)</u>	<u>0.5</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

ASSETS

	2024 £million	2023 £million
Equity	1.9	0.1
Bonds	1.5	1.6
Property	1.5	2.7
Cash	2.6	1.2
Other	2.3	4.2
LDI	13.7	15.2
Liquid Alternatives	2.6	1.8
Private Credit	2.1	2.6
Total assets	28.2	29.4

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

KEY ASSUMPTIONS

	2024 % per annum	2023 % per annum
Discount Rate	4.90	4.85
Inflation (RPI)	3.10	3.15
Inflation (CPI)	2.90	2.90
Salary Growth	2.50	2.50

	75% of maximum allowance	75% of maximum allowance
Allowance for commutation of pension for cash at retirement		

The mortality assumptions adopted imply the following life expectancies on retirement age 65:

	2024 (Years)	2023 (Years)
Male retiring in 2024	21.0	21.3
Female retiring in 2024	23.6	24.9
Male retiring in 2044	22.6	23.0
Female retiring in 2044	25.0	25.3

23. LOCAL GOVERNMENT HOUSING ACT 1998

The total grant available from the Association of London Government and London Councils for the year ended 31 March 2024 includes the following:

The HARP Connect Project was £330,042. The analysis below summarises what the grant was awarded for and how it has been used:

London Councils – HARP Connect

	Grant £	Spend £
Salaries	243,206	245,258
Beneficiary costs	31,780	26,779
Running costs	55,056	54,312
	330,042	326,349

As at the 31 March 2024 the amount of grant unspent was £3,693.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

In F23 a total grant of £298,930 was received and £295,345 was spent generating an underspend of £2,885 which, will be returned to London Councils via reduced future payments in F25.

In F22 a total grant of £204,862.52 was received and £202,869 was spent generating an underspend of £1,993.79 which was returned to London Councils in F23.

The StreetLink London Advice Line was £101,703. The analysis below summarises what the grant was awarded for and how it has been used:

London Councils – StreetLink London Advice Line

	Grant £	Spend £
Salaries	82,924	96,825
Beneficiary costs	1,635	1,635
Running costs	17,144	17,144
	<u>101,703</u>	<u>115,604</u>

In F23 the total grant received was £102,665. The amount spent was £88,764. London Councils agreed that the underspend of £13,901 could be carried forward to use on locum cover, on which it was fully spent by the end of March 2024.

24. RELATED PARTY TRANSACTIONS

The following transactions are with 100% owned entities which are not regulated by the Regulator of Social Housing:

- Street Impact London donated Nil (2023: £78,760) to the Association during the year
- £99,000 was owed by the Association to Broadway Homelessness and Support (2023: £99,000).

25. POST BALANCE SHEET EVENT

On 21st June 2024 St Mungo Community Housing Association exchanged contracts to sell 217- 221 Harrow Road, London W2 (subject to vacant possession being secured) for a value higher than net book value.