

Our finances

As a result of increased activity in the year, contract wins, changes to the way we deliver services and the generosity of our supporters, our turnover grew by 14% to £122 million.

The key driver of increased activity was our pandemic response, which supported people who were rough sleeping or in supported accommodation to isolate safely in emergency accommodation. It included the management of 30 hotels and providing support to over 4,000 people. The funding totalled £10.8 million, £4.4 million of which was re-purposed, with agreement of the GLA and local authorities, away from services which were not able to run in accordance with Government isolation guidelines.

Outside our pandemic response, our social and non-social housing portfolio remained stable as fewer opportunities to tender for new contracts has meant fewer opportunities for growth. We did however acquire a further 16 affordable units so that we can expand our move-on accommodation offering in Bristol.

Fundraising income grew by 28% this year to £16.1 million (2019/20: £12.6 million). We are grateful that our role as a leading provider of frontline homelessness services galvanised support from the public, corporate partners and other institutions.

Responding to the pandemic incurred £3.1 million of incremental costs, comprising £1.4 million of non-staff costs (£0.6 million to meet service delivery needs to keep clients and staff safe and £0.8 million spent in extending remote working solutions) together with £1.7 million of staff costs including a one off "thank you" payment for all staff, extended leave arrangements, and top up payments to full pay for 93 furloughed staff. St Mungo's supported the incremental spend with £0.9m pandemic related service contribution and £2.2m from own funds.

The average length of social-housing licences which ended during the year was 311 days (280 days in 2020). Our response to Covid-19, including supplying emergency accommodation through the Everyone In programme, led to a disruption in referral pathways for some of the properties we managed in the first quarter of the year. This lengthened re-let times and increased the number of voids (empty rooms) to 8.92% (2020: 7.47%). Lengths of tenure and the number of voids have since returned to pre-pandemic levels. Rent collection in the year increased by 2% to 97% and bad debts reduced to 10.46% (2020: 13.66%).

We increased our dilapidations provision with respect to the Real Letting Pooled Fund by £1.4 million to meet increasing costs.

As a result of our incremental spend, combined with a £1.6 million actuarial loss on our defined benefit pension scheme, our loss for the year was £2.8 million, compared to a prior year surplus of £0.2m. However, the 2020 trading performance was supported by the profit of £1.7 million on a property sale and, adjusting for these non-trading activities, the underlying operating deficit improved year on year to £1 million.

As of 31 March 2021 we had reserves of £13.7 million (2020: £16.5 million), and cash and bank balances of £22.9 million (2020: £20.9 million).

Going forward, we know the financial operating environment will remain a challenge. We have tested our assumptions and identified actions to manage the organisation, so that we remain in a strong going-concern position.

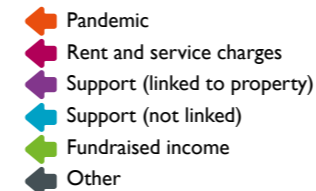
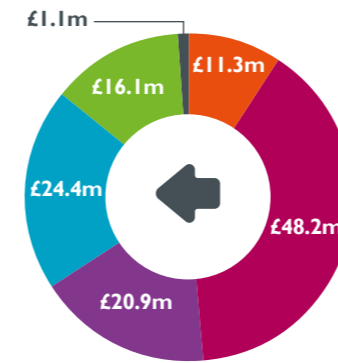
Jonathan Manuel Executive Director of Finance

Statement of financial position

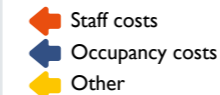
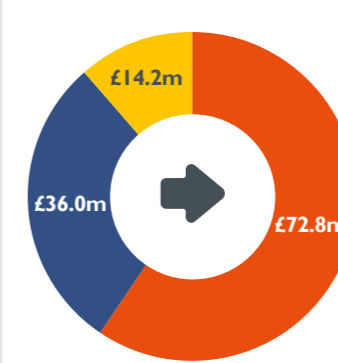
For the year ended 31 March 2021

	Group	
	2021 £000	2020 £000
Fixed assets		
Intangible assets	950	568
Housing properties	82,709	82,881
Other fixed assets	565	619
Share of associate	25	68
	<u>84,249</u>	<u>84,136</u>
Current assets		
Trade and other debtors	18,903	16,825
Cash and cash equivalents	22,914	20,896
	<u>41,817</u>	<u>37,721</u>
Current liabilities		
Creditors: amounts falling due within one year	(24,959)	(19,948)
Net current assets	<u>16,858</u>	<u>17,773</u>
Total assets less current liabilities	<u>101,107</u>	<u>101,909</u>
Non current liabilities		
Creditors: amounts falling due after more than one year	(73,291)	(73,220)
Retirement benefit obligations	(10,575)	(10,116)
Provisions for liabilities		
Pension – deficit funding liability	-	(20)
Other provisions	(3,517)	(2,044)
	<u>(87,383)</u>	<u>(85,400)</u>
Total net assets	<u>13,724</u>	<u>16,509</u>
Reserves		
Restricted reserve	2,412	2,574
Designated reserves	-	3,096
Income and expenditure reserve	11,312	10,839
	<u>13,724</u>	<u>16,509</u>

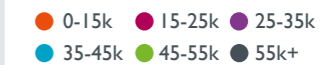
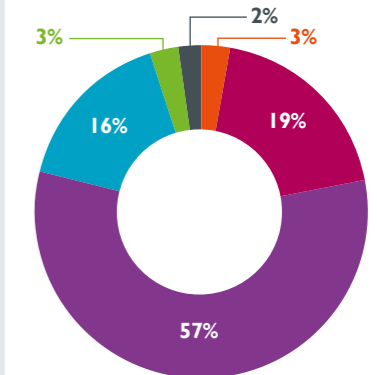
Total income 2020-21 (£122.0m) (Group)



Total expenditure 2020-21 (£123.0m) (Group)



Staff salary breakdown 2020-21



All staff employed received the Living Wage or above. Those based in London received the London Living Wage or above.

As at 31 March 2021, we employed 1,536 staff, of whom 9% were people who have lived experience of homelessness.

Statement of comprehensive income

For the year ended 31 March 2021

Group	2021			2020
	Unrestricted £000	Restricted £000	Total £000	Total £000
Turnover	118,604	3,400	122,004	106,867
Operating expenditure	(119,404)	(3,562)	(122,966)	(108,508)
Operating (deficit)	<u>(800)</u>	<u>(162)</u>	<u>(962)</u>	<u>(1,641)</u>
Gain on disposal of property	-	-	-	1,707
Interest receivable	41	-	41	118
Interest payable and similar charges	(215)	-	(215)	(285)
(Loss) / Gain from associate	(44)	-	(44)	52
(Deficit) before tax	<u>(1,018)</u>	<u>(162)</u>	<u>(1,180)</u>	<u>(49)</u>
Taxation	-	-	-	-
(Deficit) for the year	<u>(1,018)</u>	<u>(162)</u>	<u>(1,180)</u>	<u>(49)</u>
Other comprehensive income:				
Actuarial losses in respect of pension schemes	(1,605)	-	(1,605)	283
Total comprehensive (loss) / income for the year	<u>(2,623)</u>	<u>(162)</u>	<u>(2,785)</u>	<u>234</u>
Association				
Turnover	118,186	3,400	121,586	106,724
Operating expenditure	(119,448)	(3,562)	(123,010)	(108,456)
Operating (deficit)	<u>(1,262)</u>	<u>(162)</u>	<u>(1,424)</u>	<u>(1,732)</u>
Gain on disposal of property	-	-	-	1,707
Interest receivable	41	-	41	118
Interest payable and similar charges	(203)	-	(203)	(259)
(Deficit) before tax	<u>(1,424)</u>	<u>(162)</u>	<u>(1,586)</u>	<u>(166)</u>
Taxation	-	-	-	-
(Deficit) for the year	<u>(1,424)</u>	<u>(162)</u>	<u>(1,586)</u>	<u>(166)</u>
Other comprehensive income:				
Actuarial losses in respect of pension schemes	(1,605)	-	(1,605)	283
Total comprehensive (loss) / income for the year	<u>(3,029)</u>	<u>(162)</u>	<u>(3,191)</u>	<u>117</u>