

# Our finances

After a very strong year in 2021, driven by the impact of the pandemic, income has reduced by 2.7% to £118.7m. The previous year our income totalled £122.0m and was driven in part by exceptional levels of donations, as well as our pandemic related activity, which consisted of providing emergency accommodation to support people experiencing homelessness to isolate safely.

As we return to business as usual after our response to the pandemic, the closure of our three emergency hotels contributed to a decline in support income of 4.2%, to £61.6m. Despite seeing an overall decline, St Mungo's secured £6m incremental income through new services and improving service contracts.

We expected and planned for a reduction in restricted fundraising income this year, as amounts received in 2020/21 reflected our supporters' very generous response to the Covid-19 pandemic. In total, we received £12.9m in 2021-22, a 19.9% reduction on the previous year. We are incredibly grateful for all the support we received during the crisis.

We continue to receive strong support from both individual and corporate donors. Major donations enabled St Mungo's to support a number of activities that would otherwise not have funding such as the St Mungo's Recovery Colleges and the Putting Down Roots programme.

In 2021-22, our total expenditure fell by 3.6% to £118.6m from £123m, reflecting in part the fall in our income. A restructure within central office roles was also conducted, resulting in a reduction in 30 posts. In addition, a further reduction in staff costs is due to increased vacancies reflecting current challenges in the labour market. As a result of all these factors total staff costs reduced by 5.8% to £68.6m, representing 58% of our total cost base.

An unrestricted surplus of £1.7m, higher than in 2021, is partly as a consequence of actuarial gains in respect of pension schemes of £1.2m but also a result of unrestricted fundraising income. This came in stronger and more than offset the impact of the reduced allocation of spend to the restricted income and expenditure.

Net assets for 2021-22 are 8% above the last financial year, driven by the pension credit. Fixed assets show a marginal decrease with new investment and

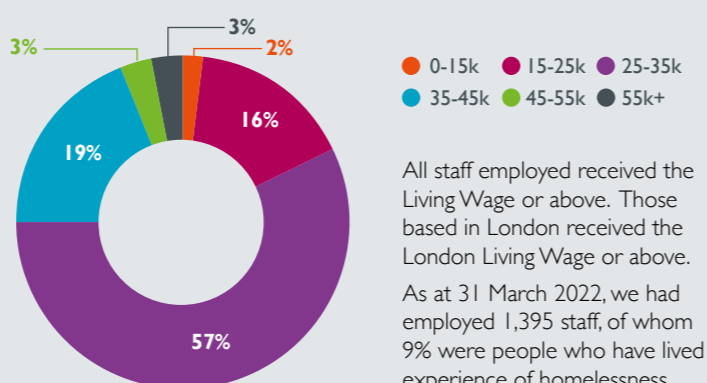
depreciation largely offsetting. Capital spend includes a £0.4m increase in intangible assets representing further investment in a new rent and repairs management system. Debtors increased by 4% to £19.6m with the implementation of the new rents system causing an interim increase in the net rent debtor position. Current creditors increased by 8% to £26.9m, largely due to an increase in rents paid in advance.

As a charity, cash is our primary financial indicator. At £22.5m for 2021-22, we remain above the Trustee set range of £14m -£18m and only marginally below the balance at 31 March 2021. Operating cash is positive as a result of higher creditors, while capital investment reflects the acquisition of move on accommodation, works to existing properties, and investment in the rents and repairs management system.

The macro economic environment means that the outlook for the new financial year is challenging but we will endeavour to manage our finances such that we can continue our work supporting thousands of people at risk of homelessness.

## Jonathan Manuel Executive Director of Finance

### Staff salary breakdown 2021-22



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

As at 31 March 2022, we had employed 1,395 staff, of whom 9% were people who have lived experience of homelessness.

### Total Income 2021-22

For the year ended 31 March 2022

	2022 £m	2021 £m	Variance
Rent & Service Charge	44.2	41.6	6.3%
Support	61.6	64.3	-4.2%
Fundraising	12.9	16.1	-19.9%
<b>Total Income</b>	<b>118.7</b>	<b>122.0</b>	<b>-2.7%</b>

## Income and expenditure review

For the year ended 31 March 2022

Group	2022			2021
	Unrestricted £million	Restricted £million	Total £million	Total £million
<b>Income</b>	116.0	2.7	118.7	122.0
<b>Operating expenditure</b>	(115.3)	(3.3)	(118.6)	(123.0)
<b>Operating surplus / (deficit)</b>	0.7	(0.6)	0.1	(1.0)
Interest payable and similar charges	(0.2)	-	(0.2)	(0.2)
<b>(Deficit) / surplus before tax</b>	0.5	(0.6)	(0.1)	(1.2)
Pension	1.2	-	1.2	(1.6)
<b>Total comprehensive income / (loss) for the year</b>	<b>1.7</b>	<b>(0.6)</b>	<b>1.1</b>	<b>(2.8)</b>

## Balance sheet review

For the year ended 31 March 2022

	2022 Total £million	2021 Total £million
Fixed Assets	83.7	84.3
Trade and other debtors	19.6	18.9
Cash and cash equivalents	22.5	22.9
Creditors falling due within one year	(26.9)	(25.0)
<b>Total Net Assets Less Current Liabilities</b>	<b>98.9</b>	<b>101.1</b>
Creditors falling due within one year	(72.0)	(73.3)
Retirement benefit obligations	(8.1)	(10.6)
Provisions for Liabilities	(4.0)	(3.5)
<b>Total Net Assets Less Current Liabilities</b>	<b>14.8</b>	<b>13.7</b>
Restricted reserves	1.8	2.4
Unrestricted reserves	13.0	11.3
<b>Total Reserves</b>	<b>14.8</b>	<b>13.7</b>

## Cash review

For the year ended 31 March 2022

	Total £million	Total £million
Net cash generated from operations	2.1	4.5
Purchase of fixed assets	(3.1)	(3.8)
Grants received	0.6	1.6
Loan Finance	-	(0.3)
<b>Net cash movement</b>	<b>(0.4)</b>	<b>2.0</b>
Cash at the beginning of the year	22.9	20.9
<b>Cash at the end of the year</b>	<b>22.5</b>	<b>22.9</b>