

Our finances

2023-24 has been another challenging year due to the ongoing global financial situation, with continuing high inflation impacting our costs. While St Mungo's remains financially stable, we spent more money than we brought in this year and so are operating at a deficit.

Our overall income grew by 0.7% to £123.7m (2022-23: £122.8m), largely due to increased income from rents and service charges, and from our contracts with local authorities to provide homelessness services. Our other main source of income is fundraising, which this year was £13.5m compared to £16.5m in 2022-23. The exceptional increase in fundraised income in the previous year was due to a one-off grant of £2.3m, which explains the drop for 2023-24. Our continued thanks go to our donors and supporters, whose generosity provides recovery services for our clients we would otherwise be unable to run.

St Mungo's operating expenditure increased by £0.7m to £126.7m. This was largely driven by: a substantial increase in spend on repairs and maintenance of our properties; the implementation of the pay rise negotiated through the National Joint Council process, and additional increases agreed through the strike

settlement; the end of fixed price energy contracts; and reduced lease costs as we reduce our non social housing portfolio.

A substantial non cash pension charge, driven by changes to the gilt and corporate bonds market which impacted the valuation of pension assets and liabilities, means we finished the year with a reduction in our unrestricted reserves of £5.1m. This meant we needed to spend from our unrestricted reserves.

After two very challenging years, we remain focused on delivering long term financial stability to enable delivery of our mission and strategy. Our Board of Trustees has approved a new Five Year Plan for 2025-29 to this end. Our transformation programme is anticipated to deliver annualised savings of around £3m which, alongside the planned sale of a small number of properties, will help recover our reserves position by the end of the 2024-25 financial year.

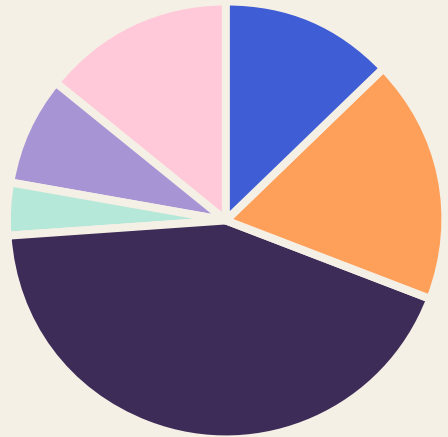


Our fundraised income

Fundraised income allows us to provide the holistic recovery support that makes St Mungo's unique; the services mentioned in this report, such as our Palliative Care and Employment Support services, simply could not exist without the generosity of our supporters.

In 2023-24, our fundraised income was made up of donations from individuals, companies, charitable trusts and foundations, and gifts left to us in wills.

Our fundraised income by source



- Corporate partners (13%)
- Charitable trusts and foundations (18%)
- Individuals (43%)
- Challenge events and community groups (4%)
- Philanthropy (8%)
- Gifts in wills (14%)

Income and expenditure review

For the year ended 31 March 2024

	Unrestricted £m	Restricted £m	2024 Total £m	2023 Total £m
Income	120.8	2.9	123.7	122.8
Operating expenditure	<u>(123.6)</u>	<u>(3.1)</u>	<u>(126.7)</u>	<u>(126.0)</u>
Operating surplus / (deficit)	<u>(2.8)</u>	<u>0.2</u>	<u>(3.0)</u>	<u>3.2</u>
Gain / (loss disposal of property)	0.4	-	0.4	0.4
Interest receivable	0.3	-	0.3	0.1
Interest payable	(0.3)	-	(0.3)	(0.3)
(Deficit) / Surplus for the year	(2.4)	0.2	(2.6)	(2.6)
Pension	<u>2.7</u>	-	<u>2.7</u>	<u>0.5</u>
Total Comprehensive Income / (Loss)	<u>(2.8)</u>	<u>0.2</u>	<u>(5.3)</u>	<u>2.4</u>

Balance sheet review

For the year ended 31 March 2024

	2024 Total £m	2023 Total £m
Fixed assets	82.9	84.4
Trade and other debtors	11.6	19.2
Cash and cash equivalents	14.4	16.1
Creditors falling due within one year	(19.9)	(24.4)
Total Assets Less Current Liabilities	89.0	96.3
Creditors falling due after more than one year	(71.0)	(72.3)
Retirement benefit obligations	(7.7)	(6.3)
Provisions for Liabilities	<u>(3.2)</u>	<u>(4.3)</u>
Total Net Assets	<u>7.1</u>	<u>12.4</u>
Restricted reserves	2.0	2.2
Unrestricted reserves	<u>5.1</u>	<u>10.2</u>
Total Reserves	<u>7.1</u>	<u>12.4</u>