



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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2025**



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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)
Mike Adamson (Chair) (appointed 2 September 2024)
Alexandra Beidas (Vice Chair, Interim Chair 9 May 2024 to 1 September 2024)
Daniel Corry
Darren Johnson
Helen Walters (resigned 25 September 2024)
John Watts
Lorraine Mealings
Philip Moore
Rob Bradshaw
Stephen Smith (resigned 31 July 2024)
Teddy Nyahasha
Jane Cunliffe (appointed 22 January 2025)
Edwin Ndlovu (appointed 22 January 2025)

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 Finance Officer (appointed 5 August 2024)
Sean Palmer, Executive Director of Strategy & Transformation
Kerry McCafferty, Director of People, Culture and Inclusion

Company Secretary

Jonathan Manuel (retired 31 July 2024)
Claire Tuffin (appointed 1 August 2024, resigned 18 March 2025)
Helen Rourke (appointed 19 March 2025)

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

Chairs Statement



I was delighted to be appointed as Chair of St Mungo's last September and to have the opportunity to build on the excellent work that Alex, as interim Chair, and Jo as Chair before her, had undertaken.

St Mungo's is a special organisation – we're working on one of the most important and most complex issues facing us as a society. Homelessness ought to have no place in 21st century Britain, but sadly its prevalence is growing, and it continues to have a devastating impact on people's lives. It is shocking that rough sleeping is still getting worse year on year and has increased by 58% in the last decade.

We are an organisation that rolls up its sleeves and works on the frontline, directly with people at risk of, and experiencing, homelessness.

Over the last few months, it has been humbling and inspiring to spend time with clients and colleagues to see the range and depth of support we provide. Whether on an outreach shift late at night or early in the morning, speaking with people sleeping on the streets, building their trust and finding the best way to support them; seeing the support provided to clients living in our hostels; talking to clients engaging with our courses on construction skills, gardening and digital inclusion; observing the work we do within prisons to help those being released secure somewhere to live to help them move away from a life of crime; or any number of other interventions, it is clear to me that our message in our recent campaigns is absolutely true: We were there.

Not only were we there, but we also provided the life-changing, life-saving support that our clients needed. St Mungo's supported nearly 25,000 people last year and provided accommodation and support to more than 2,000 clients each and every night.

Working closely with dedicated colleagues and volunteers has been incredibly rewarding, and I have learned so much from their expertise and been inspired by the impact of their efforts. The resilience and growth of our clients have particularly moved me, reinforcing my commitment to our mission of ending homelessness and rebuilding lives.

Being there and providing support is vital; the first priority in our organisational strategy is to ensure clients remain at the heart of what we do. But we can't end homelessness quickly enough just working with one person at a time: we need to change the system.

Over the last year St Mungo's has continued to influence those in power to step up their focus on ending homelessness, to encourage interventions

that prevent homelessness occurring in the first place and to better support people to minimise the harmful effects of homelessness when it does occur.

In the run up to the General Election, our successful campaign to ensure an extension of funding for supporting rough sleepers gained the support of more than 50,000 signatories, showing how much this issue matters to people.

We are part of the Government Expert Group developing the much anticipated, and much needed, Homelessness Strategy and we have worked with organisations across the sector to campaign on issues to press for system change. We need to continue this work and bring together like-minded organisations to offer constructive challenge that will ensure the level of change required.

Our ambition is for a world where St Mungo's does not need to be there, but we know that now, more than ever, we are needed. That means we have to ensure St Mungo's is a fit and healthy organisation, resilient to the challenges that we face. Many charities are facing a very tough time in the difficult operating and financial environment - St Mungo's is no different.

However, I am pleased that, this annual report and accounts shows an improvement in our financial position. This is thanks to the hard work of colleagues throughout St Mungo's, the support of those who have donated funds to us and close working with our commissioners. We have continued to support and develop our people, invest in modernising our IT systems and improving our buildings, focussing on the fundamentals to ensure we are operating effectively.

As I reflect on my first year as Chair, there is clearly more to do, but I am proud of the progress we have made and confident that St Mungo's is well-positioned to tackle the challenges ahead, thanks to our strong foundations and dedicated team.

I would, as always, like to say a huge thank you to all our colleagues and volunteers who have worked so hard, both those who run our services, support our clients and make ending homelessness a possibility and those who work behind the scenes to enable it. It is a whole team effort.

I look forward to St Mungo's having an even greater impact in the year ahead and am forever grateful I have been able to play even a small part in moving us forwards towards ending homelessness.



Mike Adamson CBE
Chair of the Board of Trustees

Strategic Report



The Board of Trustees presents its Strategic Report and the audited Financial Statements for the year ended 31 March 2025.

ST MUNGO'S GROUP STRUCTURE

The entities within the Group on 31 March 2025 are as follows:

Active Entity

- **St Mungo Community Housing Association (St Mungo's)** continues to be a charity and company, and is the Group parent. St Mungo's owns all the social and non-social housing assets of the Group.

Inactive Entities

- **St Mungo's Homes Community Benefit Society** was formed in 2019 as part of a strategy to acquire move-on accommodation for former rough sleepers. This strategy was not pursued, and the entity remains inactive.
- **Broadway Homelessness & Support** until recently held some legacy leasehold interests on behalf of the Group. These have now been transferred, and the company will be dissolved during 2025/26.

All entities have a financial reporting date of 31 March.

PRINCIPLE 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 Bournemouth, Brighton, Bristol, Oxford and Reading.

We support people experiencing or at risk of homelessness. Our clients often have multiple disadvantages and frequently face a range of interrelated challenges, including poor health, substance use issues, social isolation, unstable family relationships and experiences of trauma. We see these challenges increasing year-on-year, with many clients having multiple and complex support needs. In 2024/25 75.7% of clients had a mental health support need; 59.2% had physical health needs; and 44.4% had substance or alcohol-related support needs respectively.

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. In 2024/25 we operated 138 services across 30 Greater London Boroughs and 19 Local Authority areas outside Greater London.

In 2024/25 we ran 14 outreach services across Greater London and also in other areas such as Bristol, Bournemouth, Oxford and Reading. Our outreach teams supported 10,242 people off the streets last year, of whom 4,667 were people new to the streets in areas where we work. Of the clients supported off the streets, 78.2% were not seen returning to rough sleeping. We were also able to support 427 clients off the streets temporarily through our involvement in the Local Authority SWEPP (Severe Weather Emergency Protocol), providing life-saving beds for those sleeping on the streets during dangerous weather conditions.

Our accommodation services provided a safe place to stay for an average of 2,183 people each night. Of the people who left our accommodation services last year, 72.4% were supported to move into accommodation that better suited their evolving needs, supporting client recovery and moving towards independent living.

We also provide holistic support for people experiencing or recovering from homelessness, such as ensuring vital access to healthcare, peer support groups, practical skills courses and employment support.

We recognise the importance of our role as a social landlord and invested £1.6m in ensuring our properties are fit for purpose and welcoming and safe spaces. This included £0.8m on heating and ventilation improvements and £0.5m for new kitchens, bathrooms and lift replacements. We undertook a full refresh of our stock condition data, covering 100% of the properties we own and manage, and have developed a comprehensive future investment programme to ensure we continue to maintain our properties in accordance with the Decent Homes Standard. Furthermore, during 2024/25 we were successful in our bid to the Wave 3 Warm Homes Programme, securing £3.5m of match-funding from April 2025 to bring properties to EPC C by 2030.

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 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.

St Mungo's purpose is to end homelessness and rebuild lives, and that drives everything that we do.

We deliver this through two missions:

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

Between April 2024 and March 2025, St Mungo's ran 138 services, supporting almost 25,000 people experiencing or at risk of homelessness across London, the South East and the South West of England. Many of our services are made up of multiple projects, sometimes across different sites, to provide distinct, tailored and holistic support to our clients.

OUR SERVICE ETHOS

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 build initial relationships and trust
- We keep clients safe and empower them to secure what they need to recover
- We help clients to develop the skills they need to be independent and resilient
- We provide support that enables and empowers clients to move forward

We know that this supports the growth of self-belief and self-determination to live a fulfilling life with purpose and meaning, away from homelessness.

OUR VALUES

We are:

- Committed
- Creative
- Inclusive
- Empowering
- Accountable

Our values define who we are and how we work and are at the core of everything we do. They ensure every colleague of St Mungo's is committed to putting clients at the centre of everything they do and are driven by the organisation's purpose and mission.

FUTURE PLANS

At the time of writing, we continue to face 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.

In April 2024 we published our new strategy which continues to guide us to 2030, driving us to transform the way we operate, to continue supporting some of the most vulnerable people in our communities, and keeping us focussed on our purpose of ending homelessness and rebuilding lives.

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.

OUR PRIORITIES

St Mungo's strategy sets out five strategic priorities:

1. Keeping clients at the centre of our work

Our clients drive what we do and how we do it. We will empower our clients to shape their own support, services and communities. Throughout the first year of the strategy we have continued to keep clients at the centre of our work and our first Client Involvement Week ensured teams anchored their work in client experience through a set of commitments. The refreshed Client Advisory Board has also developed its ways of working to ensure client voice is active and involved across all levels of the organisation including how we hold the government to account.

2. Focusing 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. We have started our work on being more intentional on the services we deliver, by focusing on our expertise and developing our practice. The beginning of this work has started to bring more consistency to our services in view of providing higher quality services that deliver outcomes our clients need and aligns to our expertise. 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. We will continue to build on the good practices identified through our recent Regulatory inspection, and

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

We know that homelessness is not just a housing problem; it is a consequence of problems across a whole range of social policies and systems - ultimately our clients continue to be isolated in their communities and in society. Therefore, we know that we can't resolve all these issues on our own and close collaboration with other organisations, across sectors, across disciplines and across the UK and beyond is needed to ensure we can get our clients the services and change they need. This collaboration works across both our missions – operationally and in our influencing work. By its nature commissioning is a partnership activity and we are proud of the work we do with local and regional government organisations and the Ministry of Justice to deliver services. This year, we were pleased to start a new partnership

with Network Rail to provide outreach support in London terminus stations as well as training for Network Rail staff.

4. Being impactful and influencing change

The scale of our delivery and years of experience in providing services to a wide range of clients gives us powerful insight into what work and how services can be best configured to meet people's needs. We use this insight to shape how we provide services so that we can maximise the positive impacts of our work and help end homelessness. We also use this insight to influence change at a system level. The run up to the 2024 General Election gave us an opportunity to set out to party leaders what the most important steps they needed to take to turn the tide on rising homelessness were. 50,000 people agreed with us and signed an open letter to extend and uplift Rough Sleeping Initiative funding to ensure vital services could continue. Following the election, we are pleased to have been part of the expert group providing insight to the Deputy Prime Minister to shape the much-anticipated Homelessness Strategy.

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

We know the dedication of our colleagues and volunteers who drive our work to end homelessness play a huge role in ensuring St Mungo's is a great place to work. 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 in which we work, at all levels of the organisation. And we will continue to modernise and improve the tools our colleagues need to do their jobs well.

The first year of our 2024-2030 strategy has been a period of foundational work, significant progress and valuable learning.

LOOKING AHEAD

Moving into 2025-26, we have devised a new business plan that sets out how we will deliver against our strategic priorities over the next financial year. The outcomes included in this plan are new or an improvement on current processes or practice. We have organised the outcomes into a set of building blocks to help us achieve them.

1. Understand how well we are doing against our aims

We will increase impact and record evidence, so we know how well St Mungo's is doing against our aims. This includes newly designed impact measures across the organisation, a commercial improvement

programme, improvements to operations, using model services to drive standardisation and innovation and more.

2. Improve how we do things to make the biggest difference

We will improve our ways of working through innovation, testing and learning. This will accelerate our outcomes by focusing on the activities that add the most value. This includes areas that impact how we deliver our work, such as culture, influencing work, and regulations and compliance.

3. Do things right

We will ensure we comply with regulations, maintain quality and monitor our performance. This includes management of our properties, continuous improvement of our regulation compliance, and information management.

4. Deliver financial sustainability

We will focus on our long-term resilience, so we are here when people experiencing homelessness need us the most. This includes growing our fundraising income to allow us to deliver more services to more people, ensuring our income from contracts is stable and covers the cost of the services that we provide under them, controlling our overheads to ensure we remain efficient, and managing our property portfolio so it is optimised and affordable. Our business plan is intrinsically linked to our budget.

Financial Performance

OVERVIEW – THREE YEAR SUMMARY

Statement of Comprehensive Income (£m)	24/25	23/24	22/23
Turnover	123.6	123.7	122.9
Operating costs	(124.2)	(126.7)	(126.0)
Operating Surplus / (Deficit)	(0.6)	(3.0)	(3.1)
Operating Margin	(0.5%)	(2.4%)	(2.5%)
Net interest receipts / (charges)	0.1	0.0	(0.1)
Surplus on disposal of assets	8.4	0.4	0.4
Pension actuarial valuation movement	1.3	(2.7)	0.5
Net Surplus / (Deficit) for the Year	9.2	(5.3)	(2.3)

Statement of Financial Position (£m)	24/25	23/24	22/23
Housing properties NBV	75.8	80.1	82.7
Intangible and other fixed assets NBV	3.4	2.8	1.7
	79.2	82.9	84.4
Cash and cash equivalents	25.5	14.4	16.1
Other net current assets / (liabilities)	(9.8)	(8.3)	(5.2)
	94.9	89.0	95.3
Creditors due >1 year – grants	(70.5)	(71.0)	(72.3)
Other long-term liabilities and provisions	(8.0)	(10.9)	(10.6)
Total reserves	16.4	7.1	12.4

2024/25 has been another challenging year due to the difficult macro-economic environmental context. We have continued to experience challenges around our operating costs, particularly as a result of wage inflation and inflation on property-related costs, notably repairs, investment costs and increased costs associated with new health and safety legislative requirements.

We have continued with our strategy to exit from a substantial part of our non-social housing portfolio, Real Lettings, where we did not own the properties. This programme is now substantially complete, and the deficits resulting from this portfolio have reduced substantially to £1.0m (23/24: £2.2m).

To address the operating deficits reported for the last two financial years, in 2024/25 we embarked on a programme of cost-reduction, the most significant element of which was a full restructure of back-office services

(to move to a Target Operating Model (TOM)) to increase efficiency and reduce costs. The aim of the TOM was to move the organisation back to a position of financial sustainability and better align resources to the activities required to deliver the organisational strategy, with a break-even outturn targeted for 2024/25. It is pleasing to note that this work, together with a sustained focus on budget management and control, has resulted in an improvement to £0.5m deficit (excluding property sales) for the year (23/24: £3.0m deficit).

We anticipate 2025/26 will be another challenging year financially. The macro-economic context continues to be challenging, with global trade negotiations creating an uncertain environment which may impact St Mungo's supply chains and utility costs. Local authorities, our key commissioning partners, continue to experience pressure on budgets and are driven to reduce costs, which in turn creates pressure for us to reduce service costs whilst maintaining our required contribution margin and delivering high-quality client services.

The fundraising environment also continues to be challenging, with the ongoing cost of living pressures and other external factors making it increasingly difficult to attract regular donors and increasing the demand on philanthropic donors. Despite these challenges, we remain cautiously optimistic that we will remain on a sustainable financial trajectory and are starting the new financial year on a stronger footing than in recent years.

INCOME AND EXPENDITURE REVIEW

The operating cost savings in year and increase in fundraising income have resulted in an improvement in performance and a reduced operational deficit compared to F24. Planned property sales have increased cash and reserves balances, and together with the improved pension position the net surplus has improved significantly.

£m	Unrestricted	Restricted	2025	2024	Variance
Rent and Service Charges	47.0	-	47.0	47.0	-
Support	62.4	-	62.4	63.2	(0.8)
Fundraising	11.3	2.9	14.2	13.5	0.7
Total Income	120.7	2.9	123.6	123.7	(0.1)
Operating expenditure	(121.3)	(2.9)	(124.2)	(126.7)	2.5
Operating Surplus / (Deficit)	(0.6)	-	(0.6)	(3.0)	2.4
Non-Operating items	9.8	-	9.8	(2.3)	12.1
Total Surplus / (Deficit) for the Year	9.2	-	9.2	(5.3)	14.5

Rent and service charge income is 1.3% above 2024 with the annual CPI+1% increase on the social housing element of our portfolio offset by a reduction of our non-social housing stock as we continue the gradual transfer of our Real Lettings stock to other providers, along with the disposal of property in the year.

Support income has seen a slight reduction in the year, 2.2% due to the renegotiation of some contracts largely relating to emergency accommodation, along with contracts linked to the disposal of properties partially offset with uplifts relating to other renegotiations.

Fundraising has increased by 5.2% year on year, partly due to additional investment to drive public engagement and individual giving, including in the Christmas campaign.

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

Operating deficit of £0.6m is a significant improvement in performance compared with F24 where we generated a £3.0m deficit. Whilst there has been a variation in revenue mix, total revenue has remained largely in line year on year. We have seen a significant reduction in our costs, largely relating to the exit of the Real Lettings portfolio along with a continued focus on cost control.

Statement of Financial Position Review

Unrestricted reserves have increased to £14.3m reflecting the proactive decision to dispose of properties in-year and a favourable non-cash pension movement. As a result, unrestricted reserves are now above the trustee target range of £10m to £13m.

Net assets are 130% higher than 2024 due gains from property disposals and the reduction in the pension liability. Fixed assets show a 4% decline with depreciation and four property disposals have more than offset incremental investment in IT and our stock improvement programme. Debtors have slightly reduced in the year reflecting an on-going project to improve our working capital position through better debt collection.

Cash and Treasury Review

The Group incurred a net cash inflow of £11.1m during the year. This was driven by the requirement to increase cash in-year to remain within the Trustees set range of £14m - £18m. Cash at £25.5m is higher than the 2023/24 year-end position of £14.4m, and is also higher than the upper threshold of the Trustees' range. This is predominantly a timing issue, and cash is expected to fall within the Trustees' range in the coming year, with

grant repayments of c.£2.9m deferred into 2025/26, and the timing of creditor payments at year-end.

Normal operating activities generated a net cash inflow of £1.5m. However, the largest increase in cash relates to £12.5m inflow relating to the strategic decision to sell a small number of properties during 2024/25.

During the year we have continued to invest in properties and systems, and continue to make deficit repayments relating to our historic defined benefit pension scheme.

Day-to-day treasury activities focus primarily on the effective management of cash balances. We aim to maintain available cash balances at an appropriate level, balancing the need for liquidity with the efficient use of longer-term deposit accounts. All cash holdings are held in sterling to eliminate any exposure to foreign currency risk.

St Mungo's has a single Revolving Credit Facility (RCF) of £5m, provided by Barclays. This RCF is intended to provide a short-term liquidity 'safety net', and it is the intention of the Trustees that this should not be drawn unless absolutely necessary. Since its arrangement in October 2023 the facility has remained undrawn, and the latest Financial Plan does not indicate any future drawdown requirements.

Looking Forward

We have updated our Financial Plan 2025-30 based on the 2024/25 outturn and updated assumptions and projections. This includes the known increases in staff costs from April 2025 as a result of the changes to Employer National Insurance contributions, which has necessitated the redesign of some services to ensure they remain financially viable.

The Financial Plan includes significant provision for investment in our properties. We have undertaken a full refresh of our property condition data and have carried out a Stock Condition Survey on all properties where we are responsible for maintenance and investment to ensure we understand the future levels of investment required. We have also incorporated provision for one-off fire safety remediation spend to a number of our larger properties following recent changes in legislation.

We have undertaken extensive and robust stress and scenario modelling on the latest approved Plan, which as expected highlights sensitivities around staff costs, general cost inflation, and rent collection. Despite these potential risks, modelling indicates that we can continue to operate and comply with Trustee set requirements for cash and reserves for the life of the Financial Plan. As is to be expected due to our organisational operating model, capacity for future investment and growth is constrained by availability of funds and tight operating margins on our service and property contracts.

ACHIEVING TARGETS AND VALUE FOR MONEY

St Mungo's is a charity and also a registered provider of social housing, and as such reports annually in line with the requirements of the Regulator of Social Housing (RSH) Value for Money Standard.

Value for Money at St Mungo's means delivering against the strategic objectives in the most cost-effective way. This enables the organisation to maximise the support it provides to people whilst ensuring it remains viable in the long-term.

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.

Throughout the year performance is regularly reported and monitored through our management accounts and a suite of KPIs and operational performance indicators. The Board KPI metrics are categorised under six headings:

- Our Impact
- Our People
- Services Satisfaction, Compliance & Safety
- Health & Safety Landlord Compliance
- Housing Assets Performance
- Our Finances

On an annual basis, we also report against the RSH Value for Money Metrics and the Tenant Satisfaction Measures (TSMs – a regulatory requirement since April 2023). Not all TSMs are reported here, although all are measured and published on the St Mungo's website.

We compare KPI performance to target and previous years' performance and use sector knowledge to assess and benchmark results. We have compared our performance on the Value for Money Metrics to the sector average, however due to the charitable and supported nature and complexity of St Mungo's activities, and the fact that a significant proportion of activity is not deemed to be direct social housing lettings activity, there are significant variations. Furthermore, St Mungo's has adopted a strategy whereby it does not leverage external funding from banks or financial institutions and does not develop new homes; as such, the Value for Money

Metrics relating to reinvestment, new supply and return on capital are less relevant than in mainstream social housing providers.

In March 2025 the Board approved a new Value for Money (VFM) Strategy covering the period 2025-2030. The VFM Strategy directly interplays with the wider organisational strategy and objectives, and defines four VFM objectives for the coming years:

Maximising value and delivering income for our clients

- Ensuring that the optimisation of our services delivers impact for our stakeholders, making services more efficient and effective to create the best outcomes for clients, whilst ensuring St Mungo's is a great place to work. We are able to attract and retain brilliant colleagues who are committed to serving our purpose.

Transforming our processes

- Embedding efficiencies in our processes to improve productivity and increase the capacity of client facing colleagues to help clients to recover from homelessness and increase the job satisfaction of our colleagues.

Proactive asset management

- Continually reviewing what works well to focus our stock and geographic footprint, rationalising it where necessary to allow us to re-invest in our remaining assets and services.

Robust procurement processes

- Implementing improved tools that maximise the value of our supply chain to procure the right goods and services at the right prices.

KEY PERFORMANCE INDICATORS

A dashboard of KPIs to support delivery of each of the VFM objectives has been developed and will be reported from April 2025.

The following sections show performance against the organisation's KPIs for 2024/25, including the RSH Value for Money Metrics.

Our Impact

Measure	2023/24 Sector Average	2024/25 Actual	2024/25 Target	2023/24 Actual	Direction
(VFM Only)					
St Mungo's KPI's					
Number of people supported		24,728	N/A	23,827	↑
Number of rough sleepers – England*		4,667	N/A	3,898	↓
Number of rough sleepers where we work*		1,399	N/A	1,189	↓
People in sustained housing		93.4%	N/A	92.6%	↑
People supported by Outreach Teams, not seen returned to rough sleeping		78.2%	N/A	79.3%	↔
People departing our accommodation services, not seen rough sleeping		79.7%	N/A	81.3%	↔
VFM Metrics					
Reinvestment %	7.7%	2.1%	N/A	1.9%	
Return on Capital Employed (ROCE) %	2.8%	8.3%	N/A	(3.0%)	

St Mungo's does not set targets for its KPIs in the Our Impact section. Whilst the aim would always be an improvement in performance year-on-year, these metrics are designed to provide insight into the context within which the organisation operates, whether the wider issues and challenges around homelessness are improving or deteriorating, and the level at which clients leaving our services remain off the streets. Sadly, in recent years the

number of rough sleepers, and therefore the need for St Mungo's services, has increased exponentially. The organisation continues to report strong results in terms of clients not returning to rough sleeping after involvement with our services.

St Mungo's Reinvestment percentage will always be significantly below the sector average as we are not developing new housing. As a charity, our resources are invested into the delivery against our strategic objectives which includes, but is not limited to, investment in our properties to provide safe spaces for our clients.

The majority of St Mungo's income is derived from support services commissioned by Local Authorities (or similar), and associated property income. These contracts operate at low margins and, as a charity, St Mungo's does not exist to generate significant surpluses. As such it is to be expected that the organisation's ROCE will always be below the sector average but should be 0% or above to remain financially sustainable. Whilst the organisation is reporting a deficit operating position in 2024/25, the ROCE calculation includes surplus on fixed asset disposals and is therefore positive at 8.3%. Underlying operating performance is improving and the organisation expects to break even in the forthcoming year, with no further property sales planned in 2025/26.

Our People

Measure	2024/25 Actual	2024/25 Target	2023/24 Actual	Direction
Workforce turnover – global	20.5%	23%	27.1%	↑
Workforce turnover – voluntary	15.4%	20%	19.5%	↑
Employee engagement	83%	N/A	73%	↑
Global Majority representation in leadership	19%	33%	11%	↑
Global Majority representation in management	29%	30%	28%	↑

Staff turnover has seen a positive reduction and both global and voluntary staff turnover is below target, indicating an improvement in colleague retention. This is also reflected in the improvement in employee engagement, which is measured through the annual colleague survey in late 2024, and showed a 10% improvement on the previous year.

Whilst our Global Majority representation in senior roles remains below target, 2024/25 has seen a positive improvement in representation across leadership with leadership representation currently at the highest level ever recorded at St Mungo's.

There are no people-related VFM Metrics.

Service Satisfaction, Compliance and Safety

Measure	2024/25 Actual	2024/25 Target	2023/24 Actual	Direction
Total incidents reported (including safeguarding)	11,558	N/A	11,997	↑
Total incidents classed as high seriousness	1,942	N/A	1,799	↓
Total safeguarding incidents reported	2,212	N/A	2,477	↑
Complaints responded to within timescales	81%	95%	70%	↑
Number of maladministration and complaint handling failure orders received	5	0	6	↑
Client satisfaction with overall services*	79%	N/A	84%	↓
Commissioner satisfaction	67%	N/A	73%	↓

* only includes tenants of St Mungo's accommodation services, in line with RSH TSM measurement requirements

The complexity of our services means there are a number of incidents reported each month; it is pleasing that the number of overall incidents has reduced in 2024/25, however the number and proportion of incidents deemed serious has increased. Keeping clients safe is at the forefront of our work, and a positive reduction in safeguarding incidents has been seen in-year. Unfortunately, safeguarding incidents are inevitable given the nature of our work and the vulnerability of our client base.

There has been significant work in-year to improve our complaints handling processes, and we have seen a marked positive improvement in the timeliness of our responses to complaints, and a reduction in Ombudsman reports in-year (although our target here would always be zero). There is more improvement needed, and the Improvement Plan will continue to be implemented during the coming year.

Client satisfaction overall % has declined, although remains just under 80%. During the year there was a significant focus on increasing client engagement with the satisfaction survey, which resulted in a 65% increase in response rate. As such, the prior year % is not directly comparable, and we are pleased to note that the 2024/25 result benchmarks favourably against the sector average. St Mungo's publishes the results of its Client Survey on its website each year, which provides further analysis of client satisfaction measured against a range of Tenant Satisfaction Measures. We will continue to work with clients to further improve our services.

Commissioner satisfaction has declined, with the main areas cited for improvement being the involvement of clients in shaping services, delivery of repairs and rents, and more engagement in multi-agency meetings. In the coming year we will be involving clients in the development of service bids to further engage clients in shaping our services. We will continue to deliver against the repairs improvement plan and consider how to reduce the time taken to provide rent and service charge information to Local Authorities. As an organisation, we are active in numerous multi-agency partnerships and

meetings but will consider opportunities for engagement in areas where we are less represented.

There are no service-related VFM Metrics.

Health & Safety Landlord Compliance

Measure	2024/25 Actual	2024/25 Target	2023/24 Actual	Direction
Asbestos safety (management plans)	100%	100%	96%	↑
Electrical safety (EICRs)	100%	100%	99%	↑
Fire safety (FRAs)	99%	100%	95%	↑
Gas safety (certificates)	100%	100%	94%	↑
Lift safety (servicing)	100%	100%	92%	↑
Water safety (WHRAs)	96%	100%	94%	↑
Damp, Mould & Condensation (DMC) repairs completed within timescales	75%	100%	100%	↓

As a landlord of supported accommodation-based services, care homes and other social and non-social rental properties, it is imperative we comply with legislation and guidance to ensure we provide safe spaces for all clients in our accommodation. The properties we manage include a range of owned, leased and managed properties, with St Mungo's responsible for different aspects of building management in non-owned properties depending on the terms of each agreement. The KPI results above include all properties where St Mungo's has responsibility for the element being measured, regardless of ownership, client tenure or property type; the Board and its Committees receive reporting against property-related KPIs for properties where St Mungo's has responsibility for building management, and for properties where we deliver services to tenants but other landlords are responsible for building management.

During 2024/25 there has been improvement across all but one aspect of landlord health and safety, with 100% compliance achieved in relation to asbestos, electrical, gas and lift safety and close to full compliance in fire and water safety. Full compliance has been achieved in all aspects at various points during the year.

There has been a decline in damp, mould and condensation repairs completion timescales, however it should be noted that the actual number of repairs measured remains very low. This is because the majority of our properties are multi-occupation services where staff have a sustained onsite presence and enter clients' rooms to undertake welfare checks and other reviews regularly, and therefore any issues that could lead to DMC issues can be resolved pre-emptively.

There are no landlord health & safety-related VFM Metrics.

Housing Assets Performance

Measure	2023/24 Sector Average (VFM Only)	2024/25 Actual	2024/25 Target	2023/24 Actual	Direction
St Mungo's KPIs					
Reactive repairs completed within timescales		82%	95%	86%	↓
Occupancy rate		90.86%	92.5%	89.98%	↑
Planned & Cyclical maintenance budget spend (capital)		81.5%	100%	New for 24/25	
Planned & Cyclical maintenance budget spend (revenue)		70.9%	100%	New for 24/25	
Current client rent arrears (net)		8.6%	10%	9.0%	↑
VFM Metrics					
New supply (social)	1.7%	0.5%	0.5%	0%	↑
New supply (non-social)	0.2%	0%	0%	0%	

During 2024/25 we have seen a reduction in reactive repairs completions within timescales, and this remains below our target of 95%. There is proactive work ongoing to improve the Repairs Service, and an action plan is in place. Action to date has included a re-procurement exercise to appoint repairs contractors and significant work to cleanse our repairs data and reporting.

We recognise the importance of investment in our properties and so during 2024/25 introduced a metric to assess the level of planned works undertaken. Both capital and revenue budgets were underspent at year-end, mainly due to delays with the ongoing fire safety remediation programme. These works have been rolled forward into the 2025/26 budget and programme.

Our occupancy rate has improved during 2024/25 but remains below target. Increased focus has been given to this performance in the latter half of the year, with working groups set up to both target difficult-to-let bedspaces and also identify the drivers of voids and how these can be more effectively managed. These interventions are having a positive impact and we are seeing gradual but steady improvement. The target for 2025/26 will remain unchanged.

Client arrears have further improved and remain favourable compared with target.

St Mungo's does not actively develop new homes and as such the new supply metrics are as intended. There were 8 new units added in-year relating to a single service in Brighton.

OUR FINANCES

Measure	2023/24 Sector Average (VFM Only)	2024/25 Actual	2024/25 Target	2023/24 Actual	Direction
St Mungo's KPIs					
Operating margin %		(0.4%)	0%	(2.5%)	↑
Net margin %		6.7%	6.1%	(4.4%)	↑
Cash £m		£25.5m	£17.6m	£14.4m	↑
Unrestricted reserves £m		£14.3m	£12.3m	£5.1m	↑
VFM Metrics					
Gearing %	46%	0%	0%	0%	↑
EBITDA-MRI interest cover	122%	0%	0%	0%	↑
Social housing cost per unit (£k)	£5.8k	£28.8k	N/A	£27.4k	↔
Operating margin (social housing lettings)	20.4%	2.1%	N/A	(5.1%)	↑
Operating margin (overall)	18.5%	(0.4%)	0%	(2.5%)	↑

St Mungo's has seen a marked improvement in financial performance in 2024/25, as reported above. The operating margin performance has improved, and whilst the organisation has reported a small deficit for 2024/25 this is significantly reduced and demonstrates the organisation is on a positive trajectory and is financially sustainable.

In addition to operating performance, the net margin is also improved as a result of planned property sales in-year, which have provided a one-off increase in both cash and reserves. Reserves are now comfortably within the Board's target range of £10m-£14m; cash currently exceeds the upper threshold of the £14m-£18m target range, however this is largely due to the timing of committed payments, such as grant repayment associated with property sales, and is expected to realign in early 2025/26.

As stated previously, St Mungo's does not actively develop new homes, and as such has adopted a treasury strategy that is not reliant on external borrowing. The organisation has a single £5m RCF which is held as a working capital liquidity risk mitigation measure, however as intended this has remained undrawn for the entirety of the financial year. The 2025-2030 Financial Plan does not indicate any requirement to draw down funds in future years. The Gearing and EBITDA-MRI VFM Metrics are therefore 0% as intended.

The Social Housing Cost Per Unit VFM Metric is significantly higher than the sector average for a number of reasons:

-
- The nature of St Mungo's services means the operating costs in our property-based services are significantly higher than would be the case in General Needs housing. St Mungo's high-support services would typically operate on a staff:client ratio below 10:1.
 - The short-term nature of many of our tenancies and license agreements mean there are higher renewal rates and void and bad debt losses.
 - A significant proportion of St Mungo's support services are non-accommodation based, such as outreach (teams who go out, identify rough sleepers, and work with them to secure accommodation and support) and learning, employment and skills services. Support service costs of £23.5m (2023/24: £22.8m) are included within the calculation methodology, which are then divided by total units.



Mike Adamson
Chair of the Board of Trustees

Trustee Report

The Trustees present the annual report and audited financial statements of St Mungo's for the year ended 31 March 2025. The financial position and results for the year are set out on pages 54 - 79 of these statements.

OBJECTIVES AND ACTIVITIES

The Trustees have reported St Mungo's strategic objectives and outlined our activities within the Strategic Report above.

GOVERNANCE AND MANAGEMENT

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. St Mungo's is committed to achieving the highest standards of corporate governance across all activities.

The Board comprised eleven Trustees as at 31 March 2025, 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 six occasions, including a Strategy Day.

The Board has a formal schedule of matters reserved for its decisions, which includes formulation of the Group's strategies, overseeing performance and the delivery of strategic objectives, future strategic development, allocation of financial resources, acquisitions and disposals, annual budgets, senior executive appointments, treasury policy and risk management.

As shown on page 58, St Mungo's operates a group structure with all subsidiaries currently dormant. The St Mungo's Board acts as Group Board. Each subsidiary company has a separate Board comprising St Mungo's Trustees and Executives which meets when required, including approval of dormant financial statements.

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 large-scale charity management, risk and change management, health and social care, and education and skills.

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:

- **Audit & Risk Committee:** ensures a sound system of internal control and risk management exists within St Mungo's; reviews the integrity of the annual accounts and accounting policies; oversight of internal and external audit activities and relationships.
- **Finance & Transformation Committee:** scrutiny of financial planning, management and performance; oversight of the development and delivery of St Mungo's transformation programme.
- **Client Services Committee:** ensuring clients have a voice in the services they receive; obtaining feedback and insight from clients on service delivery; oversight of service delivery performance and quality including housing management services to owned and managed accommodation.
- **People Committee:** oversight of matters relevant to people and leadership; supporting the delivery of the People Strategy; oversight of employment and remuneration matters (including Executive remuneration); Board succession planning and development.

Co-optees are periodically recruited to the Board and Committees to provide additional skills and expertise. Co-opted membership limits, voting rights and overall quoracy requirements are determined within the Terms of Reference for each Board or Committee.

The Membership of the Board and Committees during the year was as follows:

Trustee	Board	A&R Committee	F&T Committee	CS Committee	People Committee	Board Attendance*
Joanna Killian	Chair (to May)		●			100%
Mike Adamson	Chair (from Sep)		●			100%
Alexandra Beidas	Vice-Chair	●	● ₁		Chair	100%
Daniel Corry	●				●	100%
Darren Johnson	●				●	80%
Helen Walters	●			●		100%
John Watts	●			●		80%
Lorraine Mealings	●			●		80%

Philip Moore	●			Chair		60%
Rob Bradshaw	●		●		●	80%
Stephen Smith	●	Chair (to Jul)				100%
Teddy Nyahasha	●	●	Chair			60%
Jane Cunliffe	●	Chair (from Jan)	●			100%
Edwin Ndlovu	●					100%
Co-Optees						
Abdul Mohib		Chair (Jul-Jan)				
Anonymous **				● (from Oct)		

**Based on possible attendance per Trustee*

***Co-optee with lived experience who has requested to remain anonymous*

Where Trustees have been appointed or resigned partway throughout the year, unless otherwise stated their membership of Board and Committees was aligned to their membership dates

Temporary membership aligned to period as Interim Chair

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 eleven current or former clients of St Mungo's, reviews Board and Committee papers and provides input for discussion at Board meetings, and ensures client experiences and feedback help shape the direction of the organisation.

Qualifying third-party indemnity provisions

St Mungo's has in place Directors and Officers Liability Insurance. The Board is covered by Trustees' indemnity insurance policy. No claims have been made during the year.

Political and charitable donations

During the year St Mungo's made no political contributions, and no charitable contributions were made within our normal activities.

Directors' pensions and other benefits

Trustees are not remunerated and do not participate in the St Mungo's pension scheme or receive any other benefits. Trustees can reclaim reasonable expenses incurred in undertaking their role as Trustee.

Permanent Executive Directors participate in the St Mungo's pension schemes on the same terms as all employees, and the organisation contributes to the schemes on behalf of all employees (other than those who have opted out).

Compliance with the Code of Governance

St Mungo's has adopted the National Housing Federation (NHF) 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.

The standard tenure for Board Members under the NHF 2020 Code of Governance is six years. The Code states “*where a member has served six years, and the board agrees that it is in the organisation’s best interests, their tenure may be extended up to a maximum of nine years*”. A decision was taken by the Board to extend the terms of three Trustees to ensure continuation of organisational knowledge and expertise.

The organisation undertakes an annual self-assessment to meet the Code’s standards.

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.

During the year the Regulator of Social Housing undertook a full inspection of St Mungo’s. In April 2025 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 improvement strategy has been put in place to address the issues identified by the Regulator.

The Regulator of Social Housing has reassessed 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.

Compliance with Regulator of Social Housing Consumer Standards

The 2024/25 inspection was the first time the Regulator of Social Housing has assessed St Mungo’s against the Consumer Standards, following the introduction of a new inspection regime and “C Grade” from April 2024. The Regulator assessed St Mungo’s as C2, a compliant grade that means there are some improvements needed to deliver the outcomes of the consumer standards. An improvement strategy has been put in place to address the issues identified by the Regulator.

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 regard to:

- 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; and
- 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, trusts and foundations, 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, we received 30 complaints about our fundraising, which accounts for less than 0.01% of our interactions with donors. All complaints were investigated and appropriate action taken; none were referred to the Fundraising Regulator. 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 2024-25, including those who left us a special gift in their Will.

Colleague engagement

Our colleagues are our most valued asset and at the heart of everything we do and are crucial for St Mungo's long-term success and in achieving our missions.

Our goal is to create an engaging, inclusive and empowering workplace, which supports the organisational strategy and in particular priority five, "*Ensuring St Mungo's is a great place to work*", where all colleagues feel motivated and supported to thrive.

As we end 2024/25 we agreed a new People and Culture Strategy with the Board which outlines how, by fostering an inclusive, engaging and supportive workplace, we will attract quality candidates, improve retention

of our existing talented colleagues, enhance employee engagement, create a safe and supportive culture, and create clear pathways for growth and development.

It seeks to embed our values and has six priority areas:

- Recruitment, Onboarding and Retention
- Culture
- Reward and Recognition
- Learning and Development
- Leadership and Management effectiveness
- Wellbeing

Colleagues are based in over 140 services, geographically dispersed, often working remotely from senior leadership. The workforce is diverse in characteristics, including age, and they have different wants and needs, intergenerational and intersectional, which we need to understand and respond to.

We are pleased with our 2024 colleague survey results, which overall showed an improved engagement score from 73% in 2023, to 83% in late 2024. Colleague retention has improved, with full year voluntary turnover down to 15.4% against a 20% target and down from 19.5% last year (2023/24).

We will keep colleagues aware of progress against the Survey organisational action plan and will continue to run the Colleague Survey annually as a key measure of engagement. The colleague forum remains active as a way of consulting, engaging, listening and informing decisions.

Results from an internal communications survey in summer 2024 are informing a new Internal Communications Strategy, and with Senior leadership visibility remaining a priority, a new SLT Q&A event has started quarterly where any colleagues can ask questions directly of senior leaders. The Chief Executive remains visible, with regular service visits and online updates for colleagues.

We have improved recognition, with face to face events celebrating our STAR awards, and the CEO presenting certificates thanking those with long service.

St Mungo's recognises two unions, Unite and Unison, and meets regularly with union representatives to discuss key issues affecting colleagues. We are committed to have a positive and transparent constructive relationship, and continue with regular JNC (Joint Negotiating Committee) and JCC (Joint Consultative Committee) meetings, including sharing our financial position, with a board member joining JCC.

Connecting our strong purpose, our values and our people makes a strong foundation for an impactful and high performing organisation.

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 saw a reduction post-Covid, mirroring a national trend, but following a review of roles and structure we are now seeing an increase in numbers. The introduction of more flexible micro-volunteering roles in areas such as translation, photography, and hair and beauty has added significant capacity to our volunteer work.

Corporate volunteering, delivered by the Corporate Partnerships team, has been a successful way of supporting our services and engaging partners through volunteering and pro-bono work.

We are proud of our award-winning apprenticeship scheme for people with lived experience of homelessness. Our apprentices undertake a Level 3 qualification in Peer Support, supporting our frontline services.

We also provide placements for Social Work, Nursing, Occupational Therapy and pharmacy students to influence future professionals and help shape their practice.

Client Involvement

Clients are at the heart of everything we do and are arguably our most important stakeholder. At St Mungo's we ensure that the client voice is heard in all areas and at all levels of the organisation.

Through residents' meetings and organisational surveys, clients feedback on their experiences and make suggestions and request improvements. Our Client Advisory Board, part of the organisation's formal governance structure, provides a link between the Board of Trustees and the organisation, and has oversight and scrutiny over organisational decisions.

Clients were actively involved in the development of St Mungo's Organisational Strategy, and support the shaping and development of policies and delivery plans.

Our Client-Facing Involvement and Engagement Strategy sets out our commitment to clients and there is an associated delivery plan that addresses gaps and sets clear objectives for improvement.

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 by the 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 2024-25 we worked with over 30 commissioning bodies and over 100 individual commissioners across 130 contracts, generating income of £60.8m.

We continue to run our annual commissioner satisfaction survey which is used to develop action plans. Following the F25 survey we have improved our visibility of our client involvement initiatives and developed our client involvement strategy in service modelling and tendering.

ENERGY AND CARBON REPORTING

Greenhouse Gas (GHG) Emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, St Mungo Community Housing Association continues to be engaged in a process aimed at reducing energy and greenhouse gas emissions.

St Mungo Community Housing Association maintains scopes 1, 2 and 3 emissions, which include electricity and natural gas. St Mungo Community Housing Association also maintain transport emissions inclusive of company owned/operated vehicles and employee owned/operated vehicles (whereby mileage is claimed against the company).

St Mungo Community Housing Association have a longstanding commitment to tackling climate change. Calculated carbon footprint for the current financial year is 2,941.90 tCO₂e, whilst energy consumption was 20,332,948 kWh (20,333 MWh).

Methodology

St Mungo Community Housing Association have reported all of 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 2024.

The reporting period is the financial year 2024 / 2025, 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.

SECR Figures

Scope	Energy Source	2024/25 kWh	2024/25 (tCO ₂ e)	2023/24 (tCO ₂ e)	Year-on-Year %
Scope 1	Gas, company vehicles	15,244,849	2,789.12	3,183.23	-12.38%
Scope 2	Electricity, electric vehicles	4,823,049	1.34	0.00	100%
Scope 3	T&D, personal vehicles	265,050	151.45	178.09	-14.96%
Total		20,332,948	2,941.91	3,361.32	-12.48%

Intensity metric	2024/25	2023/24	Year-on-Year %
tCO ₂ e/employee no.	1.75	1.98	-11.62%

The intensity metric is based on a total employee number of 1,682. Emissions have decreased by 12.48% since the previous reporting period. Scope 2 increase is due to the allocation of electricity powered vehicles.

Efficiency Measures Taken

1. Building maintenance across sites (new boilers, roof replacements, windows)
2. EPCs (energy performance certificates) carried out to determine energy conservation and opportunities
3. Purchase of 100% renewable electricity across all sites

Objectives for 2025 / 2026

1. Continual review of existing office equipment and company policies
2. Continual purchase of renewable electricity supply contracts
3. Continue with EPC surveys across the portfolio/estate also identifying opportunities
4. Seeking to roll out AMR (smart meters) and Gas loggers across the whole estate for better control and identifying energy savings at site level, including online monitoring platform for all sites.
5. St Mungo Community Housing Association will report on progress within 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 2024/25 we continued to work on delivering our 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 the annual St Mungo's Diversity Day with several well-attended events across the organisation including in London, Bristol and Reading.

We have in place 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. We also refreshed and relaunched our Workplace Supporter Scheme, a confidential, peer listening service that is available to all colleagues.

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. Our Ethnically Diverse Interview Panels approach sets an ambition that every interview panel should have a colleague from the Global Majority on it, and in 2024/25 we achieved this for 89% of interviews over the year. During the year, we also commissioned an external Race Equity Review to support us in becoming an anti-racist organisation and improving outcomes for Global Majority colleagues.

In support of our LGBTQIA+ colleagues and clients, our Trans and Non-Binary Working Group has been developing and updating our Trans Inclusion for Services and Trans Inclusion for Colleagues Policies. This group is chaired by the senior sponsor of the LGBTQIA+ Network and is one of several steering groups across the organisation in support of ED&I, such as our Neurodiversity Working Group.

Our People and Culture Strategy sets representation targets across all levels of management and leadership. Our overall workforce demographics are largely representative; during the year leadership representation for colleagues from the Global Majority has improved, however this continues

to be lower than our stated ambition. As part of our Race Action Plan, we have implemented positive action strategies within recruitment to increase Global Majority representation.

During 2024/25 we launched the Aspire Programme, a programme that targets leadership development for Global Majority colleagues and that is led and chaired by the Chief Executive. During the programme, which ran throughout the year, participants heard from a range of internal and external speakers and were involved in a number of training sessions and workshops all aimed at improving leadership opportunities for Global Majority colleagues. The programme was a success, with 13 'graduates' in-year, with the 2025/26 Aspire cohort about to commence the programme.

Performance against ED&I targets and key performance indicators are monitored through the People Committee and have formed a key part of the development of the new People and Culture Strategy.

PAY GAP REPORTING

As part of our ongoing commitment to equity and diversity, we have again published our Gender Pay Gap and Ethnicity Pay Gap Reports during 2024/25. In line with Government guidance, our reporting includes our permanent employed staff and locum workforce.

Gender Pay Gap

At the start of 2024/25 59.2% of the whole workforce and 61.4% of our managers were female. This was a slight reduction on the previous year, when females made up 61% of colleagues and 65% of managers.

Females continue to hold more than 50% of our upper and upper-median pay quartile roles, and are well represented across leadership, including at the highest CEO level.

Ethnicity Pay Reporting

Unlike gender pay gap reporting, ethnicity pay gap reporting is not currently a legal requirement. As part of the organisation's commitment to equity, diversity and inclusion, and as outlined in our Race Action Plan, we believe it is important to be open and transparent, and as such publish these figures annually alongside our Gender Pay Gap Report. The organisation follows Government guidance in relation to which ethnicities to include in the Global Majority category.

We are committed to reducing any ethnicity pay gap and strive to be an organisation where there is no gap. Our 2024/25 results show some modest progress, with the mean pay gap decreasing from 10.3% to 8.7%.

Our median pay gap shows that average pay has increased for all colleagues, and the gap has reduced from 7% to 5.74%
The ethnicity pay gap stems from our demographic make up, and particularly the lack of ethnic diversity in higher paid roles. We are seeking to address this through providing opportunities in recruitment and development to shift the demographic balance.
We have seen an increase in Global Majority representation in the upper quartile from 29% to 38%, however we have also seen an increase in the lower quartile from 50% to 56%, meaning the effect on closing the pay gap has not been as significant as we would have wished to see.

We are committed to ultimately eliminating the ethnicity pay gap and have several actions in place to assist this aim, underpinned by our Equity, Diversity and Inclusion Strategy and Race Action Plan. Actions and initiatives include fair selection processes and ethnically diverse interview panels for all recruitment; the Aspire leadership development programme supporting progression of Global Majority colleagues into leadership roles; implementing an updated Race Action Plan with a dedicated steering group to oversee this; support for the staff diversity networks including the anti-racist network; and mandatory training for all managers that includes a focus on anti-racism.

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 September 2024 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.

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; in 2024 they received the same annual settlement as other members of staff.

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. In addition, we implemented a salary sacrifice scheme in May 2025.

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 May 2025 the Board approved the 2026-30 Five Year Financial Plan. The Board considered the impact of a wide range of stress tests and scenarios in order to understand the organisation's financial resilience and risk, measured the impact on cash liquidity and reserves levels and reviewed the strategy for mitigation should financial risk materialise. The Reserves and Liquidity policy sets thresholds to manage adverse risks should they materialise; as part of this process, the Board reaffirmed its 'Golden Rules' to manage to cash balances of £14m - £18m and unrestricted reserves of £10m - £13m to ensure that St Mungo's is viable longer term, and strikes the appropriate balance between protecting viability and utilising resources to achieve the organisation's strategic objectives.

Total reserves as at 31 March 2025 were £16.4m (2024: £7.1m). We held restricted reserves of £2.1m (2024: £2.0m) and unrestricted or free reserves of £14.3m (2024: £5.1m). Unrestricted reserves were within the approved thresholds at 31 March 2025.

The year-end cash balance was £25.5m (2024: £14.4m). Cash holdings exceeded the upper approved threshold at 31 March 2025 due to timing of payments – there will be significant grant repayments due in early 2025, as well as increased creditor payments and significant planned property investment linked to fire safety. Cash is expected to return to within the approved thresholds in the first half of 2025.

Going Concern

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 the level of cash and forward plan of activity means that it is appropriate to maintain the continuation of the Association and Group as a going concern.

For this reason, St Mungo's continues to adopt the going concern basis in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

In our ever-changing operating environment the breadth of potential risks the organisation faces is far-reaching. The impact of recent and ongoing macroeconomic shocks and global political volatility, coupled with ongoing social housing sector reform, increasing legislation particularly in relation to property safety, ever-increasing numbers of people experiencing homelessness, and constraints in commissioners' funding capacity all combine to create several internal challenges. Responding to these risks has continued to be a major focus of the Board through the year.

Understanding and managing risks is critical to ensuring the future sustainability of the organisation. We have in place robust mechanisms for the identification, management and monitoring of risk. Responsibility for the identification and management of risk sits at every level of the organisation; it is regularly discussed at team meetings, meetings of the Senior Leadership and Executive Teams, and is reported to every meeting of the Audit & Risk Committee. We have also recently introduced a new reporting template that every report taken to Board or Committees includes a consideration of the relevant risks.

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. Risks are assigned a score using an Impact / Probability Matrix, taking account of the mitigating controls in place to understand the level of

residual risk, and to ascertain whether the level of remaining risk is acceptable and in line with the Board's Risk Appetite Statement. Risks with a high residual score are considered at every Audit & Risk Committee meeting, with lower scoring risks monitored and considered by exception. The Audit & Risk Committee also undertakes periodic 'deep-dives' to gain a more in-depth understanding of a specific risk, its drivers, and the controls in place to manage it.

Our 5-Year Financial 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. The Plan, approved by the Board in May 2025, has been stress-tested to understand the sensitivity of key assumptions, and a number of scenarios modelled and a Mitigations Register developed to provide assurance that the organisation can withstand a range of adverse events should they occur.

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 (scoring high or medium / high) and the key controls in place are set out below.

FINANCIAL RESILIENCE – HIGH <i>Cashflow and operating margin under-performance weakens financial resilience</i>	DATA SECURITY – HIGH <i>Ensuring robust arrangements to adequately ensure the security of our data</i>
• Cash and reserves targets informed by annual stress-testing of annual budget and five year plan • Close monitoring of cash, reserves and financial operating performance • Transformation programme implemented to deliver cash and reserves improvement • Investment decisions subject to consideration of cash flow forecasts	• IT security function delivered by expert third party including identifying security vulnerabilities • Comprehensive data security action plan in place and being delivered to ensure best practice • Technical measures to ensure data security including multi-factor authentication • Measures in place to implement data protection principles including training and guidance • Security monitoring and alerting solution

HEALTH & SAFETY – HIGH <i>Legislative compliance failures leading to death or serious injury</i>	QUALITY ACCOMMODATION – MEDIUM / HIGH <i>Providing good quality accommodation to meet our obligations as a landlord</i>
• Comprehensive suite of health and safety policies in place and updated • Compulsory 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 and processes • Third party expert support and advice in place	• New Asset Management Strategy developed to cover regulatory and legal compliance and operational improvements • Full stock condition survey completed and long-term stock investment planning underway • Integrated Fire and Building Safety Action Plan in place to respond to changes in building safety and consumer regulation • Data improvement programme underway and new Asset Management system being planned

There are a further seven risks identified on the Strategic Risk Register with a residual risk rating of medium; these are:

- **Safeguarding Clients:** Safeguarding clients from serious harm caused by staff or corporate negligence
- **Service Delivery Failure:** Delivering services that meet the expectations of commissioners and clients
- **Data Integrity:** lack of data integrity leading to sub-optimal control and decision making
- **Significant Change Projects:** Management of significant IT and change projects across the organisation
- **Industrial Relationships:** Breakdown in relations leading to adverse financial and reputational consequences
- **Staff Vacancies:** Level of staff vacancies impacts on essential service provision
- **Commissioner Income:** Securing new or continued commissioner funding, particularly RSI funding

Financial resilience has a high-risk rating due to operating deficits reported in recent years, and the risk of failure to achieve the cash flow and operating margins needed to strengthen our financial resilience. The transformation programme implemented during 2024/25, along with the largely completed exit from leased Real Lettings properties, has strengthened both cash and reserves position and provides significant mitigation. The 2024/25 operating position has markedly improved, and the 5-Year Financial Plan demonstrates long-term resilience. It is expected that this risk score will be revisited in early 2025/26.

Failure to ensure that our data is protected from the risk of cyber-attacks is rated high due to incidents in the housing and charity sectors in recent years, with a noticeable increase of attacks on not-for-profit organisations. Current political instability also heightens risk in this area, and there have been a number of high-profile cyber attacks in the retail sector in recent months. We continue to implement mitigation but vulnerability attacks are increasing globally and therefore this remains a high priority.

Failure to comply with health & safety legislation is rated high due to the seriousness of potential consequences, ie death or serious injury. There are strong mitigations in place in this area, including a comprehensive suite of policies and processes for which a programme of review and updating has been undertaken throughout 2024/25. Our performance in respect of property health & safety compliance has improved this year, as shown in the results above.

Quality of accommodation has seen an increase in risk score during 2024/25 due to the age of our stock condition data and the recent changes in property safety legislation, particularly relating to fire safety. In the final quarter of 2024/25 a full stock condition survey was undertaken of all properties owned and managed by St Mungo's where we hold responsibility for property investment, and an updated long-term asset investment programme is now being formulated. A detailed Fire and Building Safety Action Plan is in place and being delivered, and the full cost of the fire safety remediation works required has been included in our financial forecasts.

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 has delegated responsibility and is responsible to the Board for providing oversight on behalf of the Board regarding the system of internal control and risk management and regularly reviewing its effectiveness.

Risk review

The Board confirms there is an ongoing process for identifying, evaluating and managing the significant risks faced by the organisation that has been in place for the period under review and up to the date of approval of the annual report and accounts. A programme is in place to ensure that risks

are regularly reviewed, and this process underpins the governance of St Mungo's. St Mungo's has identified 11 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.

Management is responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls.

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 BDO, is used to provide objective assurance on our control framework and management of risks. 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 internal audit programme independently reviews the control processes implemented by management and reports to the Audit & Risk Committee every quarter. The Audit & Risk Committee approves the programme of audits to be undertaken each financial year and review the assurance procedures, ensuring that an appropriate mix of techniques is used to obtain the level of assurance required by the Board. The Audit & Risk Committee report the highlights from each meeting to the subsequent meeting of the Board.

The work of our external auditor, Crowe, provides further independent assurance on the control environment. Any weaknesses in internal control identified by our external auditor 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 2025 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.

Statement of Compliance

The Group's Accounting Policies have been prepared with reference to UK Generally Accepted Accounting Practice (UK GAAP), including Financial Reporting Standard 102 (FRS 102), the Statement of Recommended Practice for Registered Social Housing Providers 2018 and the Regulator of Social Housing Accounting Direction 2022 for Registered Providers. The principal Accounting Policies of the Group are set out on pages 46 to 51 of the financial statements.

Auditor

Crowe UK LLP was appointed as external auditors at the Annual General Meeting on 21 September 2023. 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 and Trustees Report.

This report was approved by the Board in their capacity as company directors.



Mike Adamson
Chair of the Board of Trustees
30 July 2025

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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 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 2022. 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. The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein. 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 30th of July 2025
and signed on its behalf by:

By order of the Board

A rectangular box containing a handwritten signature in dark ink. The signature appears to be 'M Adamson'.

Mike Adamson
Chair of the Board of Trustees
30 July 2025

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 2025 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 2025 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
22 August 2025

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 March 2025

	Note	Unrestricted £million	Restricted £million	Total 2025 £million	Total 2024 £million
TURNOVER	3	120.7	2.9	123.6	123.7
Operating expenditure	3	(121.3)	(2.9)	(124.2)	(126.7)
OPERATING SURPLUS / (DEFICIT)		(0.6)	-	(0.6)	(3.0)
Gain/(loss) on disposal of freehold property	7	8.4	-	8.4	0.4
Interest receivable		0.4	-	0.4	0.3
Interest payable and similar charges	6	(0.3)	-	(0.3)	(0.3)
(DEFICIT) / SURPLUS BEFORE TAX		7.9	-	7.9	(2.6)
Taxation	10	-	-	-	-
(DEFICIT) / SURPLUS FOR THE YEAR		7.9	-	7.9	(2.6)
Other comprehensive income:					
Actuarial gains / (losses) in respect of pension schemes	22	1.3	-	1.3	(2.7)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		9.2	-	9.2	(5.3)

The consolidated results relate wholly to continuing activities.

The accompanying notes on pages 59 - 79 form part of these financial statements.

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2025

	Note	Unrestricted £million	Restricted £million	Total 2025 £million	Total 2024 £million
TURNOVER	3	120.7	2.9	123.6	123.7
Operating expenditure	3	(121.3)	(2.9)	(124.2)	(126.7)
OPERATING SURPLUS / (DEFICIT)		(0.6)	-	(0.6)	(3.0)
Gain/(loss) on disposal of freehold property	7	8.4	-	8.4	0.4
Interest receivable on bank deposits		0.4	-	0.4	0.3
Interest payable and similar charges	6	(0.3)	-	(0.3)	(0.3)
(DEFICIT) / SURPLUS BEFORE TAX		7.9	-	7.9	(2.6)
Taxation	10	-	-	-	-
(DEFICIT) / SURPLUS FOR THE YEAR		7.9	-	7.9	(2.6)
Other comprehensive income:					
Actuarial gains / (losses) in respect of pension schemes	22	1.3	-	1.3	(2.7)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		9.2	-	9.2	(5.3)

The association's results relate wholly to continuing activities.

The accompanying notes on pages 59 - 79 form part of these financial statements.

CONSOLIDATED AND ASSOCIATION STATEMENT OF FINANCIAL POSITION
For the year ended 31 March 2025

		Group		Association	
	Note	2025 £million	2024 £million	2025 £million	2024 £million
FIXED ASSETS					
Intangible assets	11a	2.5	1.8	2.5	1.8
Housing properties	11b	75.8	80.1	75.8	80.1
Other fixed assets	11c	0.9	1.0	0.9	1.0
Investment in subsidiaries	12	-	-	-	0.1
		<u>79.2</u>	<u>82.9</u>	<u>79.2</u>	<u>83.0</u>
CURRENT ASSETS					
Trade and other debtors	13	11.4	11.6	11.4	11.5
Cash and cash equivalents	19	25.5	14.4	25.5	14.4
		<u>36.9</u>	<u>26.0</u>	<u>36.9</u>	<u>25.9</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(21.2)	(19.9)	(21.3)	(20.0)
NET CURRENT ASSETS		<u>15.7</u>	<u>6.1</u>	<u>15.6</u>	<u>5.9</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>94.9</u>	<u>89.0</u>	<u>94.8</u>	<u>88.9</u>
NON-CURRENT LIABILITIES					
Creditors: Amounts falling due after more than one year	15	(70.5)	(71.0)	(70.5)	(71.0)
Retirement benefit obligations	22	(5.2)	(7.7)	(5.2)	(7.7)
Provisions for liabilities	17	(2.8)	(3.2)	(2.8)	(3.2)
		<u>(78.5)</u>	<u>(81.9)</u>	<u>(78.5)</u>	<u>(81.9)</u>
TOTAL NET ASSETS		<u>16.4</u>	<u>7.1</u>	<u>16.3</u>	<u>7.0</u>
RESERVES					
Restricted reserve	18	2.1	2.0	2.1	2.0
Income and expenditure reserve		14.3	5.1	14.2	5.0
TOTAL RESERVES		<u>16.4</u>	<u>7.1</u>	<u>16.3</u>	<u>7.0</u>

The accompanying notes on pages 59 - 79 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 30th July 2025 and are signed on its behalf by:



Mike Adamson
Chair



Alexandra Beidas
Vice Chair

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
For the year ended 31 March 2025

	Unrestricted reserves £million	Restricted reserves £million	Total reserves £million
Balance at 31 March 2023	10.2	2.2	12.4
Surplus/(Deficit) for the year	(5.1)	(0.2)	(5.3)
Balance at 31 March 2024	5.1	2.0	7.1
Surplus/(Deficit)	9.2	0.1	9.3
Balance at 31 March 2025	14.3	2.1	16.4

ASSOCIATION STATEMENT OF CHANGES IN RESERVES
For the year ended 31 March 2025

	Unrestricted reserves £million	Restricted reserves £million	Total reserves £million
Balance at 31 March 2023	10.1	2.2	12.3
Surplus/(Deficit) for the year	(5.1)	(0.2)	(5.3)
Balance at 31 March 2024	5.0	2.0	7.0
Surplus / (Deficit) for the year	9.2	0.1	9.3
Balance at 31 March 2025	14.2	2.1	16.3

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 2025

	Note	2025 £million	2024 £million
Net cash generated from operations	19	1.5	(0.1)
Interest received		0.4	0.4
NET CASH GENERATED FROM OPERATING ACTIVITIES		1.9	0.3
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed and intangible assets		(3.2)	(3.0)
Proceeds on disposal of tangible fixed assets		12.5	0.7
Grants received		-	0.3
NET CASH (USED IN) INVESTING ACTIVITIES		9.2	(2.0)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan finance		-	-
NET CASH (USED IN) FINANCING ACTIVITIES		-	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		11.1	(1.7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		14.4	16.1
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	25.5	14.4

(I) ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2024 £million	Cash Flow £million	At 31 March 2025 £million
CASH AND CASH EQUIVALENTS			
Cash	14.4	11.1	25.5

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

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 a broad range of scenarios, including an economic recession leading to a reduction in fundraising receipts, loss of contracts and rent service charge income, cost and wage inflation, 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 2025.

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 2025

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 and service charge 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 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 2025

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), identified as An individual property 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

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.

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 separately analysed and is charged to expenditure when incurred.

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 2025

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 2025 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 gain 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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

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. We are required to review annually the value of our housing stock for potential impairment. Given the property values in our area of operation have seen significant growth, we feel using this as the basis for review is a prudent methodology.

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 2025

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

2025: Group and Association

	Turnover £million	Operating expenditure £million	Operating surplus/(deficit) £million
SOCIAL HOUSING ACTIVITIES			
Income and expenditure from social housing lettings (note 4)	50.2	49.1	1.1
OTHER SOCIAL HOUSING ACTIVITIES			
Supporting people contract income	23.1	23.5	(0.4)
NON SOCIAL HOUSING ACTIVITIES			
Support Services	33.7	43.0	(9.3)
Fundraising	14.2	5.2	9.0
Real Lettings	2.4	3.4	(1.0)
	<u>123.6</u>	<u>124.2</u>	<u>(0.6)</u>

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>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

4. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

Group and Association

	2025				2024			
	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	10.8	2.6	0.2	13.6	11.0	2.4	0.2	13.6
Service charges net of voids	31.0	-	-	31.0	26.7	-	0.5	27.2
NET RENTAL INCOME	41.8	2.6	0.2	44.6	37.7	2.4	0.7	40.8
Other revenue grants	4.0	-	-	4.0	6.1	-	-	6.1
Amortisation of deferred capital grants	1.4	0.1	0.1	1.6	1.6	0.1	0.1	1.8
TURNOVER FROM SOCIAL HOUSING LETTINGS	47.2	2.7	0.3	50.2	45.4	2.5	0.8	48.7
EXPENDITURE ON SOCIAL HOUSING LETTINGS								
Management	11.5	-	-	11.5	12.3	1.0	0.2	13.5
Service charge costs	18.3	2.1	0.6	21.0	17.0	1.9	0.7	19.6
Routine maintenance	3.3	0.1	0.1	3.5	2.8	0.1	0.1	3.0
Planned maintenance	0.5	-	-	0.5	1.4	-	-	1.4
Bad debts	2.4	0.2	0.1	2.7	1.9	-	0.1	2.0
Depreciation charged	2.2	0.1	0.2	2.5	3.4	0.1	0.2	3.7
Lease Charges	6.0	-	-	6.0	6.4	-	-	6.4
Landlord charges	0.4	-	-	0.4	0.3	-	-	0.3
Other costs	0.9	0.1	-	1.0	1.2	-	-	1.2
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	45.5	2.6	1.0	49.1	46.7	3.1	1.3	51.1
OPERATING SURPLUS/(DEFICIT) ON SOCIAL HOUSING LETTINGS	1.7	0.1	(0.7)	1.1	(1.3)	(0.6)	(0.5)	(2.4)
<i>Rent losses due to voids</i>	<i>4.6</i>	<i>0.3</i>	<i>0.1</i>	<i>5.0</i>	<i>3.5</i>	<i>0.2</i>	<i>0.1</i>	<i>3.8</i>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

5. ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

Group and Association	2025 Units	2024 Units
Supported Housing		
- Supported housing	2,204	2,280
Care homes	56	56
Short stay housing	-	-
Total number of Supported Housing managed units	2,260	2,336
Other Units		
Non-Social	154	225
Owned but managed by another organisation	21	21
	2,435	2,582

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		Association	
	2025 £million	2024 £million	2025 £million	2024 £million
Interest arising on;				
Unwinding of discount factor on pension deficit provision	0.3	0.3	0.3	0.3

7. GAIN ON DISPOSAL OF PROPERTY

Association and Group

	2025 £million	2024 £million
Disposal proceeds	12.5	0.7
Carrying value of fixed assets	(2.9)	(0.3)
Write back amortised grant	(1.2)	-
Gain on Disposal	8.4	0.4

8. OPERATING SURPLUS

	Note	Group		Association	
		2025 £million	2024 £million	2025 £million	2024 £million
Operating surplus is stated after charging/(crediting):					
Amortisation of intangible fixed assets	11a	0.8	0.3	0.8	0.3
Depreciation of housing properties	11b	3.0	3.6	3.0	3.6
Depreciation of other tangible fixed assets	11c	0.3	0.1	0.3	0.1
Operating lease rentals		3.9	7.9	3.9	7.9
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 2025

9. EMPLOYEES

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

	Group and Association 2025 No.	Group and Association 2024 No.
Full time	1,266	1,274
Part time (full time equivalent 115) (2024:116)	138	167
Locums (full time equivalent 137) (2024:145)	278	258
	<u>1,682</u>	<u>1,699</u>

Staff costs:	Group and Association 2025 £million	Group and Association 2024 £million
Wages and salaries	60.4	56.3
Social security costs	6.3	5.8
Other pension costs and current service cost (note 22)	2.5	2.4
Agency staff	7.3	9.6
	<u>76.5</u>	<u>74.1</u>

Total compensation for loss of office was £377,646 in F25 (F24: £364,995)

The number of staff who received remuneration (excluding trustees, including executive directors):	2025	2024
£60,001 - £70,000	33	31
£70,001 - £80,000	9	11
£80,001 - £90,000	7	9
£90,001 - £100,000	5	1
£100,001 - £110,000	2	4
£110,001 - £120,000	1	-
£120,000 - £130,000	-	-
£130,001 - £140,000	2	2
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£180,001 - £190,000	-	-
£190,001 - £200,000	1	1

EXECUTIVE DIRECTORS

The key management of the charity, as at 31 March 2025, comprised the Chief Executive and the three directors of the organisation (Chief Finance Officer, Executive Director of Client Services, Executive Director of Strategy & Transformation). The total remuneration and benefits, including salary and employer's pension contributions, of the key management personnel of the charity are outlined below:

	2025 £	2024 £
Remuneration and fees	599,199	693,981
Association contributions to money purchase pension schemes	31,179	30,823
Compensation for loss of office	-	-
	<u>630,378</u>	<u>724,804</u>

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 £194,287 (2024: £192,010). She was an ordinary member of the

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

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 £417.83 in expenses during the year (2024: £16)

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	
	2025	2024	2025	2024
	£million	£million	£million	£million
(Deficit) on ordinary activities before tax	7.9	(2.6)	7.9	(2.6)
(Deficit) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25%	2.0	(0.7)	2.0	(0.7)
Effects of:				
Exempt charitable activities	(2.0)	0.7	(2.0)	0.7
Tax expense	-	-	-	-

Any profits are donated by gift aid by the subsidiaries. No UK corporation tax has arisen in the period to 31 March 2025 (31 March 2024: £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 2023	1.9
Additions	1.0
Disposals	-
At 31 March 2024	2.9
Additions	1.4
Disposals	-
At 31 March 2025	4.3
Depreciation and impairment	
At 1 April 2023	0.8
Depreciation charged in year	0.3
At 31 March 2024	1.1
Depreciation charged in year	0.8
At 31 March 2025	1.9
Carrying amount	
31 March 2025	2.5
31 March 2024	1.8

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

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 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
Properties acquired	-	-	-
Works to existing properties	1.6	-	1.6
Schemes completed	-	-	-
Disposals	(4.1)	-	(4.1)
At 31 March 2025	124.6	-	124.6
Depreciation and impairments			
At 1 April 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
Depreciation charged in year	3.0	-	3.0
Released on disposal	(1.2)	-	(1.2)
At 31 March 2025	48.8	-	48.8
Net Book Value			
At 31 March 2025	75.8	-	75.8
At 31 March 2024	80.1	-	80.1

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 2025 (2024: £nil). Development and works to existing properties include capitalised administration costs of £nil (2024: £0.1m).

EXPENDITURE ON WORKS TO EXISTING PROPERTIES

Group and Association

	2025 £million	2024 £million
Total capitalised costs in respect of existing properties and replacement components	1.6	1.5
Total maintenance costs of existing properties	4.0	4.4
	5.6	5.9

HOUSING PROPERTIES BY TENURE

Group and Association

	2025 £million	2024 £million
Freehold land and buildings	67.0	70.9
Long leasehold land and buildings	6.4	6.7
Short leasehold land and buildings	2.4	2.5
	75.8	80.1

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

11C. TANGIBLE FIXED ASSETS – OTHER

Group and Association	Computers Equipment	Furniture and Equipment	Leasehold improvements	Total
	£million	£million	£million	£million
Cost at March 2023	0.4	0.3	0.8	1.5
Additions	0.5	-	-	0.5
Cost at March 2024	0.9	0.3	0.8	2.0
Additions	0.3	-	-	0.3
As at 31 March 2025	1.2	0.3	0.8	2.3
Depreciation and impairment				
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
Depreciation charged in year	0.3	-	0.1	0.4
31 March 2025	0.6	0.3	0.5	1.4
Carrying amount				
31 March 2025	0.6	-	0.3	0.9
31 March 2024	0.6	-	0.4	1.0

12. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Association	2025	2024
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

13. DEBTORS

	Group		Association	
	2025	2024	2025	2024
	£million	£million	£million	£million
Amounts falling due within one year:				
Rent and services receivable	9.2	9.3	9.2	9.3
Less: provision for bad and doubtful debts	(6.1)	(6.5)	(6.1)	(6.5)
	3.1	2.8	3.1	2.8
Trade debtors	5.5	5.5	5.5	5.4
Other debtors	0.1	0.1	0.1	0.1
Prepayments and accrued income	2.7	3.2	2.7	3.2

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

11.4	11.6	11.4	11.5
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14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Association	
	2025	2024	2025	2024
	£million	£million	£million	£million
Rent and service charges received in advance	5.7	5.9	5.7	5.9
Deferred capital grants	1.7	1.7	1.7	1.7
Trade creditors	2.1	0.2	2.1	0.2
Amounts owed to subsidiary undertakings	-	-	0.1	0.1
Other taxation and social security costs	1.4	1.5	1.4	1.5
Other creditors	0.5	0.4	0.5	0.4
Accruals and deferred income	9.8	10.2	9.8	10.2
	21.2	19.9	21.3	20.0

DEFERRED INCOME
Group and Association

31 March 2024	3.4
Utilised in the year	(0.8)
31 March 2025	2.6

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

	Group		Association	
	2025	2024	2025	2024
	£million	£million	£million	£million
Recycled capital grant	3.5	0.6	3.5	0.6
Deferred capital grants (note 16)	67.0	70.4	67.0	70.4
	70.5	71.0	70.5	71.0

16. DEFERRED CAPITAL GRANT

Association and Group	2025	2024
	£million	£million
As at 1 April	72.0	73.4
Grant received in the year	0.1	0.3
Capital grant amortised	(1.7)	(1.7)
Grant moved to creditors	(1.7)	-
As at 31 March	68.7	72.0

In full the Association has received Social Housing Grants of £101,555,989 from Government Bodies (2024: £104,654,708). The Association intends to use the recycled grant to fund property improvement and development.

Recycled Capital Grant

	2025	2024
	£million	£million
As at 1 April	0.5	0.5
As at 31 March	3.4	0.6

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

The intention for the application of recycled funds is to contribute towards continued investment in our current property portfolio.

17. PROVISIONS FOR LIABILITIES

Group and Association

	Dilapidations £million	Total £million
1 April 2023	4.3	4.3
Utilised in the year	(1.6)	(1.6)
Additional provision in year	0.5	0.5
31 March 2024	3.2	3.2
Utilised in the year	(0.4)	(0.4)
Additional provision in year	-	-
31 March 2025	2.8	2.8

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

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.

	2025 No.	2024 No.
Number of members		
1 April	11	10
Joined during the year	3	2
Left during year	(3)	(1)
31 March	11	11

	At 1 April 2024 £million	Income £million	Expenditure £million	At 31 March 2025 £million
RESTRICTED RESERVES				
Other	0.8	0.8	(0.9)	0.7
HARP	0.1	0.3	(0.4)	-
Westminster SOS	-	0.2	-	0.2
Putting Down Roots	-	0.2	(0.2)	-
Recovery College	-	0.2	(0.2)	-
Social Enterprise Bricks & Mortar	-	0.2	(0.2)	-
Leicester Construction Skills	0.2	-	-	0.2
Street Legal Jones Day	0.1	0.1	(0.1)	0.1
Street Legal	0.2	-	(0.1)	0.1
Homelesswise	0.1	0.3	(0.4)	-
Oxford Mental Health	0.5	-	-	0.5
Community Link Worker	-	0.7	(0.4)	0.3
Total	2.0	3.0	(2.9)	2.1

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 2025

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

Group	2025 £million	2024 £million
(Deficit) / for the year	7.9	(2.6)
(Gain) on disposal of tangible fixed assets	(8.4)	(0.4)
Interest receivable	(0.4)	(0.3)
Interest payable	0.3	0.3
Operating Surplus / (Deficit)	(0.6)	(3.0)
Defined Benefit Pension Scheme payment toward deficit	(1.7)	(1.7)
<i>Adjustments for non-cash items:</i>		
Amortisation of capital grant	(1.7)	(1.7)
Amortisation of intangible assets	0.8	0.3
Depreciation of tangible fixed assets	3.4	3.7
Fixed Asset non-cash movement	-	0.2
Increase / (Decrease) in provisions	(0.4)	(1.1)
Defined Benefit Pension costs recognised in Statement of Comprehensive Income	0.2	0.1
Operating cash flows before movements in working capital	-	(3.2)
Decrease / (Increase) in trade and other debtors	0.3	7.6
Increase / (Decrease) in trade and other creditors	1.2	(4.5)
Cash generated from operations	1.5	(0.1)
	2025 £million	2024 £million
Cash and cash equivalents represent:-		
Cash at bank	0.9	0.8
Short-term deposits	24.6	13.6
	25.5	14.4

20. CAPITAL COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS

Group and Association	2025 £million	2024 £million
Capital expenditure contracted for but not provided in the financial statements	0.8	-
Expenditure authorised by the Board, but not contracted	6.7	4.6
	7.5	4.6

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

21. COMMITMENTS UNDER OPERATING LEASES

Group and Association	2025 £million	2024 £million
The total future minimum lease payments are payable:		
Within one year	2.3	2.4
Between one and five years	4.9	4.3
After five years	0.5	1.1
	7.7	7.8

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

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	
	2025 £million	2024 £million	2025 £million	2024 £million
Pensions Trust	0.2	0.1	-	-
Aviva	3.2	2.3	(0.4)	(0.4)
	<u>3.4</u>	<u>2.4</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 2024 updated to 31 March 2025 by a qualified actuary, independent of the Scheme's sponsoring employer.

The triennial actuarial valuation at 30 September 2024 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.

DEFINED BENEFIT PENSION LIABILITY

	2025 £million	2024 £million
1 April 2024	7.7	6.3
Defined benefit costs recognised in Statement of Comprehensive Income	0.5	0.4
Defined benefit (gains) / costs recognised in Other Comprehensive Income	(1.3)	2.7
Deficit contribution paid	<u>(1.7)</u>	<u>(1.7)</u>
31 March 2025	<u>5.2</u>	<u>7.7</u>

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

	2025 £million	2024 £million
Fair value of plan assets	26.3	28.2
Present value of defined benefit obligation	<u>(31.5)</u>	<u>(35.9)</u>
Net defined benefit liability to be recognised	<u>(5.2)</u>	<u>(7.7)</u>

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	2025 £million	2024 £million
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NOTES TO THE FINANCIAL STATEMENTS
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Defined benefit obligation at start of period	35.9	35.7
Interest expense	1.7	1.7
Actuarial losses / (gains) due to scheme experience	0.2	0.6
Actuarial losses / (gains) due to changes in demographic assumptions	0.2	(0.4)
Actuarial (gains) / losses due to changes in financial assumptions	(5.3)	(0.4)
Benefits paid and expenses	(1.2)	(1.3)
Defined benefit obligation at end of period	31.5	35.9

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

	2025	2024
	£million	£million
Fair value of plan assets at start of period	28.2	29.4
Interest income	1.4	1.4
Experience on plan assets (excluding amounts added as interest income) loss	(3.7)	(2.9)
Contributions by the employer	1.7	1.7
Benefits paid and expenses	(1.2)	(1.4)
Fair value of plan assets at end of period	26.4	28.2

The actual return on plan assets (including any changes in share of assets) over the year ended 31 March 2025 was £2,205,000

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

	2025	2024
	£million	£million
Expenses	0.2	0.1
Net interest expense	0.3	0.3
Defined benefit costs recognised in statement of comprehensive income (SoCl)	0.5	0.4

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	2025	2024
	£million	£million
Experience on plan assets (excluding amounts included in net interest cost) – gain/(loss)	(3.6)	(2.9)
Experience gains and losses arising on the plan liabilities – (loss) / gain	(0.2)	(0.6)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – (loss) / gain	(0.2)	0.4
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain / (loss)	5.3	0.4
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain / (loss)	1.3	(2.7)
Total amount recognised in other comprehensive income – gain / (loss)	1.3	(2.7)

NOTES TO THE FINANCIAL STATEMENTS
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ASSETS

	2025 £million	2024 £million
Equity	1.8	1.9
Bonds	5.7	1.5
Property	1.5	1.5
Cash	0.7	2.6
Other	3.6	2.3
LDI	8.3	13.7
Liquid Alternatives	3.0	2.6
Private Credit	1.8	2.1
Total assets	26.4	28.2

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

	2025 % per annum	2024 % per annum
Discount Rate	5.90	4.90
Inflation (RPI)	3.05	3.10
Inflation (CPI)	2.80	2.90
Salary Growth	2.50	2.50
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	2025 (Years)	2024 (Years)
Male retiring in 2025	21.1	21.0
Female retiring in 2025	23.4	23.6
Male retiring in 2045	22.7	22.6
Female retiring in 2045	24.9	25.0

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 2025 includes the following:

The Assertive Offender Resettlement Project was £339,589. The analysis below summarises what the grant was awarded for and how it has been used:

London Councils – Assertive Offender Resettlement

	Grant £	Spend £
Salaries	251,177	259,681
Beneficiary costs	31,780	23,303
Running costs	56,632	56,605
	339,589	339,589

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The StreetLink London Advice Line was £103,493. 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	84,342	84,342
Beneficiary costs	1,679	1,679
Running costs	17,472	17,472
	<u>103,493</u>	<u>103,493</u>

24. RELATED PARTY TRANSACTIONS

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

- £99,000 was owed by the Association to Broadway Homelessness and Support (2024: £99,000).

