



**St Mungo Community
Housing Association**

Annual Report and Accounts

2025/26

Company Number: 08225808

Registered Provider Number: LH0279

Charity Number: 1149085



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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

Mike Adamson (Chair)
Alexandra Beidas (Vice Chair, resigned 11 March 2026)
Jane Cunliffe (Vice Chair from 11 March 2026)
Daniel Corry (resigned 24 September 2025)
Darren Johnson
John Watts (resigned 24 September 2025)
Lorraine Mealings
Philip Moore
Rob Bradshaw
Teddy Nyahasha
Edwin Ndlovu
Greg Reed (appointed 7 January 2026)
Sean Daly (appointed 11 March 2026)
Liz Darran (appointed 28 May 2026)

Executive officers

Emma Haddad, Chief Executive
David Fisher, Executive Director of Client Services
Helen Rourke, Chief Finance Officer
Sean Palmer, Executive Director of Strategy & Transformation
Kerry McCafferty, Chief People Officer

Company Secretary

Helen Rourke (resigned 24 September 2025)
Mark Howorth (appointed 24 September 2025)

Registered office

5th Floor 3 Thomas More Square London E1W 1YW (to 16 June 2026)
8-10 Warner Street London EC1R 5HA (from 17 June 2026)

Auditors

Crowe UK LLP 55 Ludgate Hill London EC4M 7JW

Principal solicitors

Ashfords LLP 1 New Fetter Lane London EC4A 1AN

Bankers

HSBC 165 Fleet Street London EC4A 2DY

Company No. 08225808

Charity No. 1149085

Regulator of Social Housing Registration No. LH0279

Statement from the Chair of Trustees

I've been reflecting on my first full year as Chair of St Mungo's. A year where the number of people experiencing or at risk of homelessness has continued to rise, and we've seen the highest recorded number of people sleeping rough in the UK since 2017.

The numbers are alarming, but serve as a powerful demonstration of why the fundamental work we do at St Mungo's – working with people going through truly difficult times and supporting them to end their homelessness and rebuild their lives – is both profound and vital.

After more than a year in post, I could not feel more proud of the organisation and our dedicated colleagues, both permanent and locum and our volunteers. I've been privileged to see their life-changing work firsthand across St Mungo's incredible network of services, and I remain endlessly impressed by and thankful to all of our colleagues, volunteers and partners.

It is therefore incredibly heartening that we have continued to make progress as an inclusive employer, with improved engagement and retention rates allowing us to continue delivering person-centred, outcome-focused services to our clients.

There can be no doubt that the increasing numbers of people we've seen living on the streets since 2022 is deeply troubling. But despite this, we've made significant strides through continued partnership working with our Government and sector partners to address the challenges of homelessness and rough sleeping.

In December, the Government published its long-awaited National Plan to End Homelessness, an agenda for change to address all forms of rough sleeping and homelessness. St Mungo's played a pivotal role in developing this national plan, which depends on partnership working and building a system that prevents people from reaching the streets in the first place.

In recent months, we have seen positive signs of this in practice, as fewer people were recorded rough sleeping in London, the UK's rough sleeping hotspot. But ending rough sleeping also depends on addressing the profound and complex health needs of people who have spent the longest time on the streets. It depends on creative solutions and clearly articulating our long-term vision.

The world remains a turbulent place, with many charities operating in a difficult financial environment, so it is vital that we make judicious use of every penny of our income, focusing our resources on those activities that will deliver the greatest impact for the people we support. In these circumstances it is essential that the Board and Executive are fully aligned about our priorities and risks.



We have continued our journey out of the COVID years, navigating cost of living shocks and improving our financial position through increased efficiency in both income and cost management and growing our brand profile and fundraised income.

Over the coming years, our new Impact Roadmap will guide our decision-making and strategic priorities, particularly around the prevention of, response to, and recovery from rough sleeping. It will help us focus on the activities and outcomes that make the biggest difference to ending homelessness and rebuilding lives. This will also help our clients, supporters and partners understand who we are and what we stand for. We will seek out ways to collaborate with other organisations that share our commitment to ending homelessness and build a system that prevents people from reaching the streets in the first place.

Alongside improvements in our financial resilience and the functionality of our IT systems, we have made progress in our performance as a landlord and the quality of our estate. However we also know there is much further to go to strengthen business critical processes, particularly in property and data management, if we are to become the organisation we aspire to be and continue to meet regulatory requirements.

Ultimately, our unique strength and impact lie in the trusting partnerships we create between clients and our colleagues, and the practical support that we enable. This is only possible through the creativity, compassion and commitment of colleagues and volunteers, and the collaborative relationships we have built with our supporters and partners.

I am incredibly grateful to all of you.

This is no time for complacency. There is much to do. I look forward to building on the progress we have made and continuing to position St Mungo's as a leader in driving systemic change to end homelessness and rebuild lives.

Mike Adamson CBE
Chair of the Board of Trustees

Strategic Report

St Mungo's group structure

The entities within the Group on 31 March 2026 were:



Active entity

St Mungo Community Housing Association (St Mungo's) is 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 entity

St Mungo's Homes Limited is a Community Benefit Society 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.

Until recently, Broadway Homelessness & Support held some legacy leasehold interests on behalf of the Group. These have now been transferred, and the company was dissolved on 23 December 2025.

Both entities have a financial reporting date of 31 March.

Principal activities

Since 1969 St Mungo's has existed to end homelessness and rebuild lives. Operating across London and the South of England, we provide a range of services to adults who are experiencing or facing a prolonged risk of rough sleeping. Often our clients face multiple, interconnected challenges and St Mungo's works closely with local authorities and other partners to support people to overcome these challenges.

First and foremost, St Mungo's is an action-orientated organisation – working directly with clients and providing them with support and, in many cases, accommodation. However, we know that without fundamental change at a system level, we will never be able to end homelessness. Our frontline experience and the experiences of our clients provide valuable insight into how the system operates and could operate better. We use this insight to press for change.

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.

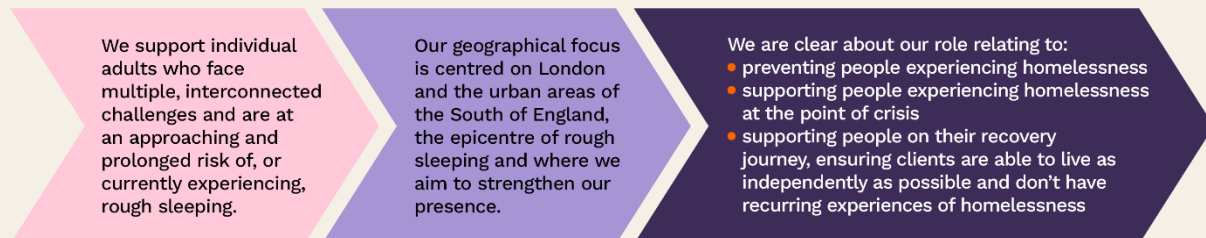
The Trustees ensure that the activities of the charity are consistent with its charitable objectives and aims. In our annual plans, the Trustees consider the Charity Commission's general guidance on public benefit relating to the prevention and relief of poverty, the advancement of education and health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

In 2024 we set out our organisational strategy that takes us through to 2030. The strategy can be found at [Strategic Plan 2024-2030](#) and is summarised here:

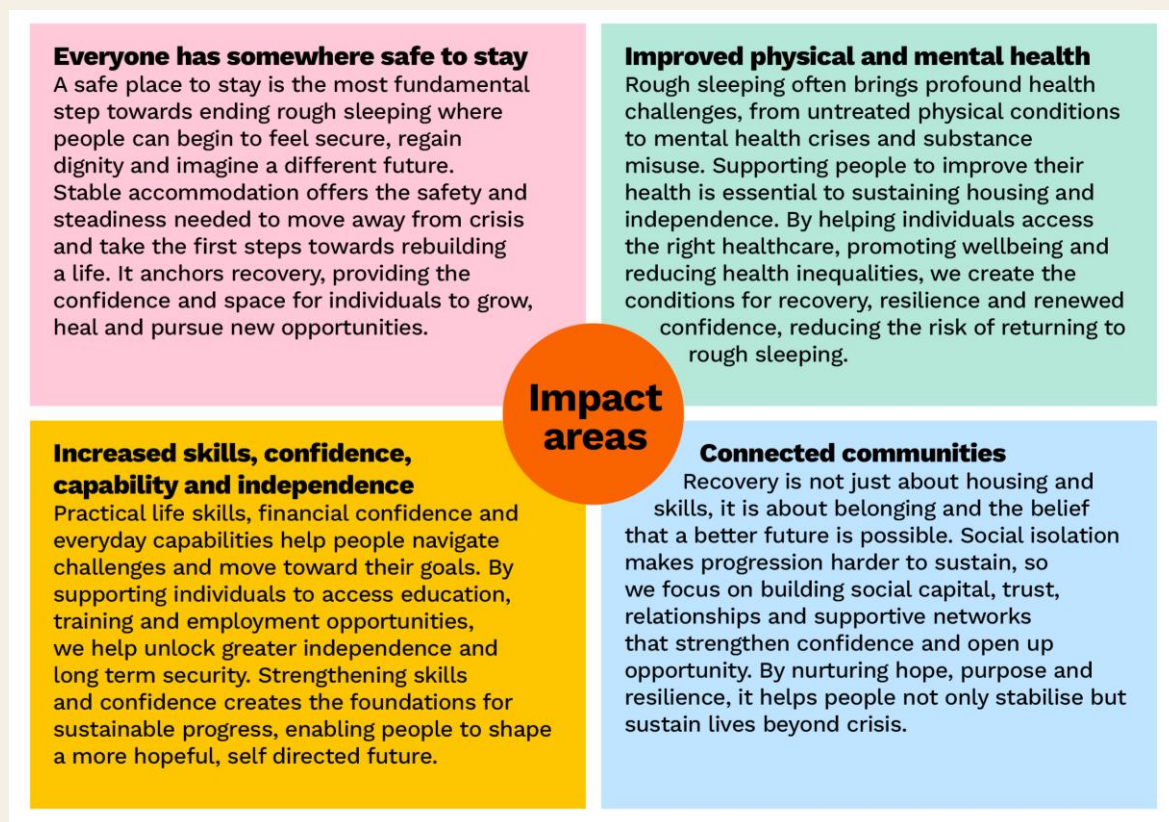


Over the last year we have created our Impact Roadmap, which can be found at [Impact_Roadmap](#). This is our Theory of Change and will guide our decision-making and strategic priorities.

The Roadmap has three key principles:



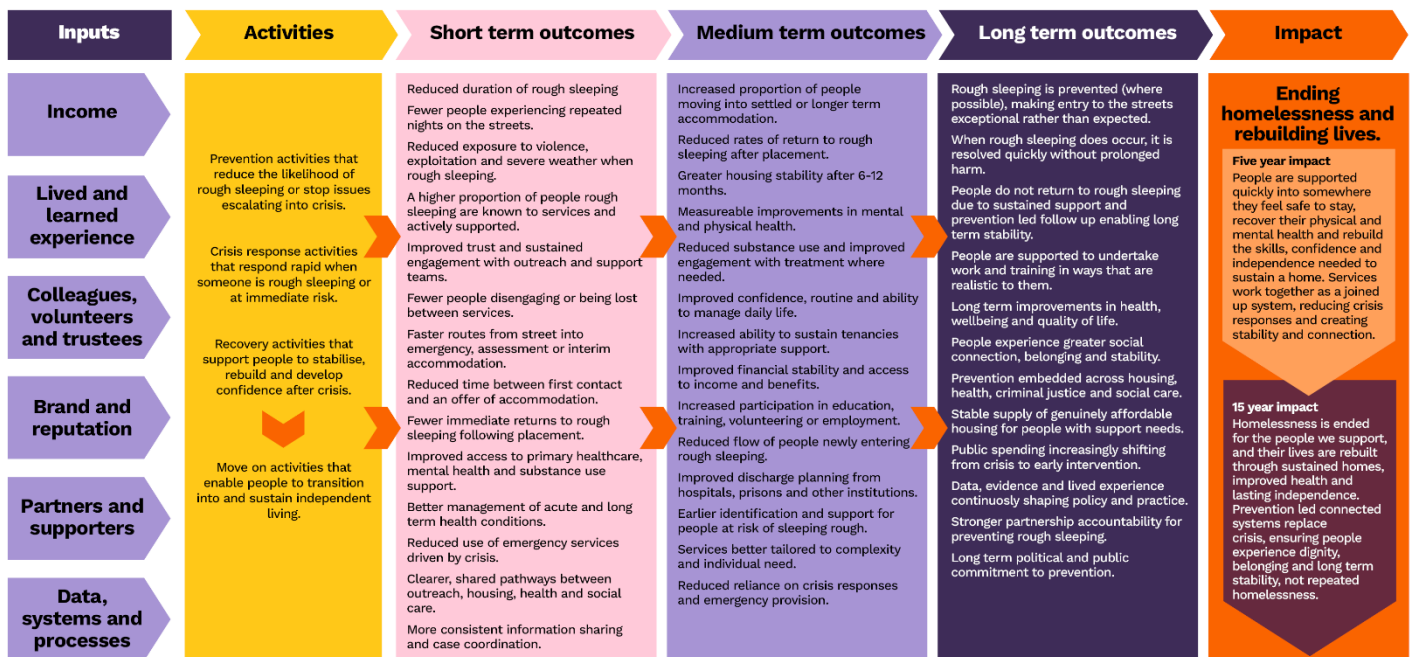
This work sets out the part St Mungo's will play in ending homelessness and rebuilding lives. In particular it establishes the four areas in which we aim to have maximum impact.



How we will work with our clients to achieve our impact

Building deep, trusting relationships with clients, recognising their life experiences.
Working in a trauma informed way to accompany people as they build trust with others.

Build on clients' strengths and empower them.
Focus on forward progression and ambition.



How we will work internally and with others to achieve our impact

Keep clients at the centre of what we do.
Focus on our areas of expertise and develop our practice.
Focus on our influencing agenda.

Collaborate with others.
Make St Mungo's a great place to work.
Be accountable, committed, creative, inclusive and empowering.

For the 2026/27 financial year, our Business Plan is based around four building blocks, allowing us to develop cross-cutting workstreams that deliver progress against our strategic priorities, always with a focus on how this improves the services we provide to clients and the impact we create.

Our 2026-27 building blocks

Our building blocks for 2026-27 will help us progress with our **2024-2030 strategy**



1. Planning with purpose

Making sure we plan well so that our decisions support long-term goals, meet regulatory requirements, and use our resources wisely.

2. Making our work better and easier

Making our work smoother by simplifying processes and improving systems so you can focus on what matters most and deliver better outcomes.

3. Supporting people to achieve excellence

Giving you the support, skills, and tools you need to do your best work, removing barriers, and creating a positive culture that helps everyone deliver great results.

4. Enabling insight and intelligence

Using good data and insights to make smarter decisions, plan better, and improve outcomes and impact across the organisation.

Visit our organisational strategy hub on MungosNet for more information via bit.ly/orgstrat

St Mungo's

Financial performance

Overview – three-year summary

Statement of Comprehensive Income (£m)	25/26	24/25	23/24
Turnover	130.2	123.6	123.7
Operating costs	(129.8)	(124.2)	(126.7)
Operating Surplus / (Deficit)	0.4	(0.6)	(3.0)
Operating Margin	0.3%	(0.5%)	(2.4%)
Net interest receipts / (charges)	0.1	0.1	0.0
Surplus on disposal of assets	0.0	8.4	0.4
Pension actuarial valuation movement	0.1	1.3	(2.7)
Net Surplus / (Deficit) for the Year	0.6	9.2	(5.3)

Statement of Financial Position (£m)	25/26	24/25	23/24
Housing properties NBV	75.7	75.8	80.1
Intangible and other fixed assets NBV	3.1	3.4	2.8
	78.8	79.2	82.9
Cash and cash equivalents	20.0	25.5	14.4
Other net current assets / (liabilities)	(7.4)	(9.8)	(8.3)
	91.4	94.9	89.0
Creditors due >1 year – grants	67.6	70.5	71.0
Other long-term liabilities and provisions	6.9	8.0	10.9
Total reserves	16.9	16.4	7.1
	91.4	94.9	89.0

During 2025/26 we have continued to experience significant cost pressures, particularly in relation to salaries and property, notably repairs, capital investment and new health and safety legislative requirements. Despite these challenges, our targeted programme of cost reduction and increased focus on budget management and control has helped us achieve an operating surplus of £0.4m (2025: £0.6m deficit). This marks a turning point in the organisation's financial stability following a number of years of operating deficits. 2026/27 will see a further stage of the cost-reduction programme come to fruition, with a relocation of head office anticipated to deliver savings of around £0.5m per year. This puts the organisation on a more stable financial footing for the years ahead.

We have continued to implement our exit plan from a substantial part of our non-social housing portfolio, Real Lettings, where we did not own the properties. This programme was substantially completed in 2024/25; we continue to exit the

remaining properties as and when they become vacant, and the deficits resulting from this portfolio continue to reduce to £0.9m in 2025/26 (2025: £1.0m).

We anticipate 2026/27 will continue to be challenging financially as the macro-economic context continues to be volatile, which may impact St Mungo's supply chains and utility costs. Local authorities, our key commissioning partners, continue to experience pressures and seek to squeeze the costs of contracted services. This in turn creates pressure for us to reduce service costs whilst maintaining our required contribution margin and delivering high quality client services. The increasing legislative requirements relating to property, and particularly fire safety, are expected to require significant capital investment over the next few years, placing pressure on the organisation's cash flows.

The fundraising environment is also challenging for all charities. Ongoing cost of living pressures and other external factors are likely to squeeze charitable giving generally. Given this context, we are pleased to have increased our fundraised income during 2025/26 to £14.6m (2024/25: £14.2m), enabling us to make decisions as to where we can increase impact through enhancing our offer to clients. We have ambitious targets for further increasing fundraised income and plan to continue to invest in our brand and marketing activities in 2026/27 to make sure more people are aware of the impactful work we do and lend their support to St Mungo's.

Despite these challenges, we remain 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

We have seen positive movement in rent, support and fundraised income, and savings in some associated operating costs. These are partially offset by increases in salary and property costs, resulting in an overall improvement in operating performance of £1.0m. Planned property sales in the previous year increased cash and reserves balances to more sustainable levels, which have been maintained in 2025/26. There has also been improvement of £0.1m in the pension scheme performance.

£m	Unrestricted	Restricted	2025/26	2024/25	Variance
Rent and Service Charges	52.3	-	52.3	47.0	5.3
Support	63.3	-	63.3	62.4	0.9
Fundraising	13.1	1.5	14.6	14.2	0.4
Total Income	128.7	1.5	130.2	123.6	6.6
Operating expenditure	(127.7)	(2.1)	(129.8)	(124.2)	(5.6)
Operating Surplus / (Deficit)	1.0	(0.6)	0.4	(0.6)	1.0
Non-Operating items	0.2	-	0.2	9.8	(9.6)
Total Surplus / (Deficit) for the Year	1.2	(0.6)	0.6	9.2	(8.6)

Rent and service charge income is 11.3% above 2024/25 due to a combination of the annual CPI+1% increase on social housing rents, new services and associated properties added in-year, and a fundamental review of our approach to service charge setting to ensure full cost recovery.

Support income has increased by 1.4% due to in-year successful tendering for new contracts and uplifts or renegotiations of existing contracts.

Fundraising has increased by 2.7% year-on-year (after reallocation of grant income from fundraising to non-social support income during 2025/26), a lower increase than budgeted but, through careful management of costs, delivering a margin of 50%. There has been additional investment in brand and marketing to drive public engagement and giving both in the near and longer term. This included an expanded brand campaign over the summer and a more visible campaign over the Christmas period.

Fundraising income is essential to enabling St Mungo's to deliver services that go beyond that which statutory bodies are willing to fund, including recovery-based services supporting clients to increase their skills and confidence and to gain employment; services that support clients with more complex needs and accessing welfare support; and providing additional support for specific cohorts of clients, such as women and LGBTQIA+ clients.

Non-operating income of £9.8m in the previous year primarily related to one-off property sales; there have been no property sales during 2025/26.

Statement of financial position review

Unrestricted reserves have increased to £15.4m due to the operating surplus of £0.4m, a reallocation from restricted reserves of £0.6m, and a favourable non-cash

pension movement. As a result, unrestricted reserves are now slightly above the Trustee target range of £10m to £14m.

From 1 April 2026, Trustees have set new parameters for unrestricted reserves, requiring a minimum level of £10m but with no upper threshold. This is in recognition of the requirement to generate operating surpluses to fund long-term capital investment in properties.

Net assets are 3.0% higher than 2024/25 mainly due to planned reductions in cash and the reduction in creditors and the pension liability. Fixed assets show a 0.5% reduction due to depreciation, with no property sales undertaken in-year.

Cash and treasury review

The Group incurred a net cash outflow of £5.5m during the year, including a £2.4m grant repayment associated with a property sale completed in the previous year. The opening cash balance of £25.5m exceeded the Trustees' upper threshold of £18m, and closing cash of £20.0m remains above the upper threshold. The intention was to bring cash within the £14m-£18m parameters during 2025/26, however there were delays in property investment and cyclical works programmes which have been carried forward into the following year.

Normal operating activities generated a net cash outflow of £1.3m due to timing of working capital payments and receipts.

During the year we continued to invest in properties and systems and continued 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.

During the year, St Mungo's cancelled its £5m Revolving Credit Facility (RCF) provided by Barclays. The Financial Plan indicated that this facility was not required, therefore the facility was cancelled early to prevent incurring unnecessary commitment fees. The organisation now has no external loan funding agreements.

Looking forward

We have updated our Financial Plan for 2026-31 based on the 2025/26 outturn and updated assumptions and projections. This includes the known and estimated costs associated with new and existing property legislation.

The Financial Plan includes significant provision for investment in our properties. This includes a fully-costed investment programme based on Stock Condition

Surveys on all properties where we are responsible for maintenance and investment, and provision for known and estimated one-off fire safety remediation spend to a number of our larger properties.



During 2025/26 St Mungo's was successful in bidding for funding under the Wave 3 programme to bring 210 homes to EPC C. The Wave 3 programme includes expenditure of £4.8m and match funding of £2.4m, and is fully reflected in the Financial Plan, as well as provisions for bringing all properties to EPC C by 2030 and net zero by 2050.

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, property investment 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.

Value for money

St Mungo's is a charity and 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.

Our Value for Money Strategy runs from 2025-2030 and sets out the following objectives:

Objective 1 – Maximising value and delivering impact 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 so that we attract and retain brilliant colleagues who are committed to serving our purpose.

Objective 2 - 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 job satisfaction of our colleagues.

Objective 3 – 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.

Objective 4 – 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.

As part of our annual business planning and budgeting process we consider where to allocate resources to best achieve value for money. The Board regularly reviews how we allocate resources to maximise our impact and ensure our sustainability.

Performance

The Board monitors the performance of St Mungo's on a quarterly basis, reviewing a range of Key Performance Indicators (KPIs) that reflect the breadth of the organisation's priorities and activities.



We supported
28,402
people experiencing,
or at risk of,
homelessness.



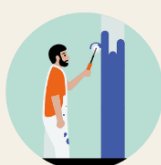
77%
People supported
by Outreach
Teams, not seen
returned to rough
sleeping



86%
Employee
engagement



80%
Client
satisfaction with
overall services



100%
Damp, Mould &
Condensation
(DMC) repairs
completed within
timescales



95%
Reactive repairs
completed within
timescales

More information on the impact we have had for our clients will be set out in our Annual Impact Report, which will be published on our website www.mungos.org in September 2026.

To support our missions, during 2025/6 we have been working on the priorities we set out in our Business Plan, which were to:

- Understand how well we are doing against our aims;
- Improve how we do things to make the biggest difference;
- Do things right; and
- Deliver financial stability.

The Board monitored the activity set out in the Business Plan on a quarterly basis. Significant progress was made, including:

- The creation of an Impact Roadmap, setting out our Theory of Change and supporting the work to shape our strategic direction;
- Development of work to improve how we approach working with local authority commissioners and are able to develop more competitive and more impactful services;
- The introduction of a 'Model Service' for our Outreach services, capturing our best practice from the services we operate and introducing more innovation to improve outcomes for our clients, and commencing similar work for our Housing First services;
- Working with the Greater London Authority to develop ending homelessness hubs;

- Work to implement our improvement plan following the inspection from the Regulator of Social Housing, including improving our complaints handling processes;
- Rolling out Wi-Fi to more of our services so that clients are more easily able to access online resources;
- Working with sector partners to influence the Government's Plan to End Homelessness;
- Running a successful brand campaign to increase the awareness of St Mungo's and the work that we do to end homelessness and rebuild lives;
- Continuing to develop our fundraising activity to attract and retain donors to support the work we do; and
- Continued work to control our costs to ensure that we are a more sustainable and resilient organisation that will be able to be here for as long as we're needed.

The following tables set out our performance against our KPIs (including incorporating the RSH Value for Money Metrics).

Impact

Measure	2024/25 Sector Average (VFM Only)	2025/26 Actual	2025/26 Target	2024/25 Actual	Direction
St Mungo's KPIs					
Number of people supported		28,402	N/A	26,012	↑
Number of rough sleepers – England*		4,793	N/A	4,667	↑
Number of rough sleepers where we work*		1,283	N/A	1,399	↓
People in sustained housing**		93.3%	N/A	93.4%	↓
People supported by Outreach Teams, not seen returned to rough sleeping		77%	N/A	78%	↓
People departing our accommodation services, not seen rough sleeping		83%	N/A	80%	↑
VFM Metrics					
Reinvestment %	7.5%	2.8%	N/A	2.1%	↑
Return on Capital Employed (ROCE) %	3.0%	0.4%	N/A	8.3%	↓

* based on annual MHCLG Rough Sleeping Snapshot

** clients who continue to be accommodated or have moved on in a planned way

Many of these measures are impacted by the wider environment in which St Mungo's operates and therefore rather than setting targets, they provide context

and we monitor based on movement from previous years' performance and the levels of homelessness in the areas in which we operate.

The Reinvestment and ROCE metrics do not meaningfully represent our performance due to the nature of how we operate as a charity. We are not developing new housing and not intending to accrue large surpluses; rather we operate in a sustainable way, investing in delivering services to our clients. There were no property disposals in 2025/26 (one sale in 2024/25 increased the ROCE result).

People

Measure	2025/26 Actual	2025/26 Target	2024/25 Actual	Direction
Workforce turnover – global	15.6%	23%	20.5%	↓
Workforce turnover – voluntary	12.6%	20%	15.4%	↓
Employee engagement	86%	N/A	83%	↑
Global Majority representation in leadership	18%	33%	19%	↓
Global Majority representation in management	28%	33%	28%	↔

Workforce turnover continued to reduce over the course of the year and is now comfortably under our target rates.

Employee engagement continued to increase to 86%, returning to previous high engagement levels.

We continue to focus on our representation rates in management and leadership roles and although still not at target levels, we continue to make a number of positive action interventions as part of our Equity, Diversity and Inclusion Strategy to make improvements.

Health and safety landlord compliance

Measure	2025/26 Actual	2025/26 Target	2024/25 Actual	Direction
Asbestos safety (management plans)	100%	100%	100%	↔
Electrical safety (EICRs)	97%	100%	100%	↓
Fire safety (FRAs)	97%	100%	99%	↓
Gas safety (certificates)	84%	100%	100%	↓
Lift safety (servicing)	100%	100%	100%	↔
Water safety (WHRAs)	95%	100%	96%	↓
Damp, Mould & Condensation (DMC) repairs completed within timescales	100%	100%	75%	↑

As a landlord, it is imperative we comply with legislation to ensure we provide safe spaces for all clients in our accommodation, regardless of whether we own, lease or manage the building. The results above include all properties where St Mungo's has responsibility for the element being measured, regardless of ownership, client tenure or property type.

Whilst some results have deteriorated at the year-end, we remained at or around 100% across all indicators throughout the year. The year-end decline is a combination of access issues and timing of certificates being provided where surveys have been completed. We are working with our contractors to address this and improve our contractor management processes, and with clients to address access concerns.

Service satisfaction, compliance and safety

Measure	2025/26 Actual	2025/26 Target	2024/25 Actual	Direction
Total incidents reported (including safeguarding)	13,427	N/A	11,558	↑
Total incidents classed as high seriousness	2,062	N/A	1,942	↑
Total safeguarding incidents reported	2,620	N/A	2,212	↑
Complaints responded to within timescales	76%	95%	81%	↓
Number of maladministration and complaint handling failure orders received	1	0	5	↓
Client satisfaction with overall services	80%	N/A	79%	↑
Commissioner satisfaction	57%	N/A	67%	↓

Keeping clients safe is at the forefront of our work. The complexity of our services and client base means that incidents, including safeguarding, are inevitable. We encourage transparent reporting to facilitate organisational learning and service improvement.

We continue to focus on complaints handling, where improvement is needed. Our response rate within timescales

remains below target, however our client satisfaction with complaints handling is high and the number of Ombudsman rulings has reduced. Rather than setting satisfaction targets, we aim for year-on-year improvement. Overall client satisfaction with services has improved slightly to 80%. From 2026/27 we are introducing a more qualitative survey to understand and improve commissioner satisfaction.



Housing assets performance

Measure	2024/25 Sector Average (VFM Only)	2025/26 Actual	2025/26 Target	2024/25 Actual	Direction
St Mungo's KPIs					
Reactive repairs completed within timescales		95%	95%	82%	⬆️
Occupancy rate		91.7%	92.5%	90.9%	⬆️
Planned & Cyclical maintenance budget spend (capital)		78%	100%	82%	⬇️
Planned & Cyclical maintenance budget spend (revenue)		53%	100%	71%	⬇️
Current client rent arrears (net)		9.4%	10%	8.6%	⬆️
VFM Metrics					
New supply (social)	1.3%	0%	0%	0.5%	⬇️
New supply (non-social)	0.2%	0%	0%	0%	↔️

Through targeted intervention, repairs performance has improved and is now in line with target. There have been underspends on capital and cyclical investment programmes during 2025/26 as we seek to align the various property workstreams; any works not completed have been carried forward to 2026/27.

We have continued to focus on voids reduction and our occupancy rate has further improved in-year. Client arrears have increased but this is a timing issue at year-end and expected to reduce.

As we do not develop new homes the supply Value for Money Metrics are 0% as intended.

Finances

Measure	2024/25 Sector Average (VFM Only)	2025/26 Actual	2025/26 Target	2024/25 Actual	Direction
St Mungo's KPIs					
Operating margin %		0.3%	0.0%	(0.4%)	↑
Net margin %		0.4%	0.0%	6.7%	↓
Cash £m		£20.0m	£16.5m	£25.5m	↓
Unrestricted reserves £m		£15.4m	£14.3m	£14.3m	↑
VFM Metrics					
Gearing %	46%	0%	0%	0%	↔
EBITDA-MRI interest cover	113%	0%	0%	0%	↔
Social housing cost per unit (£k)	£5.7k	£33.0k	N/A	£28.8k	↑
Operating margin (social housing lettings)	20.0%	2.6%	N/A	2.1%	↑
Operating margin (overall)	17.4%	0.3%	0.0%	(0.4%)	↑

There has been a marked improvement in financial performance in 2025/26, with an operating surplus reported for the first time in many years. Cash and reserves remain higher than target due to delays with property investment spend and are expected to reduce in the coming year.

The organisation has no external debt and cancelled its undrawn £5m RCF during 2025/26. The Financial Plan does not indicate any future borrowing requirement, therefore Gearing and EBITDA-MRI remain at 0%.

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

- The nature of services means the operating costs in our property-based services are significantly higher than would be the case in General Needs housing, with a typical staff to 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 support services are non-accommodation based, such as street-based outreach and learning and employment services. Support service costs of £23.9m (2025: £23.5m) are included within the calculation methodology.



Mike Adamson CBE
Chair of the Board of Trustees

Trustees' Report



The Trustees present the annual report and audited financial statements of St Mungo's for the year ended 31 March 2026. The financial position and results for the year are set out on pages 49-75 of these statements.

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 set and oversee the strategic direction of the organisation, ensure risk is appropriately understood and managed, protect current and future financial resilience, and ensure operational performance demonstrates progress towards the organisation's strategic objectives. 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 ten Trustees on 31 March 2026, 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 social housing, brand and marketing, EDI and client experience. 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.

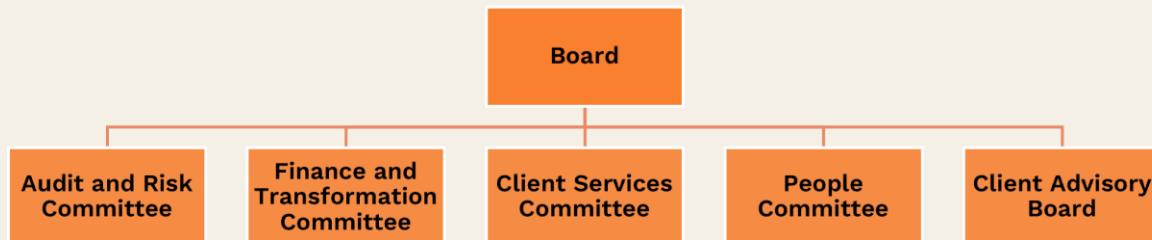
As shown on page 68, St Mungo's operates a group structure with its one subsidiary currently inactive (and a second subsidiary dissolved during 2025/26). The St Mungo's Board acts as Group Board. Each subsidiary company has a separate Board comprising St Mungo's Trustees and Executives which meets when 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 and co-opted Members to strengthen the range of skills on the Board and Committees, specifically in large-scale social housing management, client experience, brand and marketing, and people and talent.

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.



- **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:** provides scrutiny of financial planning, management and performance; oversight of the development and delivery of St Mungo's transformation programme.
- **Client Services Committee:** ensures clients have a voice in the services they receive; obtains feedback and insight from clients on service delivery; oversight of service delivery performance and quality including housing management services for both owned and managed accommodation.
- **People Committee:** provides oversight of matters relevant to people and leadership; supports the delivery of the People and Culture and Equity, Diversity and Inclusion Strategies; oversight of employment and remuneration matters (including Executive remuneration).

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.

During 2025/26 the Board appointed an Empowering People of Colour (EPOC) Fellow to the Board, as part of an initiative to enable organisations to work with ambitious senior professionals from a global majority background and create development opportunities for those individuals. EPOC Fellow membership rights are the same as those of co-optees.

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

Trustee	Board	Audit & Risk	Finance & Transformation	Client Services	People	Board Attendance*
Mike Adamson	Chair		●			100%
Alexandra Beidas	Vice-Chair**	●			Chair	100%
Daniel Corry	●				●	100%
Darren Johnson	●				●	100%
Edwin Ndlovu	●			●		80%
Greg Reed	●			●		50%
Jane Cunliffe	Vice-Chair**	Chair	●			100%
John Watts	●			●		67%
Lorraine Mealings	●			●		80%
Philip Moore	●			Chair		40%
Rob Bradshaw	●		●		●	100%
Sean Daly	●			●		100%
Teddy Nyahasha	●	●	Chair			80%
<i>Co-optees / EPOC Fellow</i>						
Nana Campbell	●					
Abdul Mohib		●				
Anonymous***				●		

*Based on possible attendance per Trustee.

**Following the resignation of Alex Beidas, Jane Cunliffe was appointed as Vice Chair

***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. Liz Darran appointed to Board after year-end but prior to signing of these accounts.

St Mungo's is committed to involving clients in all aspects of our work, including in its decision-making structures. The Client Advisory Board (CAB), made up of current and 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. CAB membership has comprised between eleven and nineteen members throughout 2025/26.



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. The organisation undertakes an annual self-assessment to meet the Code's standards. 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. These Trustees reached the end of their nine-year tenure during 2025/26 and resigned; all Trustees are now within their six-year tenure.

Compliance with Regulator of Social Housing Governance and Viability Standard and Consumer Standards

Registered providers are required by 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 previous year the Regulator of Social Housing undertook a full inspection of St Mungo's. In April 2025 the Regulator confirmed St Mungo's ratings against its three standards.

St Mungo's achieved a governance rating of G2, meaning we meet the governance requirements but need to improve some aspects of our governance arrangements to support continued compliance.

St Mungo's achieved a financial viability rating of V2, meaning that St Mungo's complies with the financial viability elements of the Governance and 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. The expectation is that St Mungo's will remain at V2 due to our priorities as a charity.

This inspection was the first time the Regulator of Social Housing assessed St Mungo's against the Consumer Standards, following the introduction of a new inspection regime and "C Grade". 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, and work to deliver this has continued throughout 2025/26.

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.

The Chair's Statement, Strategic Report and Trustees' Report set out 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. The Board is acutely aware of the need to collaborate with a range of other organisations to ensure we are able to achieve our purpose of ending homelessness and rebuilding lives. Close working with commissioners, sector partners and a range of other stakeholders has been central to the development of strategic plans and decision-making.

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 2025/26 we worked with over 30 commissioning bodies and over 100 individual commissioners across 139 contracts, generating income of £63.3m.

Fundraising report

St Mungo's is hugely grateful for the support it has received this year from our donors. Without their support we would not be the organisation we are and our clients would not benefit from the range of services we are able to offer them to support them to end their homelessness and rebuild their lives.

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.



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 are incredibly important to us, 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. 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 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 41 complaints about our fundraising. 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 thank all our supporters who gave their time and energy or made financial donations to St Mungo's, including those who left us a gift in their will.

Our people

Whether colleagues, volunteers or clients, we are truly a people-based organisation and without the skills, talents, efforts, dedication and commitment of our people we would not be able to achieve the success we do.



Our goal is to create an engaging, inclusive and empowering workplace, which is why we have a strategic priority to ensure St Mungo's is a great place to work where all colleagues feel motivated and supported to thrive.

Across the year we have continued to focus on delivering against the priorities of our new People and Culture Strategy and our new Equity, Diversity and Inclusion Strategy, which embeds the recommendations of the Race Equity Review and focuses on the importance of intersectionality.

Both our colleague retention rates and engagement score from our annual colleague survey (as set out earlier in this report) show positive progress.

Throughout the year we have continued to deliver a range of engagement and recognition activities, from regular Chief Executive and Senior Leadership Team visits to services, to long service celebrations and our STAR Award event. We have also built on a range of internal communications channels, including regular email bulletins, Q&A calls, meet your colleague opportunities and blogs on our intranet site.

Volunteering

Volunteering 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 people recovering from homelessness. Whether corporate volunteers supporting us as part of their away days or offering pro-bono services, micro-volunteers offering the expertise and support for a one-off event, or long-serving volunteers giving up their time regularly to support clients and offer additional experiences



and opportunities, we are hugely grateful to each and every one of them and the positive difference they have made to St Mungo's and our clients.

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.

As well as publishing our new ED&I Strategy, during the year we refreshed our Anti-Racist Action Plan, Women's Strategy and updated Trans Inclusion policies to support our continued focus on belonging, inclusion and equity across the organisation.



The central ED&I team work closely with the six 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 voluntary colleague co-ordinators and has a senior sponsor.

We continued to celebrate our annual 'Diversity Day', bringing colleagues together to celebrate our diversity, hear from a range of speakers and attend workshops to support our continued progress. Additionally, with the support of the Diversity Networks, we have run a range of events to celebrate different aspects of intersectionality within the organisation.

We have continued to run the successful Aspire Programme, which targets career development for Global Majority colleagues and is led by the Chief Executive. During the programme, participants hear from a range of internal and external speakers and are involved in training sessions and workshops aimed at improving leadership opportunities for Global Majority colleagues.

We were delighted to be recognised by Stonewall as a 'Trailblazer' employer for our commitment to LGBTQ+ colleagues and clients, and to receive an Innovation Award for our reverse mentoring programme, 'In My Shoes'.

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 using data as at 4 April 2025. In line with Government guidance, our reporting includes our permanent employed staff and locum workforce.

Gender pay gap

We continue to have a small gender pay gap, which is 1.24% in favour of women when calculated using median pay, or 0.82% in favour of men when calculated using mean pay. These are very good results when compared with benchmark data.

Women are well represented across our leadership and Executive teams, including at the highest CEO level, and continue to hold nearly two thirds of our highest paying roles (those in the upper middle and upper pay quartiles).

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 Anti-Racist 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 2025/26 results show that there has been a small increase in our ethnicity pay gap. The median pay gap has increased from 5.74% to 7.94%, and our mean pay gap has increased from 8.79% to 9.67%. This follows modest progress made in the previous year, when (as at 5 April 2024) the median gap reduced from 7% to 5.74% in favour of white employees, and from 10.3% to 8.79% when calculated using mean pay. There are no national average statistics available to compare to, as reporting on ethnicity pay gaps is not yet a legal requirement.

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 May 2026 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; in addition, in 2023 we agreed a St Mungo's specific allowance for many grades.

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.

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.

Energy and carbon reporting

Greenhouse gas (GHG) emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, we continue to be engaged in a process aimed at reducing our energy and greenhouse gas emissions.

We maintain scopes one, two and three emissions, which include electricity and natural gas. We also maintain transport emissions inclusive of "company" owned/operated vehicles and vehicles used for business travel (whereby mileage/cost is claimed as a company expense).

We have a longstanding commitment to tackling climate change. Our calculated carbon footprint for 2025/26 is 2,758.70 tCO₂e, whilst energy consumption was 19,482,644 kWh.

Methodology

We have reported all emission sources under the Companies Act 2006 (Strategic Report and Directors' 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 2025.

The reporting periods are aligned to financial reporting periods. 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	2025/26 kWh	2024/25 kWh	2025/26 tCO ₂ e	2024/25 tCO ₂ e	% Change
Scope 1	Gas, company vehicles	14,464,754	15,244,849	2,647.38	2,789.12	-5.08%
Scope 2	Electricity, electric vehicles	4,936,675	4,823,049	0.01	1.34	-99.25%
Scope 3	T&D, business travel	81,215	265,050	111.31	151.45	-26.50%
Total		19,482,644	20,322,948	2,758.70	2,941.91	-6.23%

Intensity Metric	2025/26	2024/25	% Change
tCO ₂ e/employee no.	1.61	1.75	-8.00%

The intensity metric is based on a total employee number of 1,715. Emissions have decreased by 6.23% since the previous reporting period.

Efficiency measures taken

The following efficiency measures have been completed during 2025/26:

- Investment across properties (new boilers, roof replacements, windows), 24 new boilers, 2 buildings with window replacements, 3 buildings with roofing upgrades.
- 128 EPCs (energy performance certificates) conducted to determine energy conservation and carbon saving opportunities, achieving 96.5% EPC coverage for all owned and leased properties.
- Purchase of 100% renewable electricity across all sites achieving REGO (Renewable Energy Guarantee of Origin) status.
- Energy upgrades under Warm Homes funding to 35 homes, including new windows, loft insulation, ventilation, low carbon heating and solar panels. This has uplifted these properties from an average SAP rating of 55 (EPC D) to an average SAP of 77 (EPC C). This has reduced the average CO₂ emissions from 0.66 tonnes CO₂e/year to 0.47 tonnes CO₂e/year, saving a total of 6.65 tonnes CO₂e per year.

Objectives for 2026/27

- Continual review of existing office equipment and company policies.
- Continual procurement of renewable electricity supply contracts.
- Continue with EPC surveys across the property portfolio, identifying savings opportunities and aiming to achieve 100% coverage.

- Ongoing roll out of AMR (smart meters) and gas loggers across the property portfolio for better control and identification of energy savings at site level, including an online monitoring platform for all sites.
- Deliver Phase 2 of our Warm Homes programme for 105 homes with a projected saving of 19.95 tonnes CO₂e per year.

We will report on progress against these targets within next year's Trustees' Report.

Reserves Policy

Reserves are the element 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 fixed assets and liquid working capital offset by provisions for long-term liabilities associated with property and pension commitments.

The Reserves and Liquidity policy sets thresholds to manage adverse risks should they materialise. Throughout 2025/26 this Policy confirmed the 'Golden Rules' of managing Cash balances of £14m-£18m and Unrestricted Reserves of £10m-£14m, to ensure that St Mungo's remained financially viable and strikes the appropriate balance between protecting viability and utilising resources to achieve the organisation's strategic objectives.

In May 2026 the Board approved the 2026-31 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. As part of this process, the Board confirmed an updated suite of metrics and 'Golden Rules' to manage its viability and liquidity, taking into account both day-to-day operating costs and capital investment requirements, particularly in relation to its property portfolio. In order to ensure St Mungo's remains financially viable, the Board has approved the following measures from 1 April 2026:

- A minimum Cash balance of £14m and Unrestricted Reserves balance of £10m at all times
- Managing of Cash balances between £14m-£18m over a three-year rolling forecast period
- A minimum Net Current Assets balance of £10m at all times
- Introduction of an EBITDA-MRI KPI, with targets based on the approved Budget and Five Year Financial Plan

Total reserves at 31 March 2026 were £16.9m (2025: £16.4m). We held restricted reserves of £1.5m (2025: £2.1m) and unrestricted or free reserves of £15.4m (2025: £14.3m).

The year-end cash balance was £20.0m (2025: £25.5m). Cash holdings have reduced as expected, but remained above the upper approved threshold at 31 March 2026 due to timing of payments – there have been delays with capital and revenue property investment programmes which have been carried forward into 2026/27.

Going concern

The Trustees have reviewed the reserves and cash of the Group and Association 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 Group and Association 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 and Risk Committee. During the year we have undertaken a comprehensive review of our Risk Management Framework, including the Risk Appetite Statement and Strategic Risk Register, which went live in April 2026. Work will continue in the coming year to update our Risk Policy and Assurance Framework and embed these across the organisation.

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 and Risk Committee meeting, with lower scoring risks monitored and considered by

exception. The Audit and 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.

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 Financial Plan, approved by the Board in May 2026, 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 (as at 31 March 2026, scoring high or medium / high) and the key controls in place is set out below.

DATA SECURITY – HIGH <i>Ensuring robust arrangements to adequately ensure the security of our data</i>	HEALTH & SAFETY – HIGH <i>Ensuring legislative compliance to prevent death or serious injury</i>
• 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	• Comprehensive suite of health and safety policies in place • Compulsory training for all managers and colleagues • Programme of health and safety inspections and surveys across property portfolio • Extensive fire door programme underway • 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

DATA INTEGRITY – MEDIUM / HIGH

Ensuring data integrity to facilitate effective control and decision making

- Key information systems and owners identified
- Data quality processes in place in key areas such as rents, assets & liabilities, health & safety
- Mandatory GDPR training for all colleagues
- New systems architecture agreed
- Systems projects incorporate data cleansing
- Data improvement programme has been scoped and is about to commence

LANDLORD OBLIGATIONS – MEDIUM / HIGH

Meeting our statutory obligations to keep clients safe

- Approved Asset management Strategy and Action Plan
- Compliance and building safety policies in place
- Compliance contractor performance closely managed
- Specific fire and building safety legislation action plans in place
- Compliance data migrated to new system with improved property hierarchy, matrix responsibility reporting and functionality

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

- Financial Viability: Securing cashflows and operating margins needed to ensure financial resilience.
- Commissioner Income: Securing new or continued commissioner funding.
- 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.
- Workforce Capacity: Level of staff vacancies impacts on essential service provision.
- Quality Accommodation: Ensuring accommodation is of an appropriate standard and meets legislative requirements.



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- **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.

From April 2026 a new Strategic Risk Register was introduced. This identified two additional low-rated risks:

- **Partnerships:** Developing and maintaining effective partnerships to support delivery against strategic objectives.
- **Reputation:** Impact of adverse media scrutiny or public sentiment.

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. 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, i.e. death or serious injury. There are strong mitigations in place in this area, including a comprehensive suite of policies and processes. Our performance in respect of property health & safety compliance has improved this year, as shown in the results above.

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 14 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. This programme will be extended in 2026/27 to encompass a wider range of services. A regular programme of Health and Safety inspections across our services 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 LLP, is used to provide objective assurance on our control framework and management of risks.

The internal audit programme independently reviews the control processes implemented by management and reports to the Audit and Risk Committee every quarter. The Audit and 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 and Risk Committee report the highlights from each meeting to the subsequent meeting of the Board.

The internal auditors concluded that, based on the work undertaken there are improvements required to improve the effectiveness of the framework of governance, risk management and controls at St Mungo's. Their report recognises that the organisation is undergoing a transformation of its internal systems to enhance its control environment and improve data reliability.

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. One whistleblowing concern was raised during the year, which resulted in a change in approach to Third Party Deductions from clients' Universal Credit payments, following discussions with DWP on best practice in this area.

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 2026 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 54 to 61 of the financial statements.

Auditor

Crowe UK LLP was appointed as external auditors at the Annual General Meeting on 24 September 2025. 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 CBE
Chair of the Board of Trustees

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 2026 and signed on its behalf by:

By order of the Board



Mike Adamson CBE
Chair of the Board of Trustees

Independent Auditor's Report to the Members of St Mungo Community Housing Association

Opinion

We have audited the financial statements of St Mungo Community Housing Association (the "Association") and its subsidiary (the "group") for the year ended 31 March 2026 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 2026 and of the group 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 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 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 Strategic Report and Trustees' Report incorporated 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 Association 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 43 the Trustees (who are also the directors of the Association 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Association and group operate, 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 statement 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 also considered the opportunities and incentives that may exist within the Association/group for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of supporting people contract and support services income, the assumptions applied in the consideration of impairment of property assets, the assumptions applied in the calculation of the pension liability and the override of controls by management.

Our audit procedures to respond to these risks included enquiries of management,

and internal audit, 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 the Housing Regulator, 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 these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Date: 7 August 2026

Financial Statements

Consolidated Statement of Comprehensive Income for the year ended 31 March 2026

	Note	Unrestricted £million	Restricted £million	Total 2026 £million	Total 2025 £million
TURNOVER	3	128.7	1.5	130.2	123.6
Operating expenditure	3	(127.7)	(2.1)	(129.8)	(124.2)
OPERATING SURPLUS / (DEFICIT)		1.0	(0.6)	0.4	(0.6)
Gain/(loss) on disposal of freehold property	7	-	-	-	8.4
Interest receivable		0.5	-	0.5	0.4
Interest payable and similar charges	6	(0.4)	-	(0.4)	(0.3)
(DEFICIT) / SURPLUS BEFORE TAX		1.1	(0.6)	0.5	7.9
Taxation	10	-	-	-	-
(DEFICIT) / SURPLUS FOR THE YEAR		1.1	(0.6)	0.5	7.9
Other comprehensive income:					
Actuarial gains / (losses) in respect of pension schemes	22	0.1	-	0.1	1.3
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		1.2	(0.6)	0.6	9.2

The consolidated results relate wholly to continuing activities.

The accompanying notes on pages 54 - 75 form part of these financial statements.

Association Statement of Comprehensive Income
for the year ended 31 March 2026

	Note	Unrestricted £million	Restricted £million	Total 2026 £million	Total 2025 £million
TURNOVER	3	128.7	1.5	130.2	123.6
Operating expenditure	3	(127.6)	(2.1)	(129.7)	(124.2)
OPERATING SURPLUS / (DEFICIT)		1.1	(0.6)	0.5	(0.6)
Gain/(loss) on disposal of freehold property	7	-	-	-	8.4
Interest receivable on bank deposits		0.5	-	0.5	0.4
Interest payable and similar charges	6	(0.4)	-	(0.4)	(0.3)
(DEFICIT) / SURPLUS BEFORE TAX		1.2	(0.6)	0.6	7.9
Taxation	10	-	-	-	-
(DEFICIT) / SURPLUS FOR THE YEAR		1.2	(0.6)	0.6	7.9
Other comprehensive income:					
Actuarial gains / (losses) in respect of pension schemes	22	0.1	-	0.1	1.3
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		1.3	(0.6)	0.7	9.2

The association's results relate wholly to continuing activities.

The accompanying notes on pages 54 - 75 form part of these financial statements.

Consolidated and Association Statement of Financial Position

as at 31 March 2026

		Group		Association	
	Note	2026 £million	2025 £million	2026 £million	2025 £million
FIXED ASSETS					
Intangible assets	11a	2.2	2.5	2.2	2.5
Housing properties	11b	75.7	75.8	75.7	75.8
Other fixed assets	11c	0.9	0.9	0.9	0.9
Investment in subsidiaries	12	-	-	-	-
		<u>78.8</u>	<u>79.2</u>	<u>78.8</u>	<u>79.2</u>
CURRENT ASSETS					
Trade and other debtors	13	12.5	11.4	12.5	11.4
Cash and cash equivalents	19	20.0	25.5	20.0	25.5
		<u>32.5</u>	<u>36.9</u>	<u>32.5</u>	<u>36.9</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(19.9)	(21.2)	(19.9)	(21.3)
NET CURRENT ASSETS		<u>12.6</u>	<u>15.7</u>	<u>12.6</u>	<u>15.6</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>91.4</u>	<u>94.9</u>	<u>91.4</u>	<u>94.8</u>
NON-CURRENT LIABILITIES					
Creditors: Amounts falling due after more than one year	15	(67.6)	(70.5)	(67.6)	(70.5)
Retirement benefit obligations	22	(3.7)	(5.2)	(3.7)	(5.2)
Provisions for liabilities	17	(3.2)	(2.8)	(3.2)	(2.8)
		<u>(74.5)</u>	<u>(78.5)</u>	<u>(74.5)</u>	<u>(78.5)</u>
TOTAL NET ASSETS		<u>16.9</u>	<u>16.4</u>	<u>16.9</u>	<u>16.3</u>
RESERVES					
Restricted reserve	18	1.5	2.1	1.5	2.1
Income and expenditure reserve		15.4	14.3	15.4	14.2
TOTAL RESERVES		<u>16.9</u>	<u>16.4</u>	<u>16.9</u>	<u>16.3</u>

The accompanying notes on pages 54 - 75 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 30th July 2026 and are signed on its behalf by:



Mike Adamson
Chair



Jane Cunliffe
Vice Chair

Consolidated Statement of Changes in Reserves for the year ended 31 March 2026

	Unrestricted reserves £million	Restricted reserves £million	Total reserves £million
Balance at 31 March 2024	5.1	2.0	7.1
Surplus/(Deficit) for the year	9.2	0.1	9.3
Balance at 31 March 2025	14.3	2.1	16.4
Surplus/(Deficit)	1.1	(0.6)	0.5
Balance at 31 March 2026	15.4	1.5	16.9

Association Statement of Changes in Reserves for the year ended 31 March 2026

	Unrestricted reserves £million	Restricted reserves £million	Total reserves £million
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
Surplus / (Deficit) for the year	1.2	(0.6)	0.6
Balance at 31 March 2026	15.4	1.5	16.9

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

	Note	2026 £million	2025 £million
Net cash generated from operations	19	(1.3)	1.5
Interest received		0.4	0.4
NET CASH GENERATED FROM OPERATING ACTIVITIES		(0.9)	1.9
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed and intangible assets		(3.2)	(3.2)
Proceeds on disposal of tangible fixed assets		-	12.5
Grants paid		(2.4)	-
Grants received		1.1	-
NET CASH (USED IN) INVESTING ACTIVITIES		(4.5)	9.2
CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid		(0.1)	-
NET CASH (USED IN) FINANCING ACTIVITIES		(0.1)	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(5.5)	11.1
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		25.5	14.4
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	20.0	25.5

Analysis of Changes in Net Debt

	At 1 April 2025 £million	Cash Flow £million	At 31 March 2026 £million
CASH AND CASH EQUIVALENTS			
Cash	25.5	(5.5)	20.0

Notes to the Financial Statements
for the year ended 31 March 2026

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 was St Mungo’s, 5th Floor, 3 Thomas More Square, London E1W 1YW to 16 June 2026; from 17 June 2026 this was relocated to 8-10 Warner Street, London EC1R 5HA.

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 2026.

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.

Notes to the Financial Statements
for the year ended 31 March 2026

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.

The subsidiary is 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.

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.

Notes to the Financial Statements
for the year ended 31 March 2026

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 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

Impairment 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

Notes to the Financial Statements for the year ended 31 March 2026

that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset.

Impairment losses are recognised through expenditure.

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

Other Tangible Fixed Assets

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

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

Government Grants

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

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

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

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

Notes to the Financial Statements
for the year ended 31 March 2026

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 2026

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 2026 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.

Notes to the Financial Statements
for the year ended 31 March 2026

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.

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.

Notes to the Financial Statements
for the year ended 31 March 2026

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.

3. Turnover, Cost of Sales, Operating Costs and Operating Surplus

2026: Group	Turnover £million	Operating expenditure £million	Operating surplus/(deficit) £million
SOCIAL HOUSING ACTIVITIES			
Income and expenditure from social housing lettings (note 4)	54.8	53.3	1.5
OTHER SOCIAL HOUSING ACTIVITIES			
Supporting people contract income	23.3	23.9	(0.6)
NON SOCIAL HOUSING ACTIVITIES			
Support Services	35.6	42.6	(7.0)
Fundraising	14.6	7.2	7.4
Real Lettings	1.9	2.8	(0.9)
	<u>130.2</u>	<u>129.8</u>	<u>0.4</u>

2026: Association	Turnover £million	Operating expenditure £million	Operating surplus/(deficit) £million
SOCIAL HOUSING ACTIVITIES			
Income and expenditure from social housing lettings (note 4)	54.8	53.3	1.5
OTHER SOCIAL HOUSING ACTIVITIES			
Supporting people contract income	23.3	23.9	(0.6)
NON SOCIAL HOUSING ACTIVITIES			
Support Services	35.6	42.5	(6.9)
Fundraising	14.6	7.2	7.4
Real Lettings	1.9	2.8	(0.9)
	<u>130.2</u>	<u>129.7</u>	<u>0.5</u>

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>

4. Particulars of Income and Expenditure from Social Housing Lettings

Group and Association	2026				2025			
	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	13.2	2.5	0.2	15.9	10.8	2.6	0.2	13.6
Service charges net of voids	32.5	-	0.7	33.2	31.0	-	-	31.0
NET RENTAL INCOME	45.7	2.5	0.9	49.1	41.8	2.6	0.2	44.6
Other revenue grants	4.1	-	-	4.1	4.0	-	-	4.0
Amortisation of deferred capital grants	1.4	0.1	0.1	1.6	1.4	0.1	0.1	1.6
TURNOVER FROM SOCIAL HOUSING LETTINGS	51.2	2.6	1.0	54.8	47.2	2.7	0.3	50.2
EXPENDITURE ON SOCIAL HOUSING LETTINGS								
Management	9.9	0.4	0.2	10.5	11.5	-	-	11.5
Service charge costs	20.3	2.3	0.6	23.2	18.3	2.1	0.6	21.0
Routine maintenance	5.2	0.2	0.1	5.5	3.3	0.1	0.1	3.5
Planned maintenance	1.3	0.1	-	1.4	0.5	-	-	0.5
Bad debts	2.9	0.1	-	3.0	2.4	0.2	0.1	2.7
Depreciation charged	1.9	0.1	-	2.0	2.2	0.1	0.2	2.5
Lease Charges	6.0	-	-	6.0	6.0	-	-	6.0
Landlord charges	0.4	-	-	0.4	0.4	-	-	0.4
Other costs	1.2	0.1	-	1.3	0.9	0.1	-	1.0
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	49.1	3.3	0.9	53.3	45.5	2.6	1.0	49.1
OPERATING SURPLUS/(DEFICIT) ON SOCIAL HOUSING LETTINGS	2.1	(0.7)	0.1	1.5	1.7	0.1	(0.7)	1.1
Rent losses due to voids	3.9	0.3	0.1	4.3	4.6	0.3	0.1	5.0

5. Accommodation in Management and Development

Group and Association	2026 Units	2025 Units
Supported Housing		
- Supported housing	2,175	2,204
- Care homes	56	56
- Short stay housing	-	-
Total number of Supported Housing managed units	2,231	2,260
Other Units		
- Non-Social	140	154
- Owned but managed by another organisation	22	21
	2,393	2,435

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	
	2026 £million	2025 £million	2026 £million	2025 £million
Interest arising on;				
Unwinding of discount factor on pension deficit provision	0.3	0.3	0.3	0.3
Other Interest	0.1	-	0.1	-
	0.4	0.3	0.4	0.3

7. Gain on Disposal of Property

Association and Group	2026	2025
	£million	£million
Disposal proceeds	-	12.5
Carrying value of fixed assets	-	(2.9)
Write back amortised grant	-	(1.2)
Gain on Disposal	-	8.4

8. Operating Surplus

	Note	Group		Association	
		2026 £million	2025 £million	2026 £million	2025 £million
Operating surplus is stated after charging/(crediting):					
Amortisation of intangible fixed assets	11a	1.0	0.8	1.0	0.8
Depreciation of housing properties	11b	2.2	3.0	2.2	3.0
Depreciation of other tangible fixed assets	11c	0.4	0.4	0.4	0.3
Operating lease rentals		3.1	3.9	3.1	3.9
Fees payable to external auditors		0.1	0.1	0.1	0.1
Non audit services		-	-	-	-

9. Employees

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

	Group and Association 2026 No.	Group and Association 2025 No.
Full time	1,300	1,266
Part time (full time equivalent 93) (2025:115)	135	138
Locums (full time equivalent 147) (2025:137)	280	278
	<u>1,715</u>	<u>1,682</u>

Staff costs:

	Group and Association 2026 £million	Group and Association 2025 £million
Wages and salaries	64.2	60.4
Social security costs	8.1	6.3
Other pension costs and current service cost (note 22)	2.7	2.5
Agency staff	5.5	7.3
	<u>80.5</u>	<u>76.5</u>

Total compensation for loss of office was £100,188 in F26 (F25: £377,646).

The number of staff who received remuneration (excluding Trustees, including Executive Directors):

	2026	2025
£60,001 - £70,000	40	33
£70,001 - £80,000	18	9
£80,001 - £90,000	9	7
£90,001 - £100,000	6	5
£100,001 - £110,000	2	2
£110,001 - £120,000	0	1
£120,000 - £130,000	1	-
£130,001 - £140,000	-	2
£140,001 - £150,000	3	-
£150,001 - £160,000	-	-
£180,001 - £190,000	-	-
£190,001 - £200,000	-	1
£200,001 - £210,000	1	-

Executive Directors

The key management of the charity, as at 31 March 2026, comprised the Chief Executive and four directors of the organisation; Chief Finance Officer, Executive Director of Client Services, Executive Director of Strategy & Transformation, Chief People Officer (2026 only). The total remuneration and benefits, including salary and employer's pension contributions, of the key management personnel of the charity are outlined below:

	2026 £	2025 £
Remuneration and fees	712,244	599,199
Association contributions to money purchase pension schemes	42,735	31,179
Compensation for loss of office	-	-
	<u>754,979</u>	<u>630,378</u>

Note: Comparable figure for 2026 excluding CPO is £631,365

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 £200,504 (2025: £194,287). She was an ordinary member of the Association's Aviva defined contribution pension scheme and no enhancement or special terms applied. The Association does not make any further contributions to an individual pension arrangement for the Chief Executive. None of the Trustees received any emoluments in the year. Trustees claimed £1,086.08 in expenses during the year (2025: £417.83).

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	
	2026	2025	2026	2025
	£million	£million	£million	£million
Surplus/(Deficit) on ordinary activities before tax	0.4	7.9	0.5	7.9
Surplus/(Deficit) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25%	0.1	2.0	0.1	2.0
Effects of:				
Exempt charitable activities	(0.1)	(2.0)	(0.1)	(2.0)
Tax expense	-	-	-	-

Any profits are donated by gift aid by the subsidiaries. No UK corporation tax has arisen in the period to 31 March 2026 (31 March 2025: £nil). As any profits are donated by gift aid no deferred tax asset is recognised in respect of any tax.

11. A: Intangible Fixed Assets

Group and Association

	£million
Cost	
At 1 April 2024	2.9
Additions	1.4
Disposals	-
At 31 March 2025	4.3
Additions	0.8
Disposals	-
At 31 March 2026	5.1
Depreciation and impairment	
At 1 April 2024	1.1
Depreciation charged in year	0.8
At 31 March 2025	1.9
Depreciation charged in year	1.0
At 31 March 2026	2.9
Carrying amount	
31 March 2026	2.2
31 March 2025	2.5

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

11. B: 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 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
Properties acquired	-	-	-
Works to existing properties	2.1	-	2.1
Schemes completed	-	-	-
Disposals	(0.4)	-	(0.4)
At 31 March 2026	126.3	-	126.3
Depreciation and impairments			
At 1 April 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
Depreciation charged in year	2.2	-	2.2
Released on disposal	(0.4)	-	(0.4)
At 31 March 2026	50.6	-	50.6
Net Book Value			
At 31 March 2026	75.7	-	75.7
At 31 March 2025	75.8	-	75.8

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 2026 (2025: £nil). Development and works to existing properties include capitalised administration costs of £nil (2025: £nil).

Expenditure on Works to Existing Properties

Group and Association	2026 £million	2025 £million
Total capitalised costs in respect of existing properties and replacement components	2.1	1.6
Total maintenance costs of existing properties	5.3	4.0
	7.4	5.6

Housing Properties by Tenure

Group and Association	2026 £million	2025 £million
Freehold land and buildings	67.1	67.0
Long leasehold land and buildings	6.3	6.4
Short leasehold land and buildings	2.3	2.4
	75.7	75.8

11. C: Tangible Fixed Assets - Other

Group and Association	Computers Equipment	Furniture and Equipment	Leasehold improvements	Total
	£million	£million	£million	£million
Cost at March 2024	0.9	0.3	0.8	2.0
Additions	0.3	-	-	0.3
Cost at March 2025	1.2	0.3	0.8	2.3
Additions	0.4	-	-	0.4
As at 31 March 2026	1.6	0.3	0.8	2.7
Depreciation and impairment				
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
Depreciation charged in year	0.3	-	0.1	0.4
31 March 2026	0.9	0.3	0.6	1.8
Carrying amount				
31 March 2026	0.7	-	0.2	0.9
31 March 2025	0.6	-	0.3	0.9

12. Investment in Subsidiaries and Associates

Association	2026 £million	2025 £million
Investment in subsidiaries		
Cost		
At start of period	-	0.1
At end of period	-	-

The St Mungo Community Housing Association subsidiary undertakings are:

Name of undertaking	Class of shareholding	Country of incorporation	Proportion of nominal value held directly	Nature of Business
St Mungo's Homes Limited	Ordinary	England	100%	Dormant

13. Debtors

	Group		Association	
	2026	2025	2026	2025
	£million	£million	£million	£million
Amounts falling due within one year:				
Rent and services receivable	7.4	9.2	7.4	9.2
Less: provision for bad and doubtful debts	(5.4)	(6.1)	(5.4)	(6.1)
	2.0	3.1	2.0	3.1
Trade debtors	7.3	5.5	7.3	5.5
Other debtors	0.1	0.1	0.1	0.1
Prepayments and accrued income	3.1	2.7	3.1	2.7
	12.5	11.4	12.5	11.4

14. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2026	2025	2026	2025
	£million	£million	£million	£million
Rent and service charges received in advance	4.7	5.7	4.7	5.7
Deferred capital grants	1.6	1.7	1.6	1.7
Trade creditors	0.4	2.1	0.4	2.1
Amounts owed to subsidiary undertakings	-	-	-	0.1
Other taxation and social security costs	1.9	1.4	1.9	1.4
Other creditors	(0.2)	0.5	(0.2)	0.5
Accruals and deferred income	11.5	9.8	11.5	9.8
	<u>19.9</u>	<u>21.2</u>	<u>19.9</u>	<u>21.3</u>
Deferred Income				
Group and Association				
31 March 2025	2.6			
Increase in the year	1.3			
31 March 2026	<u>3.9</u>			

15. Creditors: Amounts Falling Due After One Year

	Group		Association	
	2026	2025	2026	2025
	£million	£million	£million	£million
Recycled capital grant	1.1	3.5	1.1	3.5
Deferred capital grants (note 16)	66.5	67.0	66.5	67.0
	<u>67.6</u>	<u>70.5</u>	<u>67.6</u>	<u>70.5</u>

16. Deferred Capital Grant

	2026	2025
	£million	£million
Association and Group		
As at 1 April	68.7	72.0
Grant received in the year	1.1	0.1
Capital grant amortised	(1.6)	(1.7)
Grant moved to creditors	(1.7)	(1.7)
As at 31 March	<u>66.5</u>	<u>68.7</u>

In full the Association has received Social Housing Grants of £102,809,992 from Government Bodies (2025: £101,555,989). The Association intends to use recycled grant to fund property improvement and development.

Recycled Capital Grant

	2026	2025
	£million	£million
As at 1 April	3.4	0.5
As at 31 March	1.1	3.4

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 2024	3.2	3.2
Utilised in the year	(0.4)	(0.4)
Additional provision in year	-	-
31 March 2025	2.8	2.8
Utilised in the year	-	-
Additional provision in year	0.4	0.4
31 March 2026	3.2	3.2

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.

	2026 No.	2025 No.
Number of members		
1 April	11	11
Joined during the year	2	3
Left during year	(3)	(3)
31 March	10	11

Restricted Reserves

	At 1 April 2025 £million	Income £million	Expenditure £million	At 31 March 2026 £million
Other	0.7	0.3	(0.7)	0.3
Westminster SOS	0.2	-	-	0.2
Putting Down Roots	-	0.1	(0.1)	-
Recovery College	-	0.1	(0.1)	-
Social Enterprise Bricks & Mortar	0.2	-	(0.2)	-
Leicester Construction Skills	0.1	0.3	(0.1)	0.3
Street Legal Jones Day	0.1	-	(0.1)	-
Street Legal	-	0.1	(0.2)	(0.1)
Street Link London	-	0.2	-	0.2
Oxford Mental Health	0.5	-	-	0.5
Community Link Worker	0.3	-	(0.2)	0.1
Recovery College Employment Support	-	0.3	(0.3)	-
Total	2.1	1.5	(2.1)	1.5

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.

19. Reconciliation of Profit After Tax to Net Cash Generated From Operations

Group	2026 £million	2025 £million
Surplus for the year	0.4	7.9
(Gain) on disposal of tangible fixed assets	-	(8.4)
Interest receivable	(0.4)	(0.4)
Interest payable	0.4	0.3
Operating Surplus / (Deficit)	0.4	(0.6)
Defined Benefit Pension Scheme payment toward deficit	(1.8)	(1.7)
<i>Adjustments for non-cash items:</i>		
Amortisation of capital grant	(1.6)	(1.7)
Amortisation of intangible assets	1.0	0.8
Depreciation of tangible fixed assets	2.2	3.4
Fixed Asset non-cash movement	0.4	-
Increase / (Decrease) in provisions	0.3	(0.4)
Defined Benefit Pension costs recognised in Statement of Comprehensive Income	0.2	0.2
Operating cash flows before movements in working capital	1.1	-
Decrease / (Increase) in trade and other debtors	(1.2)	0.3
Increase / (Decrease) in trade and other creditors	(1.2)	1.2
Cash generated from operations	(1.3)	1.5
	2026 £million	2025 £million
Cash and cash equivalents represent:		
Cash at bank	0.9	0.9
Short-term deposits	19.1	24.6
	20.0	25.5

20. Capital Commitments and Other Contractual Obligations

Group and Association	2026 £million	2025 £million
Capital expenditure contracted for but not provided in the financial statements	3.1	0.8
Expenditure authorised by the Board, but not contracted	4.4	6.7
	7.5	7.5

21. Commitments Under Operating Leases

Group and Association	2026 £million	2025 £million
The total future minimum lease payments are payable:		
Within one year	2.5	2.3
Between one and five years	6.2	4.9
After five years	1.6	0.5
	10.3	7.7

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	
	2026 £million	2025 £million	2026 £million	2025 £million
Pensions Trust	0.1	0.2	-	-
Aviva	2.6	3.2	(0.4)	(0.4)
	<u>2.7</u>	<u>3.4</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 2026 by a qualified actuary, independent of the Scheme's sponsoring employer.

The triennial actuarial valuation at 30 September 2024 showed a deficit of £6,932,000. The Employer has agreed with the Trustee that it will aim to eliminate the deficit by 31 October 2031. To achieve this, prior to 1 October 2024, deficit contributions of £1,623,844 p.a. plus £96,659 p.a. in respect of scheme expenses were payable. From 1 April 2026, deficit contributions of £705,000 p.a. (payable monthly) and £117,000 p.a. in respect of scheme expenses are payable, both increasing by 2% p.a. on 1 April 2027 and each 1 April thereafter.

Defined Benefit Pension Liability

	2026 £million	2025 £million
1 April 2025	5.2	7.7
Defined benefit costs recognised in Statement of Comprehensive Income	0.4	0.5
Defined benefit (gains) / costs recognised in Other Comprehensive Income	(0.1)	(1.3)
Deficit contribution paid	<u>(1.8)</u>	<u>(1.7)</u>
31 March 2026	<u>3.7</u>	<u>5.2</u>

Present Value of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Liability

	2026 £million	2025 £million
Fair value of plan assets	28.0	26.3
Present value of defined benefit obligation	<u>(31.7)</u>	<u>(31.5)</u>
Net defined benefit liability to be recognised	<u>(3.7)</u>	<u>(5.2)</u>

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	2026 £million	2025 £million
Defined benefit obligation at start of period	31.5	35.9
Interest expense	1.8	1.7
Actuarial losses / (gains) due to scheme experience	0.1	0.2
Actuarial losses / (gains) due to changes in demographic assumptions	(0.1)	0.2
Actuarial (gains) / losses due to changes in financial assumptions	(0.5)	(5.3)
Benefits paid and expenses	(1.1)	(1.2)
Defined benefit obligation at end of period	31.7	31.5

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	2026 £million	2025 £million
Fair value of plan assets at start of period	26.4	28.2
Interest income	1.5	1.4
Experience on plan assets (excluding amounts added as interest income) loss	(0.6)	(3.7)
Contributions by the employer	1.8	1.7
Benefits paid and expenses	(1.1)	(1.2)
Fair value of plan assets at end of period	28.0	26.4

The actual return on plan assets (including any changes in share of assets) over the year ended 31 March 2026 was £1,191,000

Defined Benefit Costs Recognised in Statement of Comprehensive Income (SOCl)

	2026 £million	2025 £million
Expenses	0.2	0.2
Net interest expense	0.3	0.3
Defined benefit costs recognised in statement of comprehensive income (SoCl)	0.5	0.5

Defined Benefit Costs Recognised in Other Comprehensive Income

	2026 £million	2025 £million
Experience on plan assets (excluding amounts included in net interest cost) – gain/(loss)	(0.4)	(3.6)
Experience gains and losses arising on the plan liabilities – (loss) / gain	(0.1)	(0.2)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – (loss) / gain	0.1	(0.2)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain / (loss)	0.5	5.3
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain / (loss)	0.1	1.3
Total amount recognised in other comprehensive income – gain / (loss)	0.1	1.3

Assets

	2026 £million	2025 £million
Equity	2.1	1.8
Bonds	6.4	5.7
Property	0.8	1.5
Cash	0.8	0.7
Other	4.5	3.6
LDI	8.6	8.3
Liquid Alternatives	2.9	3.0
Private Credit	1.9	1.8
Total assets	28.0	26.4

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

Key Assumptions

	2026 % per annum	2025 % per annum
Discount Rate	6.20	5.90
Inflation (RPI)	3.25	3.05
Inflation (CPI)	3.05	2.80
Salary Growth	2.50	2.50

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

	2026 (Years)	2025 (Years)
The mortality assumptions adopted imply the following life expectancies on retirement age 65:		
Male retiring in 2026	21.7	21.1
Female retiring in 2026	23.8	23.4
Male retiring in 2046	23.3	22.7
Female retiring in 2046	25.2	24.9

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 2026 includes the following:

The HARP Connect Project was £347,188. The analysis below summarises what the grant was awarded for and how it has been used:

London Councils – HARP Connect

	Grant £	Spend £
Salaries	257,467	246,902
Beneficiary costs	31,780	15,324
Running costs	57,941	53,542
	347,188	315,768

The total four-year grant available (2025/26) was £347,188, however £12,828.55 (for delivery) and £18,591.45 (for underspend) in respect of that grant was deducted. Therefore, only £315,768 of the available grant was paid (With £289,323.33 of that grant paid in F26, and the remaining £26,444.67 to be paid in F27). The total deduction (£31,420) will be made in financial year end F27.

Financial year 2024/25: In quarter 1 grant payment for HARP Connect a deduction of £2,885 was made (in respect of underspend in 2022/23).

The StreetLink London Advice Line was £105,160. The analysis below summarises what the grant was awarded for and how it has been used:

London Council – StreetLink London Advice

	Grant £	Spend £
Salaries	85,651	85,651
Beneficiary costs	1,724	1,724
Running costs	17,785	17,785
	<u>105,160</u>	<u>105,160</u>

24. Related Party Transactions

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

- Broadway Homelessness and Support has been disposed in F26 (2025: £99,000 was owed by the Association to Broadway Homelessness and Support).

StMungo's

