

SIR OSWALD STOLL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

Charity Number: 207939

Company Registered Number: 148636

Homes England Number: A3418

Registered in England & Wales

**INDEX TO THE REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 MARCH 2023**

	Page
Index	2
Trustees, Officers and Advisers	3 - 4
Trustees' Report	5 - 21
Independent Auditor's Report	22 - 25
Statement of Comprehensive Income	26
Statement of Financial Position	27
Statement of Changes in Reserves	28
Statement of Cash Flows	29
Notes to the Cash Flow Statement	30
Notes to the Financial Statements	31 - 55

CHARITY TRUSTEES, OFFICERS AND ADVISERS

The Charity Trustees under Charity Law and the Directors of the Charitable Company are listed below, as is their committee membership:

Patron: HRH The Duchess of Edinburgh GCVO DStJ CD

President: Field Marshal The Lord Walker of Aldringham GCB CMG CBE DL

Company Secretary: Richard Gammage until March 2023, then Sarah Berzon.

Trustees:

Air Vice-Marshal Ray Lock CBE (Chairman)

David Arthur (d)

Paul Brookes (c)

Karl Craig (a, b)

Dr Ian Fyfe-Green (b)

Richard Freeman (e)

Uta Hope (e)

Simon Philips (e)

T David Rossington CB (a)

Katherine Russell (d)

Roger Shrimplin (c)

Mark Sweeny (a)

George Thornton (b, c) (resigned 8 August 2022)

During the year the activities of the Charity Trustees were conducted through five sub-committees, the Trustee membership of which is shown above:

(a) Finance & Human Resources Committee

(b) Audit & Risk Committee

(c) Fulham Development Committee

(d) Housing & Services Committee

(e) Fundraising & Communications Committee

Chief Executive Officer (CEO): Air Commodore Richard Gammage Retired (until March 2023) and Sarah Berzon

Senior Management Team (the 'Executive'):

As well as the CEO, the Executive included the following during the reporting period:

Claire Bendall

Director of Services

Sarah Berzon

Director of Corporate Services

Nick Coverdale

Director of Housing

Beverley Russell

Director of Fundraising and Communications

Amanda Soobrayan

Director of Finance (resigned 29 August 2022)

Marjorie Hylton

Director of Finance (start date 26 September 2022)

PRINCIPAL ADDRESS AND REGISTERED OFFICE

The Sir Oswald Stoll Mansions, 446 Fulham Road, London, SW6 1DT

Advisers

Investment Advisers

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Bankers

National Westminster Bank Plc
Fulham Broadway
London
SW6 1AG

Solicitors

Trowers & Hamlin LLP
3 Bunhill Street
London
EC1Y 8YZ

Auditors

Crowe U.K. LLP
St James House
St James Square
Cheltenham
GL50 3PR

Insurance Brokers

AJ Gallagher
27-30 Railway Street
Chelmsford
CM1 1QS

Website:

www.stoll.org.uk

THE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Under the Charities Act 2011, the Board of Trustees has pleasure in presenting its Report and the Financial Statements of the Sir Oswald Stoll Foundation (Stoll) for the year ended 31 March 2023.

REFERENCE AND ADMINISTRATIVE INFORMATION

Stoll was formed in 1917; is constituted as a company limited by guarantee registered in England & Wales, No. 148636 and is registered with the Charity Commission, No 207939. It is also a registered provider of social housing, No A3418.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Stoll is organised and managed in accordance with its Memorandum and Articles of Association (most recently updated 5th December 2019).

Code of Governance

Stoll intends to continue to be compliant with the relevant elements of the National Housing Federation's Code of Governance, including the 2020 revision and the associated Together with Tenants standards.

We also benchmark ourselves against the standards of governance expected by the Charity Commission. Stoll makes use of independent reviews of its governance, most recently in 2019. Stoll is also informed by the standards expected by the Confederation of Service Charities (Cobseo) in respect of good governance procedures.

Following the issuance of the National Housing Federation's latest Code of Governance, the Board undertook to review Stoll's governance procedures and, where applicable, to adapt them to meet the revised Code; and to adopt the Together with Tenants standards. The Code is built around the key values upon which good governance is based, namely, accountability, integrity, openness, and equality, diversity and inclusion.

And at its heart are four core principles:

- Mission and values;
- Strategy and delivery;
- Board effectiveness; and,
- Control and assurance.

The Board unanimously endorsed Together with Tenants standards in early 2021 and it endorses a focus upon and continuous improvement in their implementation.

Board of Trustees

The Charity's Trustees are legally responsible for the overall management and control of Stoll, and they normally meet four times per annum. Trustees are appointed at a meeting of the Board of Trustees on the basis of nominations received from the Trustees and the CEO, including professional qualities, experience, personal competence and availability. Where necessary, advertisements are placed to secure candidates to fill vacancies. The appointment of new Trustees is arranged to ensure that the relevant skills and experience are represented, and the current Trustees bring a great depth of experience in charity work, housing, the Armed Forces, finance, investments and property. Members of the Board of Trustees are appointed initially for

three years and subject to re-appointment every three years for a maximum of three terms.

The Trustees receive no remuneration or other benefit from their role with Stoll, nor are they directly related to it in any way. Expenses are reimbursed as appropriate. Any matters involving connections between Trustees and Stoll staff or beneficiaries, or indeed any interests, such as contractual relationships with a related party, must be disclosed to the full Board and registered in the Interests Register. In the current year, no significant matters were reported, but one Trustee (who is also a tenant), George Thornton, who resigned on 8 August 2022, declared an interest in any future development of the Fulham site and in rent and service charge setting.

The Board sets the strategic direction which it delegates to the Executive to deliver. It appoints the CEO and ensures good performance through regular supervision and annual appraisal. The CEO is responsible for leading and managing the organisation through the Executive.

The work of the Board is supported by five sub-committees all of which are: attended by the CEO and the appropriate member(s) of the Executive; chaired by a Trustee; and, attended by Trustees and by other volunteer members:

- The Finance and Human Resources Committee scrutinises revenue, the budget (including rents, service charges and salaries) and capital expenditure. This Committee also considers long-term forecasts, supervises, and finalises the audited Financial Statements and prepares this Annual Report for approval by the Board, and it works alongside the Audit and Risk Committee to review financial risk management on behalf of the Board. It monitors the performance and reporting of pensions and the investment manager(s). The Committee also oversees the work of the Director of Corporate Services, including HR and IT matters. The Finance and HR Committee is chaired by David Rossington.
- The Housing and Services Committee considers all housing and support services matters, including policies and the day-to-day core operational business and activities of the Charity. It also reviews and recommends rents and service charges, and it oversees property maintenance. The Committee is chaired by Katherine Russell.
- The Audit and Risk Committee reviews regulatory policies required of the Charity, and it also reviews the processes in place for monitoring policy implementation including via 'deep dives' into specific business activities. It supports the audit process and compliance with the arrangements for Health and Safety. The Committee is chaired by Karl Craig.
- The Fulham Site Development Committee (known as the 'Development Committee') supervises and provides strategic oversight on behalf of the Board of the envisaged possible development of the Fulham estate. The Committee is chaired by Roger Shrimplin. The other Committees support this Committee by overseeing aspects of the Fulham Development planning pertinent to their areas of governance.
- The Fundraising and Communications Committee promotes a market-aware culture within Stoll, monitors fundraising activities to support the Charity including for capital projects and it oversees all communication activities. It advises the Board on such matters. The Committee is chaired by Richard Freeman.

Trustee Recruitment and Training

New Trustees and Committee Members are recruited on a needs basis in accordance with the Stoll Governance Procedures. Each new person is inducted into the workings of the Charity, including its various policies and procedures, at an induction workshop organised for them by the Executive. They can attend specialist external courses, including training in the roles and responsibilities of Trustees. External trustee training and information courses are designed to keep them informed and updated on current issues in the sector and on regulatory requirements.

They also benefit from in-house training opportunities, spending time with staff and with our beneficiaries and from meetings with the CEO and Executive. The Charity wishes to encourage greater numbers of residents to volunteer to become committee members and, in time, Trustees.

OBJECTS, PRINCIPAL ACTIVITIES and PUBLIC BENEFIT

Charitable Objects

Stoll is a charitable company and registered provider of social housing established to provide housing and associated amenities and facilities, and care and support for those who have served in the Armed Forces of The Crown and in the Merchant Navy, and who are disabled, vulnerable or infirm. Its principal activity is the provision and management of housing and accompanying support services to enable Stoll's tenants and other Veterans in the wider community to live independently. Its subsidiary aim, where spare capacity exists, is to support any other person who is disabled, vulnerable or infirm. This is less well known, but it is a core element of the Charity's Objects. During the year ending 31 March 2023, Stoll continued to meet its Objects through the delivery of housing and support to Veterans.

Principal Activities

Stoll provides two hundred and eighty-seven supported housing units which are delivered in five main schemes (sites) found within London and the Southeast. We have one hundred and fifty-seven homes and communal facilities in Fulham (Sir Oswald Stoll Mansions), four further townhouses in Fulham, twenty homes at Banstead Court in Acton, thirty-six homes in Chiswick (Chiswick War Memorial Homes) and a further thirty-six units in Hounslow (Countess of Wessex House). Outside London, we opened a new scheme in 2018 in Aldershot (Centenary Lodge), which won the Inside Housing Award for best social housing development in 2019. This wonderful accomplishment for the Charity now provides a further thirty-four homes for Veterans.

Stoll's income comes from two main sources, foremost of which are rent and service charges which provide the basis of funding Stoll housing. Secondly, there are charitable donations, which fund the comprehensive support services that Stoll provides to Veterans (including those living in its five schemes).

Stoll maintains an ongoing commitment to keep its rents and service charges as low as is possible, commensurate with delivering the core housing function, yet not proving a barrier to Veterans approaching Stoll for support or to tenants returning to work. We remain committed to providing an exceptionally high-level of support services to tenants, but rents and service charges do not cover the cost of providing support services, therefore, fundraising remains a vital source of income.

The Charity's support services include facilities not normally found in housing schemes, such as Wi-Fi, access to IT, a gymnasium, communal gardens and other recreation facilities. Stoll also provides a higher void standard for new lettings. The support services we offer enable Stoll to house tenants with complex issues, although we have made (and will continue to make) the case to Government that we cannot take the most complex cases without statutory funding. Recognising this unmet need, the Office for Veterans' Affairs, through the Armed Forces Covenant Fund Trust, has launched a funding programme entitled Op FORTITUDE. Post year end, in July 2023, it was announced that Stoll had been awarded a substantial grant to provide supported housing, which will be reported upon in greater detail next year.

Stoll's own support services are enhanced by the many positive working relationships that Stoll has built with its various partners in the wider voluntary sector (for example with Haig Housing, The Poppy Factory, and SSAFA), and with the NHS and statutory services. These relationships enhance the support offered to the more than three hundred Veterans that we support annually in our properties.

Stoll also operates a number of wider support services, including a national resettlement service for Veterans ready to live independently without further support. The nationwide Veterans' Nomination Scheme provides access to local authorities' social housing to meet the 'general needs' of Veterans who are ready to move on from supported accommodation. It affords them a priority for general needs housing. Over six hundred Veterans have been found such a permanent home during the past decade.

This Scheme was previously enabled by external funding, but the removal of such funding caused Stoll to reconsider how to fund it as a 'core service'. Stoll still hosts the service whilst we continue to explore external funding opportunities.

Stoll continues to provide a broad range of Health and Wellbeing activities, providing training, confidence-building, and considerable wider benefits to those undertaking them. Activities have ranged from therapeutic programmes with a focus on psychological wellbeing and mindfulness, to other activities that focus upon social and physical outcomes to support the wider wellbeing of our Veterans. This work was enhanced through the year by joint working with local NHS mental health services and by a wide range of partners offering therapies and similar projects. This year there was an increase in bespoke individual work. Some activities involved hybrid sessions, with a mix of outdoor group work and online work via zoom. There has been an increase in demand for support for issues regarding mental health and we have welcomed the ongoing success of mental health services provided by Op COURAGE (the Veterans' Mental Health and Wellbeing Service).

During this reporting period, Stoll was amongst the first charities to be awarded the Veteran's Mental Health Awareness Standard. This was part of the Veterans Places, Pathways, & People (VPPP) Programme. This Standard will provide reassurance to those seeking help, and to other service providers, that the organisation being approached, or sign posted, incorporates best practice in its provision of safe and sustainable non-clinical services, and places of support. Additionally, it demonstrates that holders of the Standard have a strong awareness and understanding of Veterans needs and requirements; striving to achieve best practice. Stoll also continued to be a lead partner in the London Veterans Partnership, in delivering 2 funded projects plus extensive collaborative working across the sector.

One final area of work for Stoll and which has been a significant growth area for the Charity is in policy and public affairs work around Veterans' housing. Stoll's CEO co-chairs The Confederation of Service Charities' (Cobseo) nationwide 'umbrella group' (the Cobseo Housing Cluster) that leads the process of bringing about a much more coordinated, sector-wide and nationwide approach to our country's Veterans in housing need. In this guise, we continue to lead the successful 'No Homeless Veterans' campaign, helping Local Authorities to best fulfil their statutory obligations around Veterans' housing and encouraging them to 'go beyond' wherever possible. Anecdotally, the number of Veterans in housing need has gone down and we have some evidence that tens of Local Authorities have changed their practice as a result of our campaigning. During this period, we prepared a second phase of this campaign, which was launched in May 2022. We intend to ensure this reach endures and improves.

The CEO is also a Director of Cobseo.

PUBLIC BENEFIT

The Trustees give careful consideration to the Charity Commission's guidance on Public Benefit. They are content that the Charitable Objects are being followed and that significant Public Benefit is being achieved by the Charity. Stoll remains committed to the aim of providing Public Benefit in accordance with its founding principles and the disclosure of its Public Benefit aims. The Trustees have complied with the Public Benefit duty in Section 17 of the Charities Act 2011. With appropriate governance in place, Stoll has volunteers donating their time in different ways,

including as Trustees and Committee Members, in fundraising and activities, as practitioners, as well as corporate and support volunteers. Community Outreach activities are broad, and Stoll seeks to enhance these further in the next reporting period.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Strategy and Achievement

Achievements by the Charity are in many ways unquantifiable, as they are so closely related to the holistic support of the beneficiaries. That said, Stoll benchmarks its performance closely against key sector performance indicators. The emphasis for our staff is upon the needs of each individual and the Charity is making considerable headway in this respect, including through ongoing, significant investment in facilities, training and its clear focus on support. We aspire to continually improve.

Whilst Stoll continued to progress consideration of the future of its Fulham site, expenditure on capital projects (component replacements) during the reporting year amounted to £23.5k. [2021-22: £429k].

Previous years range of spend on capital projects has included ongoing refurbishment of the five schemes and planned maintenance, albeit this latter element has in the short-term been impacted by the uncertainty over the development of the Fulham site.

This reporting year's work has been delivered in accordance with the Charity's five-year Strategy (developed as a focus for work out to 2026 and refined by the Board in 2022). Despite the self-evident challenges, the fundamental services that Stoll provides to its beneficiaries have continued to be delivered effectively.

During this reporting period, the Trustees note the progress being made in three key areas:

1. Maximise the independence of our existing beneficiaries through the provision of excellent support and housing services. During the reporting year, Stoll:

- delivered effective services to ensure an increased focus upon independence;
- ensured that our Health and Wellbeing Services maximised outcomes relating to mental health such as reducing isolation;
- evolved our support structure to give greater clarity to tenants and encourage the more independent to stand on their own two feet to a greater degree;
- nurtured effective collaborative work, including with local authorities, The Poppy Factory and Op COURAGE, that promotes the independence of our beneficiaries; and,

Our work has resulted in the following outcomes for our beneficiaries:

- 10 Veterans were housed by the Veterans' Nomination scheme;
- 13% of residents we worked with were more able to live independently;
- 84% of residents we supported retained their independence; and,
- over 125 residents becoming more independent due to wellbeing or vocational activity.

We are proud that these figures are consistent with the previous year, reflecting the hard work that staff have undertaken with the focus on outcomes for our beneficiaries. As the above demonstrates, Stoll has continued to provide high quality support and housing services which serve to promote independence. This year over 125 beneficiaries received individualised support to gain a range of skills and interests, plus over 1200 opportunities were taken to attend activities either online or in person. There have been more than 200 examples of collaborative work with

other agencies such as around addiction, mental health and debt. The Charity's staff have actively worked with over two hundred beneficiaries to achieve outcomes such as gaining employment, maximizing welfare benefits and income, managing mental health issues and making local connections.

2. Deliver increased levels of Veteran-specific supported accommodation according to need.

Following the relatively recent completion of the Centenary Lodge scheme in Aldershot, Stoll has not further added to its property portfolio, but work has been initiated to explore how best to redevelop the Sir Oswald Stoll Mansions' site in Fulham. This work was informed by engagement with our residents in Spring 2022. We intend that this should involve in time, improved scope for an increased portfolio of supported housing for our future beneficiaries at the point of greatest need. We have therefore evolved our strategic work around developing Stoll's future housing offer, whereby an option could be to offer two different types of housing: more temporary accommodation in studio-type flats for working age Veterans on short-term tenancies; coupled with, longer-term accommodation options for Veterans who may not return to the workplace because of age, health issues or disability. We intend to work together with our current beneficiaries, and with others, to scope future provision.

3. Contribute to a National Network of Suitable Accommodation and Support Services for Veterans.

Stoll continues to be the leading Veterans' supported housing charity seeking to achieve a more coordinated approach to Veterans' housing in the UK. Our nationwide 'No Homeless Veterans' campaign (www.nohomelessVeterans.org.uk) has been a considerable success. The campaign has already had a media reach of twenty-two million people including five pieces of national coverage and four pieces of broadcast media, as well as a social media reach of one hundred and forty-one thousand impressions. Staff from some one hundred Local Authorities were briefed by members of our team up and down the country. We deliver this work on behalf of the Cobseo Housing Cluster. We are leading the Cluster to evolve the No Homeless Veterans brand and its offer and have launched the second phase of this campaign in May 2022. There is much more to be done to end Veterans' homelessness.

Corporate Services

The Corporate Services function continues to improve digital technology resources in order to best support the Charity's business functions. Staff can work flexibly from home and maintain communication with colleagues, Veterans and partners alike. Improving digital access for Veterans has been a key element of work during this reporting period, involving training, software and hardware.

Stoll also made some important improvements to its corporate services functions in areas such as Finance, Fundraising, Human Resources, Health and Safety, and Governance. Key initiatives during the reporting year included:

- Improved cyber security with the establishment of VPNs on each site
- Establishing the use of Microsoft Office 365 across the whole organisation
- Establishing a staff intranet on Share Point
- Office 365 training
- A new HR database

Benchmarking and Key Performance Indicators (KPI)

Benchmarking with other social housing entities is frequent and detailed, and it is scrutinised robustly by the Board’s Housing and Services Committee, which regularly reviews benchmarking and KPI data. This includes where there is scope to improve provision for the beneficiaries.

Stoll makes effective use of comparative information from supported housing and small housing associations, including in the following regards:

Value for Money (VfM)

Our performance is measured against our strategic goals. Our Performance indicators are based on the Regulator of Social Housing (RSH) Value for Money (VfM) metrics. The RSH introduced VfM metrics to compare performance across the sector in a fair and comparable way and in accordance with FRS102 requirements. The relevant VfM metrics measure economy, efficiency, and effectiveness on a comparable basis across the sector. We benchmark our VfM performance:

- **internally:** against our target for the year and last year’s actual performance; and,
- **externally:** against our actual performance with other similar sized housing providers to measure efficiency and effectiveness and to identify where improvements can be made.

VfM Metrics	Measure	Stoll 21/22	Stoll 22/23	Small Providers Benchmarking (SPBM)
1 - Operating Margin (Overall).	Efficiency	13.5%	(1.1%)	13.1%
2 - Operating Margin (Social Housing Lettings).	Efficiency	22.4%	10.9%	13.6%
3 - EBITDA MRI (as % of interest).	Efficiency	110.5%	189.5%	181.0%
4 - Gearing (RSH and Scorecard Measure).	Efficiency	23.4%	20.1%	13.9%
5 - New Supply Delivered (Social Housing Units)	Effectiveness	Nil	Nil	-
6 - Reinvestment %.	Efficiency	2.9%	0.0%	4.0%
7 - Return On Capital Employed (ROCE) %.	Efficiency	1.5%	(0.1%)	2.0%
8 - Social Housing Cost Per Unit.	Economy	£8,079	£9,325	£5,317

Continuous improvement remains a key approach for Stoll and, while our central focus remains the support and services we provide to our residents, we provide KPI that are monitored and reported to the Board (on a quarterly basis).

1 - Operating Margin – expenditure across most areas increased, because of inflation, interest rate hikes and utility costs price rises. Additionally, the treatment of expenditure related to the, in principle, majority-site sale of the Fulham estate was included in general operations. The operating margin is negative (1.1%) [2022: positive 13.5%] measured against an operating deficit of £41.1k [2022: £544k surplus].

2 - Operating Margin (Social Housing Lettings) – due to regulatory compliance, from the social housing white paper and the Government’s 2050 net carbon target, this specific margin has moved from 22.4% in 2021-22, to 10.9% in 2022-23, as Stoll continues to meet regulations outside its control.

3 - Interest Cover (EBITDA MRI) – due to revenue expenditure not expected at the beginning of the year and the reclassification of capital expenditure to do with the Fulham majority site sale, Stoll’s earnings before interest, tax, depreciation, and amortisation were 189.5.% against a covenant of 110.0%. The Small Providers’ benchmarked value is 181.0%, testifying to the tough times being experienced across the whole of this sector.

4 - Gearing - this is a measure of borrowing in relation to our total assets. Our Gearing ratio at March 2023 was 20.1% (2022: 23.4%) which satisfies loan covenant requirements and gives us the capacity to take advantage of additional borrowing, for example, for further working capital.

5 - Return on Capital Employed (ROCE) – is a measure of our overall operating surplus in relation to our total assets, less current liabilities. Our ROCE is always low as any surplus that Stoll makes in its operations is reinvested in maintaining its existing homes, building new homes and maintaining and investing in its support services.

6 - Social Housing Cost Per Unit – this is the key cost measure used by RSH. We fell short of our target of £8k [2023: £9.3k]. This cost is higher than the median cost for supported housing providers published by the RSH, £5.3k. Their publication recognises that supported housing providers’ unit costs can vary significantly between £8k and £14k per unit/annum. A supported housing provider’s average unit cost is dependent on (a) its income/cost proportions from supported housing, (b) clients’ support needs, (c) size of the organisation, and (d) regional cost variances. Therefore, due to Stoll’s size and investment in support for our beneficiaries our unit costs are in the higher end of this band as supported by the 27% expenditure on support needs in 2022-23, [2021-22: 26%].

Sustainability target

Stoll is committed to meeting the Government’s sustainability targets including the net zero carbon targets by 2050.

Housing KPI

Stoll achieved the following performance:

SPBM Housing KPI	Stoll 21/22 £	Stoll 22/23 £	Similar Housing Associations £
Housing Management Cost Per Unit.	1,158	1,077	1,156
Responsive Repairs Cost Per Unit.	1,042	1,251	1,112
Major & Cyclical Repairs Cost Per Unit.	19	27	845
Service Charge Per Unit.	1,920	1,843	642

The main benchmarking resources used to compile this Report are the:

- SPBM Smaller Providers Benchmarking, a national group of one hundred and forty Housing Associations with up to one thousand homes;
- SPBM Supported Housing, a group of twenty-one supported housing providers who produce a comparative benchmarking data set and with whom we meet quarterly; and,
- House Mark, a national benchmarking database of four hundred housing providers of varying sizes.

Indicator	Stoll’s Target	Stoll 21/22	Stoll 22/23	SPBM Sources
Void turnaround time (days).	42	132	165	41
% Void Loss.	4.1%	6.1%	10.4%	6.2%
Current arrears.	4.5%	5.6%	6.5%	5.6%
Personal rent arrears (net of Housing Benefit).	3.0%	3.2%	3.2%	1.4%
% of Routine Repairs Completed Within Target.	97.0%	93.0%	79.0%	92.9%

In some cases, voids took longer to turn into lettable units, because of the amount of repairs needed to bring the property up to livable standards.

Independence and Dignity

Indicator	Stoll's Target	Stoll 21/22	Stoll 22/23
Veterans living more independently	>12.0%	8.0%	13.0%
% Veterans who have maintained or increased their independence.	90.0%	97.0%	84.0%

During the last two years, Stoll has evolved its tenancy agreements so that all new tenants are offered **Periodic Assured Shorthold** tenancies.

People and Homes

Indicator	Stoll's Target	Stoll 21/22	Stoll 22/23
Veterans moving into Stoll properties.	24	34	2
Veterans moving towards independence.	16	7	0
Veterans housed through the Veterans' Nomination Scheme	40	35	10

FUTURE PLANS

The context in which Stoll makes its future plans involves many factors, including:

- a determination to improve financial stability for the short, medium and long-term;
- that the redevelopment of the Fulham site would have potential benefits;
- a growing voice and culture of increased regulation and a greater commitment to building and fire- safety - Stoll supports this and made significant progress in 2022-23;
- recognition that our people are what make us effective and that, therefore, they deserve our ongoing commitment to investment and support;
- that we need to retain an outward-facing aspect to our work in order to maintain our positive reputation in the Veterans' housing space; and,
- the paramount importance of us understanding of who our services are for and the level of service we offer to each beneficiary.

In the Strategy, the Board has set five strategic objectives, each with their own sub-objectives to be achieved over the course of the next five years:

- Strategic Objective 1: Operate a financially sustainable charity;
- Strategic Objective 2: Ensure that all Stoll properties are safe and in good repair;
- Strategic Objective 3: Invest in our people;
- Strategic Objective 4: Deliver an integrated support and housing service; and,
- Strategic Objective 5: Consolidate our position as the leading organisation within the Veterans' supported housing space.

These set the context within which our annual work plans and budgets are developed. Stoll's staff are caring, competent and they work collegiately, but they are limited by the current capacity of the Charity. The Board is confident that, through this Strategy, capacity can be enhanced leading to even better outcomes for the beneficiaries.

FINANCIAL REVIEW

This financial year, the Charity returned to more normal operations following the Covid pandemic and lockdowns, but like other organisations was affected by high inflation.

Overall, there was a deficit of £331k. The need to recognise expenditure undertaken to explore the sale of the majority of the Fulham estate contributed to this deficit. A sale has been agreed, in principle, subject to various further considerations, including the results of a tenant consultation. The costs of surveyors, estate agents, lawyers, architects, and every other peripheral expenditure linked to the sale of property were included in the year's operating activities and amounted to around £365k.

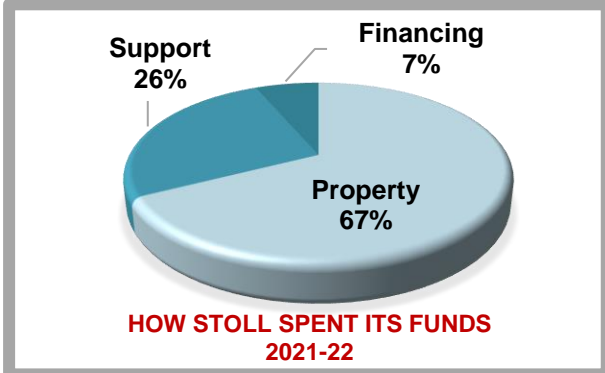
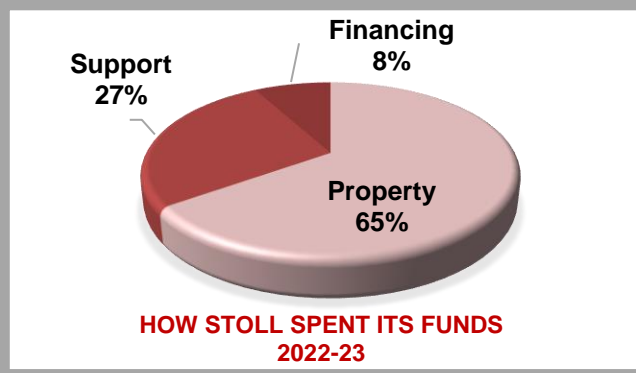
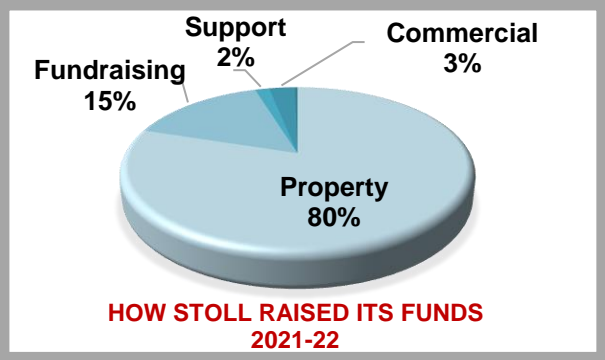
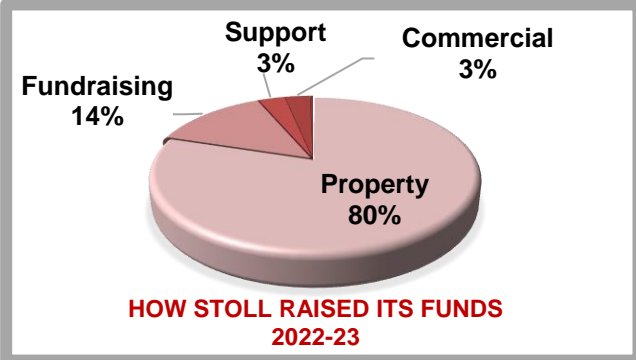
The cash flow from operating activities did not generate a huge net inflow of funds; Stoll’s funding base is limited to rent and service charges collection and fundraised income. Increases in tenant rent arrears and lower than expected fundraised income, plus high interest charges are the main causes for the non-generation of cash and the decrease in working capital. Our rents are regulated by the Housing Regulator, so Stoll is governed by and limited to annual increases by statute.

Results for the year

The Charity’s total comprehensive income/(deficit) for the year was a deficit of £331k [2022: surplus of £597k], Stoll’s turnover was £3.7m [2022: £3.8m] with operating expenditure of £3.8m [2022: £3.3m]. The costs associated with maintaining Stoll’s estates, namely, utilities, insurances, contractors for maintenance and prices for goods and services, were subject to external factors such as high inflation, very high utility prices and rising interest rates. 2022-23 saw inflation averaging 10%; for 2021-22, this average was 4% across the year. What this means is all goods and services at the point-of-sale cost approximately 10% more than it did last financial year. Additionally, on the same loans as 2021-22, Stoll’s interest repayable rose to £328k from £211k in the previous year.

As at March 2023, capital employed within Stoll was £32.8m [2022: £33.6m]. This is comprised of £21.7m in grants, £6.5m in bank loans and the remainder as reserves of £4m (2022: £4.5m). At the year end, there was no cash on deposit to add to the £671k balance at the bank, less than the target in our Reserves Policy.

Arrears increased in 2022-23 to just under £300k. Inflated prices have impacted the finances of our Veterans. Delays in processing Housing Benefit payments have heightened the attentiveness of our support and housing staff in providing monitored and personal action plans for each tenant in arrears. Additionally, Stoll has appointed debt collectors who will concentrate on collecting arrears from former tenants who left owing Stoll their rent. Being Stoll’s main source of income, the less rent received the more and more difficult it becomes to service and maintain Stoll’s estate. Additionally, Stoll cushioned its tenants from a £203k external price rise for utilities by not passing on the cost within service charges.



Principal Risks and Uncertainties

The Trustees monitor risk via a comprehensive Risk Table and consider that the key strategic risk relates to the ongoing and prohibitive cost of maintenance of the properties at Sir Oswald Stoll Mansions (its oldest scheme, based in Fulham). Much of the Fulham site was constructed a century ago and at a time when expectations and standards were unrecognizably different. While the buildings have undergone substantial refurbishment in their lifetimes, they are not at the standard of Stoll's other properties. They need significant (and currently unaffordable) investment. Our low rents and service charges mean that we do not raise the levels of funding needed to maintain them to the standard Stoll would wish, let alone to redevelop them or to cope with increasing regulatory aspects.

As a result of work which took place in 2022-23, the Charity managed to secure alternative funding from central Government for supported housing for 2023-24. The Board also considered how best to redevelop the site and to improve provision for Veterans at the point of greatest need in the coming years. This would ensure that all our properties are best-in-class in line with our other schemes away from Fulham. During the last year, the Charity initiated the work necessary to underpin proposed development at Fulham and it intends to consult residents during 2022-23 on a proposal that would enable it to continue to support its current and future residents with high quality housing for Veterans in the 21st century (indeed this consultation was launched on 19 July 2023, outside the reporting period).

The most significant other risks facing the Charity similarly involve financial and estate risks. Other risks include those relating to compliance with statutory requirements (for example, fire-safety standards - ongoing), for service delivery and support. All such risks are monitored closely and mitigated by a range of measures including comprehensive policies and strategies. The risks associated with all activities are minimised by effective planning and robust risk assessment. Credit, liquidity and cash-flow risks are overseen by the Finance and HR Committee and managed directly by the CEO and Director of Finance.

Risk is monitored in detail by the Board and also scrutinized by all Board sub-committees, who in turn report on risk matters regularly to the Board. The separate Audit and Risk Committee provides oversight of the Executive in such matters, and it helps shape the approach taken by the other Committees and by the Board. During 2022-23, a procurement process was followed to appoint internal auditors. The executive provided information on proposals to the Audit & Risk Committee, who, in turn, recommended Sayer Vincent to the Board. The Board accepted the recommendation and appointed Sayer Vincent as Stoll's internal auditor in May, 2023. Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL.

The risk management process and the resulting Risk Table identifies risks, assesses their impact and probability and, where necessary, recommends controls to further mitigate and monitor those risks that are assessed as the highest. The generic controls used to minimise risk include:

- detailed terms of reference together with formal agendas for Committee and Board activity;
- strategic planning by the Executive, reviewed regularly by the Board;
- comprehensive budgeting and management accounting; and,
- robust organisational structures and lines of reporting, and formal written policies.

Cost of Living - One of the main risks to sustainable rents and tenancies facing social housing providers in 2022 was the increase in the cost of living. It is reported by The Trussell Trust that they “...**saw the highest ever levels of need..... as more people found that their income did not meet the cost of essentials...**”. Stoll has been a supportive landlord during this time. It is realistic to predict that these circumstances will again result in additional pressure on rent arrears. We continue to identify tenants that may be at risk of fuel poverty and/or financial hardship and continue to offer structured support to assist and to sustain tenancies.

Fundraising Performance

It was a challenging year for fundraising and Stoll struggled to get back to pre-Covid levels of funding. The rising cost of living crisis also impacted on individual donations to the organisation. On a positive note, we were delighted to receive multi-year funding from the Royal Navy Royal Marines Charity and the Garfield Weston Foundation. Stoll continued to get funding support from the ABF The Soldiers' Charity, Veterans Foundation and Queen Mary Roehampton Trust. Stoll has worked closely with these organisations in highlighting these funding partnerships, the Veterans Foundation filmed Stoll veterans speaking about their experiences of living at Stoll sites and why funding Stoll is important to give housing and support services to homeless veterans. Stoll worked with ABF The Soldiers' Charity on case studies for their campaigns and hosted a visit to Centenary Lodge which included their Chief Executive, Tim Hyam.

Stoll was delighted to work with the Chelsea Supporters Trust for another very successful 'Big Stamford Bridge Sleepout'.

The Cobseo project the 'No Homeless Veterans Campaign' funded by the Forces in Mind Trust with Stoll as the lead partner and working with other partners, National Housing Federation and Homeless Link formerly launched in May 2022. Stoll's President Lord Walker hosted the launch event at the House of Lords with speakers from all partners and attendees from Local Authorities, Housing Associations, Veterans' and Homeless charities, with representatives from all political parties. The campaign produced a bespoke video with Veterans' speaking about their experiences of homelessness and supported social housing teams with extensive toolkits and audit tools, training webinars, a website and blogs.

Stoll is extremely grateful to its various supports and funders including Forces Support, ABF The Soldiers' Charity, Veterans Foundation, Royal Navy Royal Marines Charity, Garfield Weston Foundation, Headley Court Trust, Queen Mary Roehampton Trust, Scot (Eredine) Charitable Trust, Forces in Mind Trust and the Chelsea Supporters Trust.

Fundraising totalled £515k in 2022-23; [2021-22 £644k].

Stoll employs a small team of fundraisers to raise funds for its projects and activities. We raise funds from charitable trusts and foundations, corporates, individuals and community and events activities. Stoll's activities are undertaken in accordance with the guidance of the Fundraising Regulator and in adherence to its Code of Practice. Stoll does not contact individuals or hold personal information without the subject's permission. Fundraising income and activity is monitored quarterly by the Fundraising and Communications Committee and by Stoll's Board of Trustees. Stoll's fundraising team work to set targets and budgets and is monitored monthly through the Stoll Management Accounts. We mitigate the risk of not achieving our targets through the use of scenario planning and frequent reviews of progress. Stoll has dedicated individuals working on external communications and internal communications which seeks to inform beneficiaries of events, activities and general information regarding their tenancies at Stoll. The Stoll website has a 'beneficiary only' section.

Reserves Policy

The Charity's Reserves Policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations (deemed to be three months' operating costs - £800k) in the event of an unexpected revenue shortfall and to mitigate operational risks staffing shortages, and reactive asset management requirements. We hold three types of reserves:

- Restricted reserves – funds received from donors for designated purposes.
- Unrestricted reserves invested in Housing properties – generated through normal operations and invested in property assets.
- Free reserves – generated from normal operations.

Though with Stoll's extenuating circumstances this financial year, the aim is still to commit to retaining a minimum of three months' operating costs (not including restricted funds) in cash reserves and we intend to have six months' reserves by the end of the forthcoming strategy period (2025). The Board reviews the Reserves Policy annually. Total reserves at 31 March 2023 were £4.0m [2022: £4.5m] of which £33.5k [2022: £96.2k] was restricted and £4m [2022: £3.7m] was re-invested in our properties to the benefit of our Veterans. Other free reserves (including pension deficits) were a negative balance £3.3k [2022: £630k surplus].

Investment Policy

Stoll's investment objectives are focused upon supporting the Charitable Objects. This involves emphasis upon the current and future needs by, maintaining (at least) the value of the investments in real terms; producing a consistent and sustainable return to support operational expenditure; and, delivering these objectives within acceptable levels of risk. The investment strategy and associated distribution are reviewed annually by the Finance and HR Committee. Investments are only those considered suitable for a charity, including in respect of social, environmental or ethical considerations, and external investment managers provide reports on a quarterly basis for review by the Finance and HR Committee, which monitors performance.

Investments

At the year-end, the Charity had no investments. The investment held at the beginning of the year was used to provide a much-needed cash injection to maintain smooth operations in light of high energy prices, rising inflation and fulfilling regulatory requirements across Stoll's housing units.

Our People

2022-23 presented Stoll with continued challenges post the Covid-19 pandemic in relation to establishing a new working environment that supports staff and meets the day-to-day business need of housing and helping Veterans. During this period there has been a high level of absence and 36% of staff left for new opportunities.

The impact of high staff turnover and absenteeism is acute in a small organisation and the Board continues to be immensely grateful to the dedicated staff who daily deliver Stoll's charitable vision and purpose. Employee wellbeing is at the forefront of everything we do with our Employee Assistance Programme providing counselling and access to wellbeing services. We continue to evolve our working practices to be flexible and deliver a high-quality service to our service users.

At the end of the reporting period, Stoll had 28 members of staff (with 11 vacancies), which was a mix of full-time and part-time roles.

Remuneration is set by the Board, with the objective of enhancing performance and of rewarding our employees fairly and responsibly. The appropriateness and relevance of remuneration is reviewed annually, including by reference to benchmarking with small housing associations and charities. This enables Stoll to remain sensitive to the broader issues of remuneration and employment conditions elsewhere.

Decisions relating to employment are objective, free from bias and based solely on work criteria and individual merit. Stoll promotes a working environment that is free from discrimination, harassment and victimisation. Stoll is an equal opportunities employer and seeks to be inclusive in its approach to recruitment, selection and staff development. Stoll operates a policy of positive

promotion of employment opportunities to Veterans and is proud to be a gold standard holder of the Armed Forces Covenant Employer Recognition Scheme.

The Board of Trustees would like to record its gratitude to Sarah Berzon, who filled the position of Interim CEO following the departure of Richard Gammage at the end of the reporting period. This allowed the Board the time to recruit, via an expert external agency, Will Campbell-Wroe as a permanent CEO.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

Trustees Responsibilities Statement

The Trustees (who are also the Directors for the purposes of Company Law) are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company Law requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs.

In preparing these Financial Statements, the Board was required to:

- select the most appropriate accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP 2015;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and,
- prepare the Financial Statements on the going concern basis (there are no material uncertainties).

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019 and the SORP: Accounting by Registered Social Housing Providers 2018. The Board has a general responsibility for taking reasonable steps to safeguard the assets of the Charity 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 Stoll website.

Code of Governance

In 2022 Stoll reviewed the action plan to ensure it remained compliant with all aspects of the National Housing Federation Code of Good Governance; the Charity Commission Good Governance Code and the Confederation of Service Charities governance standard. Stoll endeavours to improve the diversity of the Board and sub-committees and encourage greater involvement of our service users in our governance.

Internal Controls

The Board acknowledges its responsibility for ensuring that Stoll has in place a system that is appropriate to the various business environments in which it operates and for reviewing its effectiveness. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within Stoll or for publication;
- the maintenance of proper accounting records which disclose with reasonable accuracy at any time the financial position of Stoll; and,
- the safeguarding of assets against unauthorised use or disposition.

It is the Board's responsibility to establish and maintain systems of internal control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of Stoll's assets;
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management Financial Statements are prepared promptly, providing relevant, reliable and up- to-date financial and other information and significant variances from budgets are investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the committees of the Board with final authorisation by the Board itself;
- the Board reviews reports from the Executive, from the internal audit process and from the External Auditor to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing Stoll. The Board has established a three-year internal, rolling audit mechanism and the Internal Auditor reports to the Board. Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports; and,
- a comprehensive process of annual business planning involving the Executive.

No weaknesses have been identified in internal controls that resulted in material losses, contingencies, or uncertainties that require disclosure in the Financial Statements or in the Auditor's Report on the Financial Statements. The Board noted that there had been some expenditure on required maintenance which had not gone through the prescribed financial authorisations, and that the Executive had alerted them to this and taken steps to prevent a recurrence. The Board records that the intended internal audit mechanism was deferred (due to Covid-19) but can report a procurement process to appoint auditors to review internal controls was undertaken during 2022-23; the appointment of internal auditors took place post year end in May 2023.

Disclosure of information to the Auditors

In the case of each person who was a Trustee at the time this Report was approved:

- so far as that Trustee was aware there was no relevant available information of which Stoll's auditors were unaware; and
- that Trustees have taken all steps that the director ought to have taken as a trustee to make him or her aware of any relevant audit information and to establish that Stoll's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Going Concern

The Board of Trustees for Stoll have agreed, in principle, and subject to further consultation with residents, to sell the majority of the Sir Oswald Stoll Mansions site in Fulham to Chelsea FC ownership group. The feedback will be reviewed and considered in line with the consultation

process.

Stoll closed the financial year 2022-23 with £671k cash in hand and at bank. The assumption is the charity will continue operating for the foreseeable future. Stoll has the resources and the intention to manage its debts as they fall due and the going concern basis of preparation of these accounts allows Stoll to manage its business and support its tenants supported by:

- £725k loan from Charity Bank to strengthen working capital (provided in 2023-24 after the reporting period)
- £420k on an annual basis for two years starting July 2023 - a government grant from the Armed Forces Covenant;
- £250k exclusivity payment (*non-refundable*) from the purchaser for the part-site sale of the Stoll Mansions estate at Fulham, even though the sale is subject to resident consultation and further decision-making as set out above.

These additional funds will enable the charity to manage the business, maintain services and ensure the impact on Veterans is minimised should the sale agreed in principle proceed. It is also worth noting, should the sale go ahead, the proposed purchasers have offered Stoll a sale and leaseback opportunity with a peppercorn rent of not less than three years from completion to enable the sympathetic rehousing of affected Veterans.

Approval of the Report

This Report was approved by the Board on 21st September 2023.

A handwritten signature in black ink that reads "Ray Lock". The signature is written in a cursive style with a large, looping initial 'R'.

Signed on behalf of the Board by:

Air Vice-Marshal Ray Lock CBE (Chair of Trustees)

Independent Auditor's Report to the Members of Sir Oswald Stoll Foundation

Opinion

We have audited the financial statements of Sir Oswald Stoll Foundation (“the charitable company”) for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2019.

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 charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company 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:

- adequate accounting records have not been kept; or
- the 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 as set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company 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 charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Companies Act 2006, the Housing and Regeneration Act 2008 together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator for Social Housing, general data protection legislation, health & safety legislation and employment legislation.

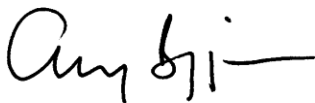
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Risk and Audit and Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with all regulators, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as 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 charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP Statutory

Auditor Cheltenham

Date: 29 September 2023

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2023


	Notes	2023 £	2022 £
Turnover	2	3,746,877	3,793,316
Operating expenditure	2	<u>(3,783,870)</u>	<u>(3,254,001)</u>
		(36,993)	539,315
Profit/(loss) on disposal of assets		-	4,300
Profit/(loss) on realisation of investments		<u>(4,074)</u>	<u>-</u>
Operating surplus/(deficit)	8	(41,067)	543,615
Interest receivable and similar income	6	12,108	10,781
Interest payable and similar charges	7	(328,075)	(210,979)
Surplus/(Deficit) for the year	16	<u>(357,033)</u>	<u>343,417</u>
Actuarial profits/(losses) in respect of pension schemes		26,000	254,000
Total comprehensive income for the financial year		<u>(331,033)</u>	<u>597,417</u>

All of Stoll's operations are classed as continuing.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2023

	Notes	<u>2023</u> £	<u>2022</u> £
Fixed Assets			
Tangible fixed assets - Housing properties less depreciation	9	32,591,983	33,350,192
Tangible fixed assets - other	10	192,767	210,084
		32,784,750	33,560,276
Current assets			
Debtors	11	302,911	363,517
Investments		-	500,000
Cash at bank and in hand		671,698	874,798
Current assets		974,609	1,738,315
Creditors: amounts falling due within one year	12	(1,507,272)	(1,881,224)
Net Current Asset/(Liabilities)		(532,663)	(142,909)
Total assets less Current Liabilities		32,252,087	33,417,367
Creditors: amounts falling due after more than one year	13	(28,187,126)	(28,947,372)
Total Net assets		4,064,961	4,469,995
Reserves			
Unrestricted Reserves:	16		
- Invested in housing properties		4,034,758	3,743,591
- General Reserves		(3,273)	630,251
Restricted Funds	23	33,476	96,153
		4,064,961	4,469,995

The accounts were approved and authorised for issue by the Board of Trustees on 21st September 2023 and were signed on its behalf by:


..... Air Vice-Marshal Ray Lock CBE (Chair of Trustees)


..... Timothy David Rossington CB (Chair of Finance Committee)

STATEMENT OF RESERVES FOR THE YEAR ENDED 31 March 2023

	Invested in housing properties £	Restricted funds £	General (Free reserves) £	Total Reserves £
Balance at 1st April 2022	3,743,591	96,153	630,251	4,469,995
Surplus/(deficit) for the year	-	(22,677)	(308,356)	(331,033)
Other reserves (inc. pension deficits)	291,167	-	(365,168)	(74,001)
Transfer between funds	-	(40,000)	40,000	-
Balance at 31st March 2023	4,034,758	33,476	(3,273)	4,064,961

Invested in housing properties are designated reserve funds specifically earmarked for future investment in Stoll's housing properties.

Restricted funds represent funds given to Stoll for a specific purpose or to support a project (these cannot be used for any other purpose).

General/Undesignated funds are funds which can be used in accordance with the Memorandum and Articles at the discretion of the Trustees.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2023

	Notes	2023 £	2022 £
Net cash generated from operating activities	A	23,450	1,068,569
Investing activities			
Interest received		12,108	10,781
Proceeds/(loss) on disposal of tangible fixed assets		-	4,300
Proceeds/(loss) on realization of investments		(4,074)	-
Purchases of tangible assets		(35,945)	(1,000,608)
Investment		500,000	(500,000)
Net cash used in from investing activities		472,088	(1,485,527)
Financing activities			
Repayments of borrowings		(370,563)	(360,292)
Interest paid		(328,075)	(210,979)
Net cash generated from financing activities		(698,638)	(571,271)
Net (decrease)/increase in cash and cash equivalents		(203,100)	(988,229)
Cash and cash equivalents at beginning of the year	B	874,798	1,863,027
Cash and cash equivalents at end of year		671,698	874,798

NOTES TO THE CASH FLOW STATEMENT for the year ended 31 March 2023

A RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net Income/loss	(331,033)	597,417
Depreciation	627,923	603,288
Loss/(Gain) on sale of housing properties/investments	4,074	(4,300)
(Increase)/Decrease in Accounts Receivable	60,606	(68,388)
(Decrease)/Increase in Creditors	(306,019)	301,921
Interest payable	328,075	210,979
Interest Receivable	(12,108)	(10,781)
Amortised government grants	(322,068)	(307,568)
Movement in Pension Liability	(26,000)	(254,000)
Net cash inflow from operating activities	23,450	1,068,569

B CASH AND CASH EQUIVALENTS

	At 1st April 2022 £	Cash flow £	At 31st March 2023 £
Cash at bank and in hand	874,798	(203,100)	671,698
Net funds	874,798	(203,100)	671,698

C NET DEBIT NOTE

	2023 £	2022 £
Cash and Cash Equivalents	671,698	874,798
Short Term Borrowings:		
Bank Loans	(310,145)	(264,988)
Other Loans	(145,833)	(114,524)
Long Term Borrowings:		
Bank Loans	(6,046,175)	(6,316,121)
Other Loans	(31,252)	(208,335)
Net Debt position	(5,861,707)	(6,029,169)

NOTES TO THE ACCOUNTS for the year ended 31 March 2023

1. General information

Stoll is a private company limited by guarantee incorporated in England and Wales under the Companies Act 2006. Stoll is also a registered charity and a registered provider of social housing with Homes England. A description of the nature of Stoll's operations and its principal activity is disclosed in the Trustees' Report.

Stoll's registered office is:

The Sir Oswald Stoll Mansions, 446 Fulham Road, London, SW6 1DT.

Stoll meets the definition of a Public Benefit Entity per Financial Reporting Standard (FRS) 102, the FRS applicable in the UK and Republic of Ireland.

2. Accounting Policies

2.1 Basis of preparation of financial statements

The Financial Statements of Stoll are prepared: in accordance with FRS 102 and with the Housing Statement of Recommended Practice (SORP) 2018 ("the SORP"); and, so as to comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with Stoll's accounting policies. The Financial Statements are presented in Sterling.

2.2 Going concern

The Board of Trustees for Stoll have agreed, in principle, and subject to further consultation with residents, to sell the majority of the Sir Oswald Stoll Mansions site in Fulham to Chelsea FC ownership group. The feedback will be reviewed and considered in line with the consultation process.

Stoll closed the financial year 2022-23 with £671k cash in hand and at bank. The assumption is the charity will continue operating for the foreseeable future. Stoll has the resources and the intention to manage its debts as they fall due and the going-concern basis of preparation of these accounts, allows Stoll to manage its business and support its tenants supported by:

- £725k loan from Charity Bank to strengthen working capital (provided in 2023-24 after the reporting period)
- £420k on an annual basis for two years starting July 2023 - a government grant from the Armed Forces Covenant;
- £250k exclusivity payment (*non-refundable*) from the purchaser for the part-site sale of the Stoll Mansions estate at Fulham, even though the sale is subject to resident consultation and further decision-making as set out above.

These additional funds will enable the charity to manage the business, maintain services and ensure the impact on Veterans is minimised should the sale agreed in principle proceed. It is also worth noting, should the sale go ahead, the proposed purchasers have offered Stoll a sale and leaseback opportunity with a peppercorn rent of not less than three years from completion to enable the sympathetic rehousing of affected Veterans.

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

2. Accounting Policies (continued)

2.3 Turnover

Turnover comprises rental and service charge income, revenue grants (where available), fees and donations.

Rental, service charge and fee income is recognised on a receivable basis.

Revenue grants and donations which are received to fund specific expenditure are matched with that expenditure and any such income received in advance is deferred.

Other revenue grants and donations are recognised when Stoll becomes entitled to them, where there is a probable certainty over their receipt, and they can be measured reliably.

2.4 Social Housing Grant and Government grants

Government grants include grants receivable from Homes England, local authorities, and other Government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure on a pro rata basis under the accrual model. The non-amortised element of Government grants is recognised as deferred income in creditors.

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate. Until revenue grants are recognised as income they are recorded as liabilities.

Government grants released on sale of the property may be repayable but are normally available to be recycled and used for projects approved by Homes England. If this is the case, they are credited to a Recycled Capital Grant Fund and are included in the Statement of Financial Position in creditors. If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the Statement of Comprehensive Income.

2.5 Other grants

Grants received from non-Government sources are recognised using the performance model. A grant which does not impose a specific future performance condition is recognised as revenue when the grant proceeds are receivable. A grant that imposes a specific future performance-related condition on Stoll, is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is shown as a liability in the Statement of Financial Position.

2.6 Housing property

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and stated at cost less accumulated depreciation and any recognised impairment losses. The cost of properties is the initial purchase price together with those costs that are directly attributable to acquisition and construction including interest cost up to the date of completion and directly attributable staff costs. Properties in the course of construction are not depreciated. Freehold land is not depreciated.

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

2. Accounting Policies (continued)

2.6 Housing property (continued)

Depreciation is charged on major components so as to write off the cost of the components to their residual values, over their estimated useful lives, using the straight-line method. The components identified, with their respective estimated useful lives, are as follows:

Component	Life
Kitchen	20-25 years
Bathroom	25 years
Electrical heating	20 years
Electrical main	20 years
Hot water cylinders	20 years
Boilers	7-20 years
Lifts	25 years
Flat roof	25 years
Traditional roof	50-100 years
Structure	100 years

Capitalisation of interest

Interest is capitalised on fixed asset housing up to the date of completion of capital works on each scheme. The interest is calculated using the weighted average rate of interest payable by Stoll on its loans as a whole, applied to the carrying value of the asset under construction net of grant. This treatment applies irrespective of the original purpose for which the loan was required.

Expenditure on components

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefits is capitalised and the carrying amount of any replaced component or part component is derecognised.

Any other expenditure incurred in respect of repairs is charged to the Statement of Comprehensive Income.

Other fixed assets

Other property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged on a straight-line basis over the expected useful lives of the assets at the following rates:

Freehold Office	50 years
Leasehold Buildings	50 years (or the term of the lease if shorter)
Equipment	4 years
Fixtures	4 years
Motor vehicles	4 years
Computers/laptops	3 years

Individual items of furniture or equipment are capitalised where the unit cost of the purchase exceeds £1,000.

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

2. Accounting Policies (continued)

2.7 Impairment

For the purposes of impairment assessments, housing properties are grouped together into schemes, each scheme typically comprising one or more buildings in an immediate locality, and each building consisting of one or more accommodation units. Schemes are typically developed or acquired as one entity. The exception is street properties, which are geographically diverse and where individual properties may have been acquired piecemeal.

At each Statement of Financial Position date, housing schemes are assessed to determine if there are indicators that the scheme may be impaired in value; if there are such indicators of impairment, then a comparison of the scheme's carrying value is compared to its recoverable amount is undertaken.

Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Comprehensive Income; the carrying value is reduced appropriately.

The recoverable amount of a scheme is the higher of its fair value less costs to sell and its value in use. Value-in-use for housing schemes which are able to be let in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

When an impairment loss is subsequently reversed, the carrying amount of the scheme is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Impairment of the properties is considered annually. In making the judgement management considers the condition and current use of the property, there have been no impairments in the current or prior year.

2.8 Holiday Pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date, has been carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.9 Pension costs

Stoll operates a defined benefit scheme, which is administered independently by TPT Retirement Solutions. The expected cost of providing pensions is calculated from actuarial advice. It is not possible to separately identify the underlying assets and liabilities belonging to Stoll on a consistent and reasonable basis.

As there is a contractual agreement between the scheme and its members, including Stoll, that determines how the deficit will be funded, the contributions payable that arise from the agreement to the extent that they relate to the deficit is recognised as a liability in the Statement of Financial Position and the resulting expense in the Statement of Comprehensive Income. When the contributions are not expected to be settled within one year after the

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

2. Accounting Policies (continued)

2.9 Pension costs (continued)

reporting period, the liability is measured at the present value of the contributions payable by using a discounted rate (discounted present value basis). The rate used is determined by reference to market yields at the reporting date on high quality bonds.

Stoll also contributes to a defined contribution scheme. The charge to the Statement of Comprehensive Income represents the employer contributions payable to the scheme for the accounting period.

2.10 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to income and expenditure on a straight-line basis over the lease term. The aggregate benefits of any lease incentive are recognised as a reduction in expenses recognised over the term of the lease.

2.11 Value Added Tax (VAT)

Irrecoverable VAT which can be attributed to a capital item or expenditure is added to the costs of the capital item or expenditure.

2.12 Taxation

Stoll is a charity within the meaning of the Charities Act 2011 and is exempt from taxation under the provisions of the Income and Corporation Taxes Act 1988.

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when Stoll becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that Stoll will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of Stoll's cash management.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

2. Accounting Policies (continued)

2.13 Financial instruments (continued)

Interest bearing loans, overdrafts and other loans which do not meet the criteria to be classified as basic financial instruments are recorded at their fair value with any movements in fair value being reflected in the Statement of Comprehensive Income.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, at bank and in short-term deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value.

2.15 Employee benefits

Short-term employee benefits including holiday pay and annual bonuses are accrued as services are rendered.

2.16 Restricted reserves

These are funds given to Stoll for a specific purpose or to support a project and that cannot be used for any other purpose. (See Note 23 for more detail).

2.17 Unrestricted general funds

These are funds which can be used in accordance with the Memorandum and Articles at the discretion of the Trustees.

2.18 Key sources of estimation uncertainty and judgements

The preparation of the Financial Statements requires the use of estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Critical judgements in applying Stoll's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Board has made in the process of applying Stoll's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

- Financial instrument classification
- Housing property impairments

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form of the instrument and its return.

NOTES TO THE ACCOUNTS for the year ended 31 March 2022 (continued)

2. Accounting Policies (continued)

2.19 Key sources of estimation uncertainty and judgements (continued)

One of Stoll's loans includes a clause that allows the lender to reset rates unilaterally at various points in the future. As such, one of the required conditions for classifying that loan as basic is not met and the loan has been classified as being "other" and therefore held at fair value.

The rate of interest charged at present is considered to be in line with the market rate. Furthermore, there is no penalty for repaying the loan in the event that any future reset rate is considered to be above the then market rate. On that basis, the Trustees consider that the fair value of the loan is not materially different from the principal amount outstanding.

Housing property impairments

For impairment purposes, as explained in the accounting policies, housing properties are grouped into schemes which reflect how the properties are managed. Recoverable amounts are based on either future cash flows or, for assets held for their service potential, depreciated replacement cost. The assessment of whether an asset is held for its service potential is a matter of judgement and in making that judgement the Board considers the current use of the asset and the expected future use of the asset. If the asset is unable to be let in its current condition or is not being used for a social purpose, either now or in the foreseeable future, it is assessed as not being held for its service potential.

Recoverable amounts for assets held for their service potential are assessed at the depreciated replacement cost. This is the lower of (a) the cost of purchasing an equivalent property on the open market; and (b) the land cost plus the rebuilding cost of the structure and components. The Board has oversight of its properties and considers that all of them are in demand and that, therefore, depreciated replacement cost is appropriate. In view of the location of Stoll's properties and the high cost of replacement, the Board has conducted a review and assessed that no areas impairment has arisen.

Key sources of estimation uncertainty

The estimates and assumptions which have the most significant effect on amounts recognised in the Financial Statements are discussed below:

- Useful lives of depreciable assets; and,
- The main components of housing properties and their useful lives.

Identification of housing property components

Stoll accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful lives. Judgement is used in allocating property costs between components and in determining the useful lives of each component.

Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

NOTES TO THE ACCOUNTS for the year ended 31 March 2022 (continued)

2. Accounting Policies (continued)

2.19 Key sources of estimation uncertainty and judgements (continued)

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets.

Uncertainties in these estimates relate to 'technological obsolescence' and changes to future legislative requirements.

2.20 Particulars of turnover, operating costs and operating surplus

	Turnover	Operating costs	2023 Operating surplus	2022 Operating surplus
Income and expenditure from lettings (Note 2.21)	3,001,943	(2,676,207)	325,736	665,397
Other social housing activities: Supporting people	118,402	(721,206)	(602,804)	(595,336)
Activities funded by donations and grants	514,790	(381,005)	133,785	372,702
Non - social housing activities Commercial property	111,742	(5,451)	106,291	96,552
	3,746,877	(3,783,870)	(36,993)	539,315

	2023 £	2022 £
Activities funded by donations and grants comprise:		
Trusts & Grants	345,793	581,977
Corporates	7,000	22,500
Community, Individuals & Events	161,997	34,391
Major Donors	-	5,000
	514,790	643,868

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

2.21 Particulars of income and expenditure from lettings	2023	2022
	£	£
Turnover		
Rent receivable net of service charges and voids	1,794,993	1,836,781
Service Charges	783,398	752,544
Other Income	101,484	87,150
Grant Amortisation	322,068	307,568
Profit/(loss) on disposal of assets	-	4,300
Turnover from other social housing lettings	3,001,943	2,988,344
Expenditure on letting activities		
Services	(528,889)	(551,046)
Housing Operations	(1,162,175)	(859,396)
Routine Maintenance	(351,821)	(299,171)
Planned Maintenance	(7,760)	(5,496)
Bad Debt expense	(22,811)	(24,040)
Depreciation of housing properties	(602,751)	(579,498)
Total expenditure on lettings	(2,676,207)	(2,318,647)
Operating Surplus/Deficit on letting activities	325,736	669,697
Net rental income is stated after losses from voids	290,818	165,614

3 Analysis of accommodation

	2023	2022
Units in management:	Number	Number
Supported housing / housing for older people	283	283
General needs	4	4
	287	287

4 Emoluments of the Board of Trustees and Senior Management Team

The Chief Executive, who is also the Company Secretary, receives emoluments, but none of the Trustees do. Total expenses reimbursed to Trustees were £789 (2021: £834).

Trustee and Senior Management Team	2023	2022
	£	£
Total expenses reimbursed	789	834
The total emoluments including pension & benefits	436,293	423,961
in kind of the key management personnel were:		
The total emoluments excluding pension & benefits in	411,273	395,252
kind of the key management personnel were:		

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

4 Trustee emoluments (continued)

Key management personnel are defined in Note 20. Emoluments of higher paid staff within the following scales were:

Scale	2023	2022
£60,000 - £ 70,000	4	3
£70,000 - £ 80,000	-	-
£80,000 - £ 90,000	1	1
£90,000 - £100,000	-	-

5 Employee information

The average full-time equivalent number of persons, including directors, employed by Stoll during the year was:

	2023	2022
	Number	Number
Administration	10	7
Communications	1	1
Fundraising	3	3
Housing	12	8
Support	12	11
	<u>38</u>	<u>30</u>

	2023	2022
	£	£
Staff costs for the above persons were:		
Wages & Salaries	1,085,267	1,131,909
Social Security Costs	114,648	112,313
Other Pension Costs	71,188	74,650
	<u>1,271,103</u>	<u>1,318,872</u>

	2023	2022
Average number of employees	<u>33</u>	<u>36</u>

6 Interest receivable and similar income

	2023	2022
	£	£
Bank interest	<u>12,108</u>	<u>10,781</u>

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

7	Interest payable and similar charges	2023	2022
		£	£
	Bank loans	(316,075)	(195,979)
	Less: amounts capitalised	-	-
		<hr/>	<hr/>
		(316,075)	(195,979)
	Unwinding of discount on multi-employer pension scheme liability	(12,000)	(15,000)
		<hr/>	<hr/>
		(328,075)	(210,979)
8	Surplus for the year is stated after charging:	2023	2022
		£	£
	Depreciation		
	- housing properties	602,751	579,499
	- other assets	25,172	23,790
	Auditor's remuneration (excluding VAT)		
	- In respect of the external audit	28,500	19,800
	- In respect of tax advice	1,250	1,500
	- In respect of preparation of accounts	-	-
	Operating lease rentals		
	- Plant and machinery	5,779	10,387
	- Land and buildings	-	-
		<hr/>	<hr/>

NOTES TO THE ACCOUNTS for the year ended 31 March 2022 (continued)

9 Tangible Fixed Assets

Tangible Fixed Assets - Housing Properties				
				31-Mar-23
	Completed	Under Construction	Leasehold Properties	Total
	£	£	£	£
Cost				
At 1 April 2022	39,583,740	388,111	1,111,100	41,082,950
Revaluation	-	-	-	-
Additions- development	-	4,552	-	4,552
Transfers	209,113	- 209,113	-	-
Additions- replacement components	23,539	-	-	23,539
Disposals	- 4,089	-	-	- 4,089
***Adjustment	-	- 183,549	-	- 183,549
Cost at 31 March 2023	39,812,303	-	1,111,100	40,923,403
Depreciation				
At 1 April 2022	7,356,425	-	376,333	7,732,758
Charge for the year	577,581	-	25,170	602,751
**Adjustment	- 4,089	-	-	- 4,089
At 31st March 2023	7,929,917	-	401,503	8,331,420
Net book value				
At 31st March 2023	31,882,386	-	709,597	32,591,983
Net book value				
At 31 March 2022	32,227,314	-	734,767	33,350,192

** Adjustment relates to expensing costs for a project no longer going ahead

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

10 Property, plant and equipment - other

Property, plant and equipment			31-Mar-23
	Freehold land & Buildings £	Fixtures, Fittings & equipment £	Total £
Cost			
At 1 April 2022	393,662	344,116	737,778
Additions	-	7,855	7,855
Disposals	-	(966)	(966)
Cost at 31 March 2023	393,662	351,005	744,667
Depreciation			
At 1 April 2022	220,676	307,018	527,694
Charge for the year	7,873	17,299	25,172
Disposals	-	(966)	(966)
At 31st March 2023	228,549	323,350	551,900
Net Book Value			
At 31st March 2023	165,113	27,655	192,767
At 31 March 2022	172,986	37,098	210,084

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

11 Debtors	2023	2022
	£	£
Arrears of rent and service charge	262,378	220,902
Less: provision for bad and doubtful debts	<u>(133,846)</u>	<u>(111,035)</u>
Net rental arrears	128,532	109,866
Prepayments	136,368	100,139
Accrued income	11,185	143,069
Debtors	24,036	8,425
Other debtors	<u>2,790</u>	<u>2,018</u>
	<u>302,911</u>	<u>363,517</u>
12 Creditors: amounts falling due within one year	2023	2022
	£	£
Bank borrowings	455,978	379,512
Rents received in advance	110,914	114,524
Trade Creditors	223,262	380,828
Other Creditors	7,103	7,225
Other taxes & social securities	25,640	34,015
Other salaries	10,667	15,498
Accruals & deferred income	160,576	455,080
Multi-Employer Pension Scheme	118,502	101,913
Deferred Housing Grant	212,920	212,920
Other deferred Capital grant (note 25)	109,148	107,148
Deferred Grant	<u>72,562</u>	<u>72,562</u>
	<u>1,507,272</u>	<u>1,881,224</u>
13 Creditors: amounts falling due after more than one year	2023	2022
	£	£
Bank borrowings (Note 14)	6,046,175	6,316,121
Other loans (Note 14)	31,252	208,335
Grant (Note 15)	16,369,139	16,582,059
Other grant (Note 25)	5,401,062	5,377,209
Multi-Employer Pension Scheme	339,498	391,087
Deferred Grant	<u>-</u>	<u>72,562</u>
	<u>28,187,126</u>	<u>28,947,372</u>

NOTES TO THE ACCOUNTS for the year ended 31 March 2022 (continued)

14 Financial instruments

Stoll's financial instruments comprise cash, bank borrowings and items such as trade creditors and debtors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for Stoll's operations.

Stoll's operations expose it to a variety of financial risks including credit risk, liquidity risk and interest rate risk. The Trustees have delegated the responsibility for monitoring financial risk management to a sub-committee of the Board of Trustees, the Audit and Risk Committee.

Credit risk

Stoll's credit risk is primarily attributable to its inability to make payments on its loans or the interest associated with the loan. Close financial monitoring in meeting its lenders covenants is performed quarterly and reported to the Finance and to the Audit and Risk Committee so that, for example, risk of failure to meet lender covenants is mitigated.

Liquidity risk

Stoll's liquidity risk arises primarily from the increase in rent arrears, and the increase in costs arising from inflation.

Stoll has a Rent Allocations Policy that involves appropriate credit checks on potential tenants before flats are let out.

Interest rate risk

Stoll has both interest-bearing cash investments and interest-bearing liabilities. Interest bearing assets comprise cash as well as debt which earn interest at a variable rate. Stoll's cash investments earned interest at a fixed rate of 1%.

The carrying values of Stoll's financial assets and liabilities are summarised by category below:

	2023 £	2022 £
Financial assets:		
Measured at undiscounted amounts receivable		
• Debtors	302,911	322,462
	=====	=====
Financial liabilities:		
Measured at amortised cost		
• Loans repayable	6,533,405	6,903,967
Measured at undiscounted amounts receivable		
• Trade creditors	7,103	7,225
	=====	=====

Stoll's income, expense, gains and losses in respect of the financial instruments are summarised below:

Interest income and expense:

• Total interest income for financial assets at amortised cost	-	-
Total interest expense for financial liabilities at amortised cost	328,075	210,979
	=====	=====

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

14 Financial instruments (continued)

Details of the terms of Stoll's borrowings are disclosed below:

Housing loans	2023	2022
	£	£
One year or less	455,978	379,512
One to two years	341,397	422,990
Two to five years	930,436	1,018,973
Over five years	4,805,594	5,082,493
Total housing loan	6,533,405	6,903,967
Less repayable within one year	(455,978)	(379,512)
	6,077,427	6,524,456
Total housing loan falling due after more than one year	6,077,427	6,524,456

The loans from Crown Orchardbrook Limited are secured by specific charges on the company's housing properties, with interest being charged at 10.5%. Full term is expected March 2039.

The loans from Nationwide are secured by charges on specified housing units in Fulham. Interest being charged at 2.5% + BOE base rate. Full term is expected in September 2039.

The loan from The Royal British Legion is secured over 36 flats at Wessex House, with interest being charged at a rate of 4%. Full term is expected in June 2024.

The loan from Charities Aid Foundation Bank (CAF) is secured over the 36 flats in Chiswick with interest being charged at a rate of 2.25% + BOE base rate. Full term is expected in October 2041.

A loan from Charity Bank is secured over the 20 flats in Banstead with interest being charged at a rate of 2.5% + BOE base rate. Full term expected April 2045.

The charity has commenced rationalising these securities.

15 Deferred capital grants	2023	2022
	£	£
At 1 April 2022	16,794,979	17,007,899
Grants receivable in the year	-	-
Transferred to other capital grants	-	-
Release to income in the year	(212,920)	(212,920)
Balance at 31 March 2023	16,582,059	16,794,979

Classified as:

Amounts to be released within one year	212,920	212,920
Amounts to be released in more than one year	16,369,139	16,582,059
	16,582,059	16,794,979

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

16 Reserves

	2023	2022
	£	£
Income and Expenditure		
As at 1 April 2022	4,469,995	3,853,580
Surplus/(deficit) for the year	(331,033)	597,417
Transfer between funds	-	18,997
Other funds	(74,001)	-
As at 31 March 2023	<u>4,064,961</u>	<u>4,469,995</u>
Analysed as:		
Invested in housing properties:	4,034,758	3,743,591
Development	-	-
Restricted Funds	33,476	96,153
General Funds	(3,273)	630,251
	<u>4,064,961</u>	<u>4,469,995</u>

17 Members

Stoll is a company limited by guarantee registered under the Companies Act 2006. It has no equity or non-equity share capital. Membership confers no rights to any form of financial return.

18 Capital commitments

We have capital commitments of £25k on component replacements within housing units and £40k on upgrading IT software, CRM systems and hardware.

19 Operating lease commitments

At year end Stoll had future minimum lease payments under non-cancellable leases are as follows:

	2023	2022
	Office Equipment	Office Equipment
Leases which expire		
Within the year	1,778	10,387
Between two and five years	4,001	-
After five years	-	-
	<u>5,779</u>	<u>10,387</u>

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

20 Related Party transactions

One Tenant Trustee served on Stoll's Board of Trustees. The normal chargeable rent is applied.

Rent for the year - £4,562

The Charity applied for and received a grant from Queen Mary Roehampton Trust where the ex-CEO was a trustee.

Grant - £ 30,000

Key management are those people who have authority and responsibility for planning, controlling and directing the activities of the group, or in relation to the company, the company. In the opinion of the Board of Trustees of the Association the key management are:

- CEO
- Senior Management Team (members of)

The remuneration paid to key management personnel is disclosed in Note 4.

21 Pension

Below is information provided by the Social Housing Pension Scheme in respect of the Defined Benefit Scheme of which Stoll is a member.

22 Contingent Liability

We have been notified by the Trustee of the Scheme that it has carried out a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. During 2022-23, this process is still ongoing, and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time.

No adjustment has been made in these financial statements in respect of this potential issue.

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

FOR THE PERIOD FROM 31 MARCH 2022 TO 31 MARCH 2023

EMPLOYER: E3378 - SIR OSWALD STOLL FOUNDATION

PLAN: SOCIAL HOUSING PENSION SCHEME

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET (LIABILITY)

	31-Mar-23	31-Mar-22
	(£000s)	(£000s)
Fair value of plan assets	2,016	3,125
Present value of defined benefit obligation	2,474	3,618
Surplus (deficit) in plan	-458	-493
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	-458	-493
Deferred tax	*	*
Net defined benefit asset (liability) to be recognised	*	*

* to be completed by the employer if required

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period from 31 March 2022 to 31-Mar-23 (£000s)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period from 31 March 2022 to 31-Mar-23 (£000s)
Defined benefit obligation at start of period	3,618
Current service cost	9
Expenses	4
Interest expense	98

Member contributions	3
Actuarial losses (gains) due to scheme experience	-70
Actuarial losses (gains) due to changes in demographic assumptions	-6
Actuarial losses (gains) due to changes in financial assumptions	-969
Benefits paid and expenses	-213
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	2,474

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

	Period from 31 March 2022 to 31-Mar-23 (£000s)
Fair value of plan assets at start of period	3,125
Interest income	86
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	-1,099
Employer contributions	114
Member contributions	3
Benefits paid and expenses	-213
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	2,016

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was (£1,013,000).

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

	Period from 31 March 2022 to 31-Mar-23 (£000s)
Current service cost	9
Expenses	4
Net interest expense	12

Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	25

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	Period from 31 March 2022 to 31-Mar-23 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	-1,099
Experience gains and losses arising on the plan liabilities - gain (loss)	70
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	6
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	969
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	-54
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	-54

ASSETS

	31-Mar-23 (£000s)	31-Mar-22 (£000s)
Global Equity	38	600
Absolute Return	22	125
Distressed Opportunities	61	112
Credit Relative Value	76	104
Alternative Risk Premia	4	103
Fund of Hedge Funds	-	-
Emerging Markets Debt	11	91
Risk Sharing	148	103
Insurance-Linked Securities	51	73
Property	87	84
Infrastructure	230	223
Private Debt	90	80

Opportunistic Illiquid Credit	86	105
High Yield	7	27
Opportunistic Credit	-	11
Cash	15	11
Corporate Bond Fund	-	208
Liquid Credit	-	-
Long Lease Property	61	80
Secured Income	92	116
Liability Driven Investment	928	872
Currency Hedging	4	-12
Net Current Assets	5	9
Total assets	2,016	3,125

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

	31-Mar-23	31-Mar-22
	% per annum	% per annum
Discount Rate	4.87%	2.79%
Inflation (RPI)	3.19%	3.59%
Inflation (CPI)	2.75%	3.20%
Salary Growth	3.75%	4.20%
	75% of maximum allowance	75% of maximum allowance
Allowance for commutation of pension for cash at retirement		

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65
	(Years)
Male retiring in 2023	21
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

NOTES TO THE ACCOUNTS for the year ended 31 March 2023 (continued)

23 Restricted Funds

Name of Donor	Type of Restriction	Opening Balance At 1st April 2022	Income	Expenditure	Transfer	Restricted Funds Balance 31 March 2023
ABF The Soldiers' Charity	Support - Mansions	25,414	46,952	48,890		23,476
Childwick Trust	Support Worker Salaries	10,000	0	10,000		-
Worshipful Company of Coopers	Independent Living Support	-	3,000	3,000		-
Garfield Weston Foundation	Support for vulnerable armed forces Veterans in the aftermath of the Covid-19 pandemic		30,000	20,000		10,000
FiMT (Forces In Mind Trust)	No Homeless Veterans Campaign	-	123,104	123,104		-
B & Q Foundation	Refurbish Fulham Garden Room		5,000	5,000		
The Clothworkers Foundation	Capital grant for Fire Safety Works	-	40,000		40,000	-
Headley Court	WIS Support worker	-	72,562	72,562		-
LB Hounslow	Reconnecting with residents after lockdown	10,417	0	10,417		-
Queen Mary's Roehampton Trust	Support - Mansions	-	30,000	30,000		-
Royal Air Force Benevolent Fund	Support, Health & Wellbeing Service, Veterans Nomination Scheme	1,000	6,000	7,000		-
Royal Navy and Royal Marines Charity	Support - Mansions	0	30,000	30,000		-
Royal Signals Charity	Health and Well-Being	-	175	175		-
The Armed Forces Covenant Fund Trust	Core Funding for Veteran Support	42,656		42,656		-
The Drapers Charitable Fund	Health and Well-Being	6,667		6,667		-
Total Restricted Funds		96,153	386,793	409,471	40,000	33,476

The Fire Safety capital grant of £40k was received from The Clothworkers Foundation.

We received a charity grant of £362,810 over five years from Headley Court in 2020 (we have one year remaining of £72,562 that is recognised in Deferred income).

NOTES TO THE ACCOUNTS for the year ended 31 March 2022 (continued)

24 Unrestricted reserves

The balance of income for unrestricted purposes came from our fundraising activity.

Name of Donor	Type of Restriction	Amount donated
The Scott (Eredine) Charitable Trust	None	4,000
Big Sleep Out Chelsea Supporters' Trust	None	26,272
Interim Blue	None	16,770
Anonymous	None	100,000
Other under £5k unrestricted donations	None	19,967
		167,997

25 Capital Grants

Capital grants	Aldershot £	MoD re bathrooms £	Building Upgrade- Fire Safety £	Total £
Balance as at 1 April 2022	5,155,800	173,557	-	5,329,357
Grants received in prior years - transferred			250,000	250,000
Grants received in year - transferred	-	-	40,000	40,000
Released to income in the year	(84,800)	(9,848)	(14,500)	(109,148)
Balance as at 31st March 2023	5,071,000	163,709	275,500	5,510,209
Classified as:				
Amounts to be released within one year (note 13)	84,800	9,848	14,500	109,148
Amounts to be released in more than one year (note 14)	4,986,200	153,861	261,000	5,401,061
	5,071,000	163,709	275,500	5,510,209

The grant from the Ministry of Defence (MoD) received in the financial year 2014/15 was spent on refurbishing twenty-five bathrooms for veterans. The grants received in relation to the Aldershot development are now fully released.

The grant from Armed Forces £250k was for building upgrade for fire safety at Fulham - £100k 2020-21 and £150k 2021-22.

NOTES TO THE ACCOUNTS for the year ended 31 March 2022 (continued)

26 Post Balance Sheet Events

Sir Oswald Stoll Mansions – Fulham

The Board of Trustees for Stoll have agreed, in principle, and subject to further consultation with residents, to sell the majority of the Sir Oswald Stoll Mansions site in Fulham to Chelsea FC ownership group. The consultation will run for nine (9) weeks from 19th July, 2023. No decision will be made about proceeding with the offer until this phase of consultation is complete, and all the residents' opinions have been considered. The feedback will be used to help the Board make an informed decision on the best way forward for Stoll.

Armed Forces Covenant – Op FORTITUDE

During 2022-23, Stoll applied for Government funding from the Office for Veterans Affairs to provide support services for veterans with complex needs. This grant was awarded in July 2023 for an amount of £839k over two years. The first tranche of £117k was received in August 2023.

Charity Bank

A working capital loan facility was previously agreed by the Board to bolster Stoll's cash position in light of the necessary legal, surveyor and consultants' activities to execute the Fulham Mansions part-site sale. The loan facility is £725k over three years from June, 2023. This amount is scheduled to be paid back at the end of three years, May 2026. The loan was drawn down in August 2023.