

SIR OSWALD STOLL FOUNDATION
REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 MARCH 2021

Charity Number: 207939

Company Registered Number: 148636

Homes England Number: A3418

Registered in England

**SIR OSWALD STOLL FOUNDATION
(STOLL)**

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FOR THE YEAR ENDED 31 MARCH 2021**

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SIR OSWALD STOLL FOUNDATION

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:

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

Trustees:

- Air Vice-Marshal Ray Lock CBE (Chair)
- David Arthur (d)
- Paul Brookes (c)
- Karl Craig (a)
- Richard Freeman (e)
- Uta Hope (e)
- Commander Clare Hughes RNR (b)
- Simon Philips (e)
- Timothy David Rossington CB (a)
- Katherine Russell (d)
- Roger Shrimplin (c)
- George Thornton (b, c)

During the reporting period, two new Trustees joined the Board: Paul Brookes in September 2020; and, Richard Freeman in October 2020. There were no resignations from the Board.

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 & HR Committee
- (b) Audit & Risk Committee
- (c) Sir Oswald Stoll Mansions Development Committee
- (d) Housing & Services Committee
- (e) Fundraising & Communications Committee

Chief Executive Officer (CEO):

- Ed Tytherleigh *(to 20 April 2020)*
- Sarah Berzon *Interim CEO (21 April 2020 to 31 August 2020)*
- Air Commodore Richard Gammage *(since 1 September 2020)*

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
- Andrea Howlett Director of Housing and Development
- Beverley Russell Director of Fundraising and Communications
- Amanda Soobrayan Finance Director

SIR OSWALD STOLL FOUNDATION

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

Kreston Reeves LLP
Springfield House
Springfield Road
Horsham
West Sussex, RH12 2RG

Insurance Brokers

AJ Gallagher
27-30 Railway Street
Chelmsford
CM1 1QS

Website:

www.stoll.org.uk

SIR OSWALD STOLL FOUNDATION

THE TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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 2021.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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. The independent review of Stoll governance conducted by Campbell Tickell (consultants) in 2017 continues to provide pertinent guidance. Stoll is also informed by the standards expected by the Confederation of Service Charities (Cobseo) in respect of good governance procedures.

Following issuance of the National Housing Federation's revised Code of Governance, the Board undertook: to review Stoll's governance procedures and, where applicable, to adapt it to meet the revised Code; and, to adopt the Together with Tenants standards.

The revised 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 the Together with Tenants standards in early 2021, with detailed implementation to follow.

Board of Trustees

The Charity's Trustees are legally responsible for the overall management and control of Stoll, and they normally meet four times/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 takes care 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. The Board of Trustees is self-appointing, with members appointed initially for three years and subject to re-appointment every three years thereafter.

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The Trustees receive no remuneration or other benefit from their role with Stoll, nor are they directly related to it in any way. 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 new related party matters were reported, but one Trustee (who is also a tenant), George Thornton, has declared interests 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. In 2020, the Board of Trustees and the Board's sub-committees moved meetings online to maintain safe, appropriate and effective governance during the Covid-19 global pandemic.

The work of the Board is conducted 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 for HR and IT matters. The Finance and HR Committee is chaired by Timothy 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 Clare Hughes.
- The Sir Oswald Stoll Mansions Development Committee (also known as the 'Development Committee') supervises and provides strategic oversight on behalf of the Board of the envisaged development of the Fulham estate. The Committee is chaired by Roger Shrimplin.
- The Fundraising and Communications Committee promotes a market-aware culture within Stoll, and it monitors fundraising activities to support the Charity including for capital projects. It advises the Board on such matters. The Committee was chaired by Simon Philips for the bulk of the period and is now 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 is inducted into the workings of the Charity, including its various policies and procedures, at an induction workshop organised for them by the CEO and Executive. They can also attend specialist external courses, including training on 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.

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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 2021, Stoll continued to meet its Objects.

Principal Activities

The Charity's principal activities, as specified in the Memorandum and Articles of Association, are delivered effectively. Stoll provides two hundred and eighty seven supported housing units which are delivered in five main schemes (sites) found within London and the South East. 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 of 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 is rent and service charges which serve as the basis of funding Stoll housing. Secondly, charitable donations, which fund the comprehensive support services that Stoll provides to Veterans 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. As we remain committed to providing an exceptionally high-level of support services to tenants, and rents and service charges do not provide for support services, our fundraising remains a vital source of income. The Charity's support services include facilities not normally found in housing schemes, such as Wi-Fi, IT suites, a gymnasium, communal gardens and other recreation facilities. Stoll provides a higher void standard for new lettings and a handyman-type service to help with minor repairs and DIY requests. The support services we offer enable Stoll to house tenants with complex problems, although we have made (and will continue to make) the case to Government that we cannot take the most complex cases without funding from Government. 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 the Poppy Factory, Combat Stress and SSAFA) and with the NHS. These relationships enhance the support offered to the more than three hundred Veterans that we support annually in our properties. Covid-19 has created all manner of practical difficulties in sustaining such support services during this reporting period, but the Trustees are proud of what has been achieved and they are grateful to the staff for their efforts in trying circumstances as well as to the many partners and donors who have enabled this collective effort.

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' of Stoll while we continue to explore external funding opportunities.

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In recent years we have moved our London ‘Veterans’ drop-ins’, formerly held at our Fulham site, to the St Pancras Hospital in Islington, where we now co-host them with the NHS. These provide a forum for Veterans and the various charities and statutory bodies that support them in London to come together, to network and to offer a wide variety of support services to some thirty Veterans at each session. Co-hosting with the NHS enables greater reach and much of this unheralded aspect of the Charity’s work has been impacted by Covid-19, for example we have seen growing demand for mental health services such as is now provided by Op COURAGE (the Veterans’ Mental Health and Wellbeing Service). Through our wider reach, Stoll is now championing such ‘drop-ins’ more widely elsewhere in the UK.

Stoll offers a broad range of Health and Wellbeing activities, providing training, confidence-building and considerable wider benefits to those undertaking them. During this period, we have moved to more online and remote Health and Wellbeing activities for Veterans and their dependants. These activities range from therapeutic programmes that focus upon 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.

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 co-ordinated, 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, targeting Local Authorities to ensure they 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. We intend to ensure this endures beyond Covid-19, and improves. The CEO is also a Director of Cobseo, as was the Chair of the Board of Trustees during the reporting period.

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, being 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.

The Board's commitment to maintaining Stoll's excellence has been reinforced by the capital programme. Expenditure on capital projects during the reporting year amounted to £57k (2020: £22k).

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The extensive range of capital projects in recent years has included ongoing refurbishment of the five schemes, the Aldershot development (mentioned above) and planned maintenance, albeit this latter element has in the short-term been impacted significantly by Covid-19.

This reporting year's work has been delivered in accordance with the Charity's five-year Strategic Framework (developed as a focus for work out to 2025 and refined in March 2020) and in the context of the previous year's cost reductions. These were essential given the temporary pause on the intended redevelopment of the Sir Oswald Stoll Mansions site in Fulham. Despite the self-evident challenges associated with the global pandemic, the fundamental services that Stoll provides to its beneficiaries have continued to be delivered effectively.

In looking forwards, the Trustees note the progress being made in four 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;
- reviewed the delivery of our domestic support service to our most isolated beneficiaries, also with a view to growing their independence;
- evolved our tenancy agreements so that all new tenants are now offered a Periodic Assured Shorthold tenancy, giving our new tenants enhanced tenancy rights;
- operated a 'Drop-in' service at St Pancras Hospital in partnership with the NHS;
- overhauled our Health and Wellbeing Services to maximise the outcome to beneficiaries and their personal growth and sense of independence;
- 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; and,
- developed our collaboration with Mears (who provide Stoll with maintenance support) in seeking to improve reactive repairs.

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

- thirty four Veterans were housed or rehoused in a Stoll property;
- seven Veterans moved on from our properties into independent living;
- thirty six Veterans were housed by the Veterans' Nomination scheme;
- 7% of residents we worked with were more able to live independently;
- 88% of residents we supported retained their independence; and,
- over one hundred residents became more independent due to wellbeing or vocational activity.

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 scope redevelopment of the Sir Oswald Stoll Mansions' site in Fulham. We intend that this should involve some improved properties on site and, in time, improved scope for an increased portfolio of supported housing for our future beneficiaries and 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 work place because of age, health issues or disability. We intend to work together with our current beneficiaries, and with others, to scope future provision.

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3. Expand Stoll's 'outreach services' to increase our ability to prevent homelessness.

Stoll had run outreach services for Veterans over the previous eight years and was saddened in late 2019 to close its Outreach Service due to funding constraints on the partner charity who funded it. The closure of the Service has had two detrimental effects on the beneficiaries. London now lacks an outreach service with the range of skills and multi-disciplinary approach that previously existed, meaning that the most vulnerable Veterans in the capital do not get the level of support they need to coherently move forward in their lives.

Secondly, it means that some of the more vulnerable Veterans cannot move into Stoll properties because Stoll does not now have the resource to properly prepare the Veterans, for example to assist them in resolving issues that prevent them settling down in a residential setting prior to moving to Stoll. We continue to seek to bring back the former outreach service if we can secure the necessary funding.

4. Contribute to a National Network of Suitable Accommodation and Support Services for Vulnerable Adults.

Stoll continues to be the leading Veterans' housing charity seeking to achieve a more co-ordinated 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 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 have been 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 are working alongside our fellow providers. We intend that this campaign continues.

Corporate Services

The Corporate Services function has had an especial focus of late on digital technology in order to best support the Charity's business functions during the pandemic with, where appropriate, staff being given the facility to work 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:

- making considerable, positive strides to the way in which we deliver our Health and Safety inspections, tracking and practice throughout the organisation;
- developing a new Digital Strategy for the Charity; and,
- improving the Charity's purchasing procedures.

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 comparative information where there is scope to improve provision for the beneficiaries. The main benchmarking resources used to compile this Report include:

- A national benchmarking group of Housing Associations with up to one thousand homes;
- A smaller group of 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.

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Value for Money

Value for Money (VfM) metrics were introduced to the sector in 2017/2018 so as to broadly 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. Stoll compares its performance with a representative peer group (benchmark), comprising one hundred and twenty five similarly sized supported housing providers and twenty five other housing associations, so as to consider efficiency and effectiveness and to identify where improvements can be made. Stoll's performance was in line with its peer group. The tables below set out some of the key benchmarking information.

VfM Metrics	Measure	Stoll 19/20	Stoll 20/21	Small Providers/ Peer Group benchmarks
1 - Operating Margin (Overall).	Efficiency	3%	21.1%	20.3%
2 - Operating Margin (Social Housing Lettings).	Efficiency	4%	28.8%	20.8%
3 - EBIDTA MRI (as % of interest).	Efficiency	138%	467%	356%
4 - Gearing (RSH and Scorecard Measure).	Efficiency	20%	22%	13%
5 - New Supply Delivered (Social Housing Units).	Effectiveness	-	-	-
6 - Reinvestment %.	Efficiency	-	-	-
7 - Return On Capital Employed (ROCE) %.	Efficiency	0.4%	2.2%	2.7%
8 - Social Housing Cost Per Unit.	Economy	£9,713	£7,318	£10,507 *

* Peer group benchmark.

Continuous improvement remains a key approach for Stoll and, while our key focus remains the services we provide to our residents, a range of KPI are monitored and reported to the Board (on a quarterly basis where appropriate and otherwise annually). 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. Government legislation introduced in 2016 resulted in Stoll having to reduce its rental income by 1% each year over a four-year period. This ended in the last financial year and in 2020/2021 rents were again increased in line with the Regulator's guidelines.

Housing KPI

Stoll achieved the following performance:

Housing KPIs	Stoll £'s	Similar Housing Associations £'s
Housing Management Cost per Unit.	2,287	431
Responsive Repairs Cost per Unit.	729	732
Major & Cyclical Repairs Cost per Unit.	358	900
Service Charge per Unit.	1,837	-

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While our performance tends to benchmark well against comparable providers, one area in which we intend to improve is voids (see table below), where we used to perform better. A recent slip in our voids performance is for a combination of reasons; in large part due to the legacy of the stalled Fulham site redevelopment and further impacted by Covid-19. We intend to review voids in the next financial year.

Indicator	Stoll's Target	Stoll 19/20	Stoll 20/21	Small Providers (median benchmark)
Void turnaround time (days).	42	84	154	47
% Void Loss.	4.1%	6%	6.3%	5.82%
Current arrears.	4.5%	6%	4.62%	4.74%
Personal rent arrears (net of Housing Benefit).	3%	4%	2.36%	1.23%
% of Routine Repairs Completed Within Target.	97%	94%	78%	97.1%

Independence and Dignity

Indicator	Stoll's Target	Stoll 19/20	Stoll 20/21
Veterans living more independently.	>20%	12%	8%
% Veterans who have maintained or increased their independence.	90%	96%	97%

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 19/20	Stoll 20/21
Veterans moving into Stoll properties.	24	45	34
Veterans moving towards independence.	16	13	7
Veterans housed through the Veterans' Nomination Scheme.	40	69	36

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 Sir Oswald Stoll Mansions' site, previously an opportunity, has increasingly become a necessity;
- a growing voice and culture of increased regulation and a greater commitment to building and fire-safety - Stoll supports this and will endeavour to make significant progress in 2021/2022;
- 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 who our services are for and the level of service we offer to each beneficiary.

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The Executive is currently developing an updated draft Strategy (ahead of Board consideration) with an envisaged five broad 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 model;
- Strategic Objective 2: Deliver an effective support and housing model that promotes independence;
- Strategic Objective 3: Ensure that Stoll properties are safe and in good repair;
- Strategic Objective 4: Invest in our people; and,
- Strategic Objective 5: Consolidate our position as the leading organisation within the Veterans’ housing space.

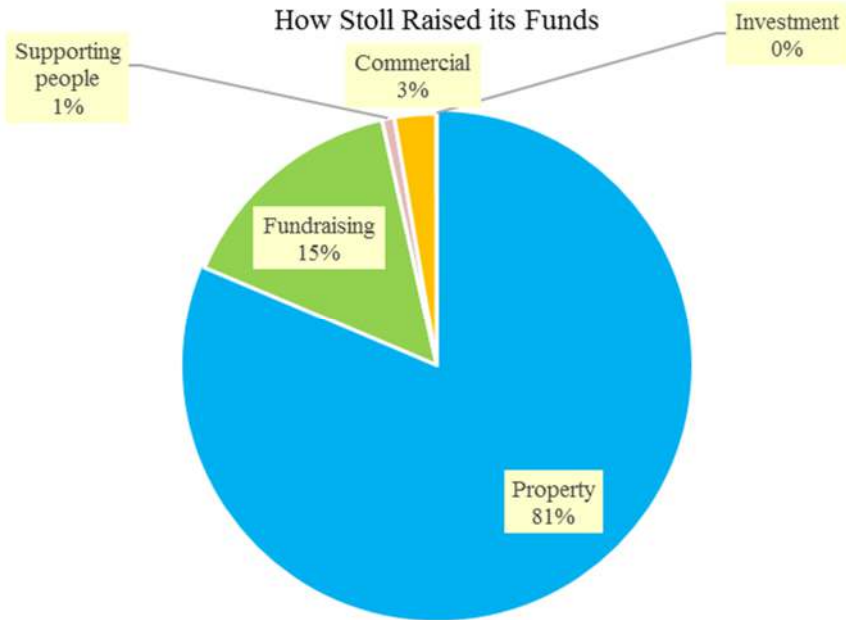
These set the context within which annual work plans and budgets will be developed. The CEO intends to further explore these nascent objectives with the Executive and, while they adequately set the scene, the intent is for further work during 2021 with a view to presenting the Board with an update (incorporating any new proposals) in autumn 2021.

FINANCIAL REVIEW

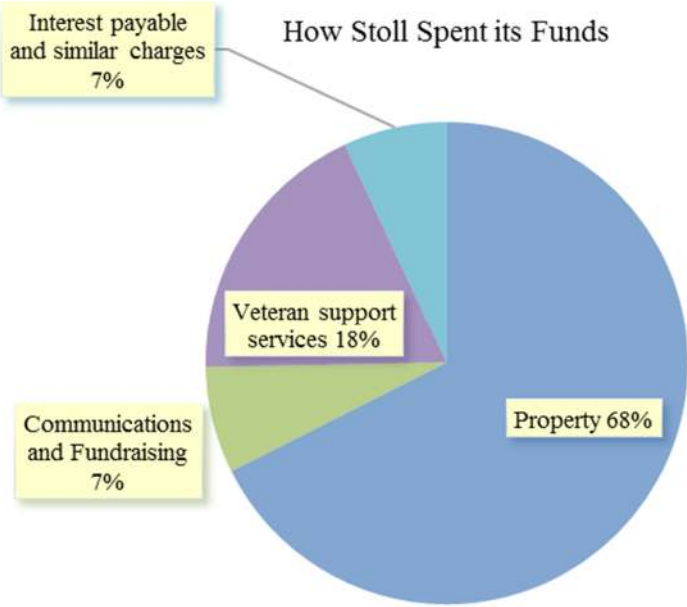
Following previously reported concerns about cash-flow, robust action was taken by the Board and it, allied to the effective actions of the Executive, has enabled a far stronger financial position during this reporting period. This has established a much firmer footing for the next financial year, and is pleasing to record. This context provides the basis and confidence for proceeding with the temporarily paused Fulham site redevelopment planning (so as to address the increasingly high risk associated with the site) and for other activities.

Results for the year

The Charity’s net income for the year was £187k (2020: £362k), a reduction which can be explained by the impact of the actuarial losses on the pension scheme.



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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 (Fulham). The bulk of the Fulham site was constructed a century ago and, while the buildings have undergone substantial refurbishment in their lifetimes, they are not at the standard of Stoll’s other properties and they need significant investment, investment which Stoll will be challenged to provide and which necessitates risk mitigation in the short-term, contingency planning and some deft strategic thinking. 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, and this is one of the main drivers to think creatively about how best to redevelop the site and to improve provision for our Veterans in the coming years. This would ensure that all our properties are best-in-class in line with our other schemes away from Sir Oswald Stoll Mansions. 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), service delivery and support. Looking forwards, Stoll intends to proactively and carefully consider the accounting treatment of the envisaged fire-safety works, and will be guided by the SORP. All such risks are monitored closely and mitigated by a range of measures including comprehensive policies and strategies. The level and breadth of activity at Stoll is impressive and 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 Finance Director.

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 provide oversight of the Executive in such matters. 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.

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The Covid-19 pandemic has affected our finances, but we were able to swiftly move financial management online and the finance team soon became very effective at remote working. We ensured that services to our beneficiaries remained as accessible as possible during this challenging time. The Support services were, however, offered in different ways and they were not always as readily accessible to the beneficiaries as we, or they, would want.

Our agility and flexibility has nevertheless meant that we have continued to offer high-quality Housing and Support services, responding to the changing needs of our beneficiaries as the pandemic unfolded. That said, we recognise that Stoll staff have at times been less accessible and certainly less well able to provide support over the reporting period.

Fundraising Performance

Good work continued this year, initially seeking to improve engagement across our community in order to develop a greater culture of giving, with the broad aspiration of creating a step-change in philanthropic income. As the Covid-19 impact became clearer, the key focus shifted to seeking funding to enable the Charity to best assure the safety of staff and beneficiaries and to assure the delivery of core services.

Stoll is very grateful to its various supporters, including the following: Forces Support, ABF The Soldiers' Charity, Headley Court Trust, Irving Memorial Trust, Leaver Family Charitable Trust, Lloyd's Patriotic Fund, Queen Mary's Roehampton Trust, RAF Benevolent Fund, Royal Navy and Royal Marines Charity, Scott (Eredine) Charitable Trust, Trinity House, Veterans' Foundation, Red Arrows Trust, The Guvnors' Club, Forces in Mind Trust, Chelsea Supporters' Trust, Screwfix, Cemex, SilverDoor Apartments and the Armed Forces Covenant Fund.

The Charity receives support from other charities too, and from businesses, as well as via its fundraising activities and individual, regular and one-off donors. The main focus in this year was in seeking support from new trusts and charities. The Charity is immensely grateful to all of our donors, past and present who make our various charitable activities possible, a typical example being the work of the Chelsea Supporters' Trust with its annual 'big sleep out'.

Overall, £548k was raised this year (2020: £810k), with additional sums pledged for the future. Although this reflects a significant reduction on the previous year, it is nevertheless adjudged to be a success given the context.

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 through community events and 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 their permission. Fundraising income and activity is monitored quarterly by the Fundraising and Communications Committee and by Stoll's Board. Stoll's fundraising team work to set targets (e.g. for trusts, individual donors and corporates). Performance against targets 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 also has a single employee focussed solely on communication. Internal communication works to inform beneficiaries of events, activities and general information regarding their tenancies at Stoll. The Stoll website has a 'beneficiary only' section and we also send out a monthly newsletter. We hold quarterly residents meetings with the key Stoll staff including the CEO wherever possible. Stoll's external communication seeks to inform the public about the work of Stoll and the needs of our beneficiaries. We do this through the Stoll website, social media and written materials. Communications are monitored quarterly by the Fundraising and Communications Committee.

SIR OSWALD STOLL FOUNDATION

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) in the event of an unexpected revenue shortfall and to rely on the limited, but readily realisable, investments as adequate cover for residual financial obligations.

With, annually, 15% of our income coming from revenue fundraising, maintaining an adequate reserve is vital. Therefore, Stoll commits 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 2021 were £3.86m (2020: £3.66m) of which £128k (2020: £218k) was restricted and £3.5m (2020: £3.4m) was re-invested in our properties to the benefit of our Veterans.

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, as is the performance of investment manager(s). 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 invested £500k (2020: Nil) via funds managed by CCLA (investment managers) in the COIF Charities Investment Fund. Stoll's investments are managed in accordance with the Investment Policy, with the intent to balance the needs and interests of current and future beneficiaries of Stoll activities. The Trustees intend to monitor the performance of the investments, and of the external manager(s) of its investments quarterly.

Our People

The Board of Trustees is immensely grateful for the outstanding efforts of staff during the unprecedented challenges associated with Covid-19. Following the departure of the previous CEO, Ed Tytherleigh (on 20 April 2020), the Director of Corporate Services and Deputy CEO, Sarah Berzon assumed an interim role until the end of August 2020. Between April 2021 and late autumn 2021, Stoll concentrated on delivering the core housing and support services during the pandemic, and it moved many staff to remote working while continuing to enable the essential 'front line' service delivery staff to work on site in a 'Covid-19-secure' way. Employee wellbeing has naturally been at the forefront of our planning during the period, thereby ensuring that we protect the community, continue to deliver services and reduce the impact of social isolation. At the end of the reporting period, Stoll had thirty eight members of staff, a mix of full-time and part-time.

In September 2020 Richard Gammage joined Stoll as its CEO; a retired air commodore, Richard brings to Stoll his extensive leadership experience and skills in the military and the charity sector. The Trustees record here their thanks to the former CEO, Ed Tytherleigh for his extensive contribution to Stoll over many years.

Stoll is an equal opportunities employer and seeks to be inclusive in its approach to recruitment, selection and staff development. Consultation with employees has continued at all levels throughout the Covid-19 pandemic with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the Charity. Communication with employees continues through normal management channels in a variety of forms and also to apprise staff of current issues. Remuneration is set by the Board, with the

SIR OSWALD STOLL FOUNDATION

objective of enhancing performance and of rewarding fairly and responsibly our employees. The appropriateness and relevance of remuneration is reviewed annually, including 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. Delivery of Stoll's charitable vision and purpose is primarily dependent on its staff, the cost of whom is the largest single element of charitable expenditure.

Stoll encourages applications from disabled persons, makes adjustments to application and interview processes accordingly, and supports staff who become disabled through the course of their employment via reasonable workplace adjustments and access to continuous professional development and staff training.

Decisions relating to employment practices 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 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.

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 Charities 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 2019 Stoll implemented an action plan to ensure it remained compliant with all aspects of the National Housing Federation Code of Good Governance. We also benchmarked ourselves against the equivalent code developed by the Charity Commission. In 2017 we conducted an independent review of our governance assisted by consultants (Campbell Tickell). During the latest financial year we also benchmarked ourselves against the new Cobseo governance standard, having been on the working group to develop it. We scored very highly and continue to retain high governance standards and to operate in line with our Governance Procedures.

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Internal Controls

The Board acknowledge 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, but the Board records that the intended internal audit mechanism was deferred (due to Covid-19) from this reporting period to the next.

The Board has undertaken an assessment of compliance with the Governance and Financial Viability Standard as set out by the Regulators. Stoll has completed two independent reviews of its governance. One in 2017 with an independent consultant in the light of the regulatory framework and a second, in 2019, involving a review with Cobseo (the umbrella body). These reviews confirm that Stoll complies with these standards.

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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.

Auditors

During the year Kreston Reeves acted as External Auditor to Stoll and a resolution to re-appoint them was put to the Annual General Meeting and approved.

Approval of the Report

This Report was approved by the Board on 30 September 2021

Signed on behalf of the Board by: Ray Lock

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 'Charity') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the related notes to the Financial Statements, including a summary of 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 Charity's affairs as at 31 March 2021, 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 in England 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 Charity 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 Charity'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. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the Financial Statements, 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 there is a material misstatement in the Financial Statements or a material misstatement of the other information. 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.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in 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 returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the Financial Statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 16, the Trustees (who are also the directors of the Charity 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and industry, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the Financial Statements. We also considered those laws and regulations that have a direct impact on the preparation of the Financial Statements such as the Companies Act 2006, Statement of Recommended Practice for registered housing providers and Charities Statement of Recommended Practice. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the Financial Statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure, management bias in accounting estimates and judgemental areas of the Financial Statements such as the useful lives of depreciable assets, component parts of housing properties and The Defined Benefit Social Housing Pension Scheme. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management;
- Assessment of identified fraud risk factors;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud;
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business;
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance, and reviewing correspondence with relevant regulatory authorities;
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for Financial Statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Financial Statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SIR OSWALD STOLL FOUNDATION

FOR THE YEAR ENDED 31 MARCH 2021

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

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity'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 Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Ediss

Senior Statutory Auditor

For and on behalf of Kreston Reeves LLP, Statutory Auditor

Springfield House

Springfield Road

Horsham

West Sussex

RH12 2RG

Date: 30 September 2021

**SIR OSWALD STOLL FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**


	Notes	2021 £	2020 £
Turnover	2	3,626,274	3,851,811
Operating expenditure		(2,780,461)	(3,745,551)
Operating surplus	8	845,813	106,260
Interest receivable and similar income	6	613	1,900
Interest payable and similar charges	7	(207,459)	(260,047)
Surplus/(Deficit) for the year	8	638,967	(151,887)
Actuarial (losses)/gains in respect of pension schemes		(452,000)	514,000
Total comprehensive income for the financial year		186,967	362,113

All of Stoll's operations are classed as continuing

Signed on behalf of the board by :


Air Vice-Marshal Raymond Lock CBE
Chair of Trustees
Date: 30 September 2021


Timothy David Rossington CB
Chair of Finance Committee
Date: 30 September 2021


Air Commodore Richard Gammage
Secretary
Date: 30 September 2021

The notes on pages 28 to 45 form part of these financial statements.

**SIR OSWALD STOLL FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2021**

Company's registered number: 148636

	Notes	2021 £	2020 £
Fixed Assets			
Tangible fixed assets - Housing properties less depreciation	9	32,972,924	33,491,845
Tangible fixed assets - other	10	190,032	198,796
		<u>33,162,957</u>	<u>33,690,641</u>
Current assets			
Debtors	11	295,129	274,028
Cash at bank and in hand		1,863,026	705,190
Current assets		<u>2,158,155</u>	<u>979,218</u>
Creditors: amounts falling due within one year	12	(1,620,026)	(1,972,325)
Net current assets/(liabilities)		538,129	(993,107)
Total assets less Current Liabilities		<u>33,701,085</u>	<u>32,697,534</u>
Creditors: amounts falling due after more than one year	13	(29,847,505)	(29,030,921)
Total Net assets		<u>3,853,580</u>	<u>3,666,613</u>
Reserves			
Unrestricted Reserves	16		
- invested in housing properties		3,516,825	3,399,943
- un-designated		964,254	425,754
- pension deficit		(756,000)	(377,000)
Restricted Funds	22	128,500	217,916
		<u>3,853,580</u>	<u>3,666,613</u>

The charitable company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved and authorised for issue by the Board of Trustees on 30 Sep 21 and were signed on its behalf by:


Air Vice-Marshal Raymond Lock CBE
Chair of Trustees


Timothy David Rossington CB
Chair of Finance Committee

The notes on pages 28 to 45 form part of these financial statements.

**SIR OSWALD STOLL FOUNDATION
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2021**

	Invested in housing properties £	Restricted funds £	Un-designated £	Pension deficit £	Total reserves £
Balance at 1st April 2020	3,399,943	217,916	425,754	(377,000)	3,666,613
Total comprehensive income for the year	655,383	(89,416)	-	(379,000)	186,967
Transfer between funds	(538,501)	-	538,501	-	-
Balance at 31 March 2021	<u>3,516,825</u>	<u>128,500</u>	<u>964,254</u>	<u>(756,000)</u>	<u>3,853,580</u>

The Invested in housing properties reserve is a designated reserve with the funds specifically earmarked for future investment in Stoll's housing properties.

Restricted funds represents funds given to Stoll for a specific purpose or to support a project and cannot be used for any other purpose (see note 21).

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

The pension deficit reserve represents the year end pension deficit position in relation to the Social Housing Pension Scheme (SHPS).

The notes on pages 28 to 45 form part of these financial statements

**SIR OSWALD STOLL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2019 £
Net cash generated from/(used in) operating activities	A	724,678	988,978
Investing activities:			
Interest received		613	1,900
Deferred capital grants received		-	-
Proceeds on disposal of tangible fixed assets		-	44,676
Purchases of tangible assets		(57,153)	(21,534)
Net cash (used in)/generated from investing activities		<u>(56,541)</u>	<u>25,042</u>
Financing activities			
Repayments of borrowings		(302,842)	(330,618)
New loans		1,000,000	-
Interest paid		(207,459)	(260,047)
Net cash generated/(used in) from financing activities		<u>489,698</u>	<u>(590,665)</u>
Net increase in cash and cash equivalents		1,157,836	423,356
Cash and cash equivalents at beginning of the year	B	705,190	281,834
Cash and cash equivalents at end of year		<u>1,863,026</u>	<u>705,190</u>

The notes on pages 28 to 45 form part of these financial statements

**SIR OSWALD STOLL FOUNDATION
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

**A. Reconciliation of operating surplus to net cash inflow
from Operating Activities:**

	2021	2020
	£	£
Cash Flow from Operating Activities:		
Net income	186,967	362,113
Depreciation	569,180	580,427
Loss/(Gain) on disposal of fixed assets	15,659	(24,584)
Decrease/(Increase) in debtors	(21,100)	(75,965)
(Decrease)/Increase in creditors	(304,307)	743,408
Interest payable	207,459	260,047
Interest receivable	(613)	(1,900)
Amortised government grants	(307,568)	(307,568)
Movement in Pension Liability	379,000	(547,000)
Net Cash Flow from Operating Activities	724,678	988,978

B. Cash and cash equivalents

	At 1 April 2020	Cashflows	At 31 March 2021
	£	£	£
Cash at Bank and on Hand	705,190	1,157,836	1,863,026
Net Funds	705,190	1,157,836	1,863,026

C. Net Debt note

	2021	2020
	£	£
Cash and cash equivalents	1,863,026	705,190
Short term borrowings :		
Bank loans	(227,214)	(347,770)
Other loans	(125,000)	(125,000)
Long term borrowings :		
Bank loans	(6,599,545)	(5,656,830)
Other loans	(312,500)	(437,500)
	(7,264,258)	(6,567,100)
Net Debt position	(5,401,232)	(5,861,910)

**SIR OSWALD STOLL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

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 registered with the Homes England. A description of the nature of Stoll's operations and its principal activities are disclosed in the Trustees Report on pages 6 and 7.

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 102 applicable in the United Kingdom and Republic of Ireland (FRS102).

Basis of accounting

The Financial Statements of Stoll are prepared in accordance with FRS102 and the Housing SORP 2018 "Statement of Recommended Practice for registered social housing providers 2018" ("the SORP") and 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.

Going concern

After reviewing the budget for 2021/22 and the long term financial plan, the Board has a reasonable expectation that Stoll has adequate resources to continue in operational existence for the foreseeable future. While the impact of the Covid-19 virus has been assessed by the Trustees, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the Charity's activities. However, taking into consideration the UK Government's response and the Charity's planning, the Trustees have a reasonable expectation that the Charity will continue in operational existence for the foreseeable future. For this reason the Board continues to adopt the going concern basis preparing the Financial Statements.

Turnover

Turnover comprises rental and service charge income, revenue grants, 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.

Social Housing Grant and Government grants

Government grants include grants receivable from Homes England (HE), 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 unamortised element of the government grant is recognised as deferred income in creditors.

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

**SIR OSWALD STOLL FOUNDATION
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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 conditions 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.

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.

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 years
Bathroom	25 years
Electrical heating	20 years
Electrical main	20 years
Hot water cylinders	20 years
Boilers	10 years
Lifts	25 years
Flat roof	25 years
Traditional roof	60 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.

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NOTES TO THE ACCOUNTS
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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. 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.

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.

Pension costs

Stoll operates a defined benefit scheme, SHPS, which is administered independently by the Pensions Trust. The expected cost of providing pensions is calculated from actuarial advice. Until the financial year ended 31 March 2019 it was not possible to separately identify the underlying assets and liabilities belonging to Stoll on a consistent and reasonable basis. Therefore, historically, as there has been a contractual agreement between the Scheme and 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 were recognised as a liability in the Statement of Financial Position and the resulting expense in the Statement of Comprehensive Income. When the contributions were not expected to be settled within 12 months after the reporting period, the liability was measured at the present value of the contributions payable by using a discounted rate (discounted present value basis). The rate used was determined by reference to market yields at the reporting date on high quality bonds.

The Pension Trust has now made available information to individual employers their share of the SHPS assets and liabilities and therefore in accordance with FRS102 for the first time during the year ended 31 March 2019, the pension liability has been accounted for as a defined benefit scheme. SHPS assets are measured at fair value and liabilities are measured on an actuarial basis, the details of which are set out in note 20. A liability for the Charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

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.

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.

**SIR OSWALD STOLL FOUNDATION
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Value added tax

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

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.

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.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank and 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.

Employee benefits

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

Restricted reserves

These are funds given to Stoll for a specific purpose or to support a project and cannot be used for any other purpose. (See note 21 for more detail).

Unrestricted general funds

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

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

**SIR OSWALD STOLL FOUNDATION
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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.

Housing property impairments

For impairment purposes, as explained in the accounting policies, housing properties are grouped into schemes which reflects 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 assessed its properties and considers that all of them are in demand and therefore depreciated replacement cost is appropriate. In view of the location of Stoll’s properties and the high cost of replacement, the Board has assessed that no 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
- The main components of housing properties and their useful lives
- SHPS

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.

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.

SHPS

The SHPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability.

**SIR OSWALD STOLL FOUNDATION
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2a Particulars of turnover, operating costs and operating surplus/(deficit)

	2021			2020
	Turnover £	Operating costs £	Operating surplus £	Operating surplus £
Income and expenditure from lettings (note 2b)	2,950,455	(2,019,164)	931,290	132,216
Other social housing activities:				
Supporting people	28,657	(548,540)	(519,884)	(671,271)
Activities funded by donations and grants	548,629	(212,756)	335,873	528,894
Non - social housing activities				
Commercial property	98,534	-	98,534	116,421
	<u>3,626,274</u>	<u>(2,780,461)</u>	<u>845,813</u>	<u>106,260</u>

Activities funded by donations and grants include:

	2021 £	2020 £
Trusts & Grants	435,562	604,747
Corporates	25,100	18,377
Strategic Partners	11,562	28,354
Community, Individuals & Events	35,093	52,536
Major Donors	1,050	19,855
Statutory Bodies	35,000	33,250
Lottery Funding	5,262	53,000
	<u>548,629</u>	<u>810,119</u>

2b Income and Expenditure from lettings

	2021 £	2020 £
Turnover		
Rent Receivable net of service charges and voids	1,786,334	1,811,623
Service Charges	687,286	661,565
Other Income	169,267	114,635
Grant Amortisation	307,568	307,568
Net Rental Income	2,950,455	2,895,391
Profit on disposal of asset	-	24,584
Turnover from social housing lettings	<u>2,950,455</u>	<u>2,919,975</u>
Expenditure on letting activities		
Services	(527,316)	(506,026)
Management	(575,493)	(1,201,168)
Routine Maintenance	(209,342)	(320,144)
Planned Maintenance	(102,627)	(187,171)
Bad Debt expense	(39,023)	(20,807)
Depreciation of housing properties	(549,706)	(552,442)
Loss on disposal of asset	(15,659)	-
Total expenditure on lettings	<u>(2,019,164)</u>	<u>(2,787,759)</u>
Operating Surplus on letting activities	<u>931,290</u>	<u>132,216</u>
Net rental income is stated after losses from voids of	<u>(120,411)</u>	<u>(115,566)</u>

**SIR OSWALD STOLL FOUNDATION
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3 Analysis of accommodation

Units in managements as at 1 April 2020	287
Additional units taken on during the year	-
Units in managements as at 31 March 2021 (split as below)	<u>287</u>

	2021 No.	2020 No.
Supported housing / housing for older people: Let at social rent	213	213
Let at affordable rent	70	70
General needs	4	4
	<u>287</u>	<u>287</u>

4 Emoluments of the Board of Trustees and senior management team

None of the Trustees received any emoluments (2020: £nil). Total expenses reimbursed to Trustees were £127 (2020: £1,648).

	2021	2020
Total expenses reimbursed	<u>127</u>	<u>1,648</u>
The total emoluments including pension & benefits in kind of the key management personnel were:	<u>398,492</u>	<u>433,628</u>
Emoluments excluding pension contribution	<u>366,799</u>	<u>393,359</u>

Key management personnel are defined in note 19.

The CEO is an ordinary member of the Defined Benefit Career Average Revalued Earnings (CARE) 60ths scheme which was funded by the employer at the rate of 15.6% (2020: 11.3%) during the year, with member contributions of 6.5% (2020: 3.8%). The total employer pension contributions made on behalf of the CEO during the year ended 31 March 2021 were £2,517 (2020: £12,684).

There were no members of staff who earned over £60,000 during the year, including salaries and bonuses but excluding pension contributions.

5 Employee information

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

	2021 No.	2020 No.
Administration	9	6
Communications	1	2
Fundraising	3	6
Housing	8	9
Support	15	14
	<u>36</u>	<u>37</u>

Average number of employees based on number of employees each month	<u>36</u>	<u>45</u>
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	2021 £	2020 £
Staff costs for the above persons were:		
Wages & Salaries	1,019,322	1,299,893
Social Security Costs	108,095	129,116
Redundancy Costs	-	47,037
Other Pension Costs	79,791	119,527
	<u>1,207,208</u>	<u>1,630,137</u>

**SIR OSWALD STOLL FOUNDATION
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6 Interest receivable and similar income

	2021 £	2020 £
Bank Interest Receivable	<u>613</u>	<u>1,900</u>

7 Interest payable and similar charges

	2021 £	2020 £
Bank Loans	199,459	239,047
Less: Amounts capitalised	<u>-</u>	<u>-</u>
	199,459	239,047
Interest on net defined benefit pension liability	<u>8,000</u>	<u>21,000</u>
	<u>207,459</u>	<u>260,047</u>

8 Surplus for the year is stated after charging

	2021 £	2020 £
Depreciation		
- Housing properties	549,706	552,442
- Other assets	19,474	27,985
Auditors remuneration (excluding vat)		
- In respect of the external audit	15,500	13,700
- In respect of tax advice	-	1,750
In respect of preparation of accounts	3,250	3,250
Operating lease rentals		
- Plant and machinery	27,241	16,854
- Land and buildings	<u>-</u>	<u>11,419</u>

9 Property, plant and equipment - housing properties

	Freehold properties £	Leasehold Properties £	Total £
Cost			
As at 1 April 2020	39,120,156	1,124,156	40,244,311
Additions- replacement components	46,443	-	46,443
Disposals	(27,557)	-	(27,557)
As at 31 March 2021	<u>39,139,042</u>	<u>1,124,156</u>	<u>40,263,198</u>
Depreciation			
As at 1 April 2020	6,413,642	338,824	6,752,466
Charge for the year	524,312	25,394	549,706
Disposals	(11,899)	-	(11,899)
As at 31 March 2021	<u>6,926,055</u>	<u>364,218</u>	<u>7,290,273</u>
Net Book Value			
As at 31 March 2021	<u>32,212,987</u>	<u>759,938</u>	<u>32,972,924</u>
As at 31 March 2020	<u>32,706,514</u>	<u>785,332</u>	<u>33,491,845</u>

The total expenditure in the year on works to existing properties was £46,443 (2020: £20,999).
Interest capitalised during the year amounted to £nil (2020: £nil).

See note 14 for amounts pledged as security in relation to housing properties.

**SIR OSWALD STOLL FOUNDATION
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10 Property, plant and equipment - other

	Freehold Land & Buildings £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Cost				
As at 1 April 2020	393,662	309,075	45,975	748,712
Additions	-	10,710	-	10,710
Disposals	-	(13,453)	-	(13,453)
As at 31 March 2021	<u>393,662</u>	<u>306,332</u>	<u>45,975</u>	<u>745,969</u>
Depreciation				
As at 1 April 2020	204,929	299,012	45,975	549,916
Charge for the year	7,874	11,600	-	19,474
Depn on disposals	-	(13,453)	-	(13,453)
As at 31 March 2021	<u>212,803</u>	<u>297,159</u>	<u>45,975</u>	<u>555,937</u>
Net Book Value				
As at 31 March 2021	<u>180,859</u>	<u>9,173</u>	<u>-</u>	<u>190,032</u>
As at 31 March 2020	<u>188,733</u>	<u>10,063</u>	<u>-</u>	<u>198,796</u>

11 Debtors

	2021 £	2020 £
Arrears of rent and service charge	179,600	213,677
Less provision for bad and doubtful debts	(87,600)	(97,500)
Net Rental Arrears	<u>92,001</u>	<u>116,177</u>
Prepayments	55,454	43,826
Accrued Income	114,749	107,497
Debtors	16,733	3,725
Other Debtors	16,191	2,804
	<u>295,129</u>	<u>274,028</u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank borrowings (note 14)	227,214	347,770
Other loans (note 14)	125,000	125,000
Rents received in advance	103,314	51,910
Trade Creditors	136,952	91,206
Other Creditors	72,287	47,896
Other taxes & social securities	5,296	48,903
Accruals & deferred income	552,395	862,072
Multi-employer pension scheme (note 20)	90,000	90,000
Deferred capital grant (note 15)	212,920	212,919
Other deferred capital grant	94,648	94,648
	<u>1,620,026</u>	<u>1,972,325</u>

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13 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank borrowings (note 14)	6,599,545	5,656,830
Other loans (note 14)	312,500	437,500
Deferred capital grant (note 15)	16,794,979	17,007,900
Other deferred capital grant (note 22)	5,329,357	5,424,005
Multi Employer Pension Scheme (note 20)	666,000	287,000
Deferred grant	145,124	217,686
	<u>29,847,505</u>	<u>29,030,921</u>

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, via the Audit and Risk Committee, but the Board retains ultimate oversight.

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 Audit and Risk Committees so that any risk of failure to meet lender's covenants is mitigated.

Liquidity risk

Stoll's liquidity risk is primarily the increase in rent arrears due to welfare reform and the longer term impact of Covid on our residents.

In accordance with its comprehensive policies, Stoll requires appropriate references and proof of income 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. Stoll's cash investments earned interest at a rate of less than 1% due to the current low interest base rates.

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

	2021	2020
	£	£
Financial assets:		
Measured at undiscounted amounts receivable		
Debtors	<u>295,129</u>	<u>274,028</u>
Financial liabilities:		
Measured at amortised costs		
Loans repayable (see below for further analysis)	7,264,259	6,567,100
Measured at undiscounted amounts receivable	<u>136,952</u>	<u>91,206</u>

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	<u>-</u>	<u>-</u>
Total interest expense for financial liabilities at amortised cost	<u>207,459</u>	<u>260,047</u>

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

	2021 £	2020 £
One year or less	352,214	472,770
One to two year's	352,214	472,770
Two to five year's	999,577	1,355,811
Over five year's	5,560,254	4,265,749
Total housing loan	7,264,259	6,567,100
Less repayable within one year	(352,214)	(472,770)
Total housing loan falling due after more than one year	6,912,045	6,094,330

Loans from Orchard Brook and Nationwide are secured by specific charges on the Charity's housing properties, with interest being charged at rates of 9.375% - 11.500% and LIBOR plus 2.5% respectively. The life of each loan varies from 30 to 60 years.

The loan from The Royal British Legion is secured by specific charges on certain of the Charity's housing properties, with interest being charged at a rate of 4% and repaid at 10% per annum.

The loan from Charities Aid Foundation Bank (CAF) has interest charged at 2.75% and repaid over 25 years. It is secured over the 36 flats in Chiswick.

During the year a loan from Charity Bank was completed. Interest is charged at 2.5% above the base rate of the Bank of England and is to be repaid over 25 years. It is secured over the leasehold properties known as Banstead Court.

15 Deferred capital grants

	2021 £	2020 £
As at 1 April	17,220,819	17,433,738
Release to income in the year	(212,920)	(212,919)
Balance at 31 March	17,007,899	17,220,819
Classified as:		
Amounts to be released within one year (note 12)	212,920	212,919
Amounts to be released in more than one year (note 13)	16,794,979	17,007,900
	17,007,899	17,220,819

16 Reserves

	2021 £	2020 £
Income and Expenditure		
As at 1 April 2020	3,666,613	3,304,500
Surplus for the year	186,967	362,113
As at 31 March 2021	3,853,580	3,666,613
Analysed as:		
Invested in housing properties	3,516,825	3,399,943
Un-designated	964,254	425,754
Restricted Funds	128,500	217,916
Pension	(756,000)	(377,000)
	3,853,580	3,666,613

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20 Pensions

The Charity participates in the SHPS, a multi-employer scheme which provides benefits to some 500 non-associated employers. This is administered by The Pension Trust and is a defined benefit scheme in the UK. SHPS is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

SHPS is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the Scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

A full actuarial valuation for the Scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 28 November 2018 and showed assets of £4,553m, liabilities of £6,075m and a deficit of £1,522m. To eliminate this funding shortfall, the Trustees and the participating employers have agreed a new recovery plan which replaces the tiered approach. Additional contributions will be paid, in combination from all employees, to SHPS as follows:

Deficit contributions		£161.0m per annum
From 1 April 2019 to 30 September 2026	(payable monthly and increasing by 2% each year on 1st April)	

The Pension Trust has been able to provide the information required to account for the Scheme under the defined benefit accounting rules within FRS102 from 31 March 2019.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	2021 £'000	2020 £'000
Fair value of plan assets	3,228	2,877
Present value of defined benefit obligation	3,984	3,254
Surplus (deficit) in plan	(756)	(377)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	<u>(756)</u>	<u>(377)</u>

Reconciliation of the impact of the asset ceiling

	2021 £'000	2020 £'000
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		

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Reconciliation of opening and closing balances of the defined benefit obligation

	2021	2020
	£'000	£'000
Defined benefit obligation at start of period	3,254	3,555
Current service cost	31	67
Expenses	4	4
Interest expense	76	82
Contributions by plan participants	11	15
Actuarial losses (gains) due to scheme experience	(5)	48
Actuarial losses (gains) due to changes in demographic assumptions	14	(33)
Actuarial losses (gains) due to changes in financial assumptions	730	(415)
Benefits paid and expenses	(131)	(69)
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	<u>3,984</u>	<u>3,254</u>

Reconciliation of opening and closing balances of the fair value of plan assets

	2021	2020
	£'000	£'000
Fair value of plan assets at start of period	2,877	2,631
Interest income	68	61
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	287	114
Contributions by the employer	116	125
Contributions by plan participants	11	15
Benefits paid and expenses	(131)	(69)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	<u>3,228</u>	<u>2,877</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £355,000 (2020: £175,000).

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Defined benefit costs recognised in statement of comprehensive income (SoCI)

	2021	2020
	£'000	£'000
Current service cost	31	67
Expenses	4	4
Net interest expense	8	21
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)	<u>43</u>	<u>92</u>

Defined benefit costs recognised in other comprehensive income

	2021	2020
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	287	114
Experience gains and losses arising on the plan liabilities - gain (loss)	5	(48)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(14)	33
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(730)	415
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	<u>(452)</u>	<u>514</u>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total	<u>(452)</u>	<u>514</u>

Assets

	2021	2020
	£'000	£'000
Absolute Return	178	150
Alternative Risk Premia	122	201
Corporate Bond Fund	191	164
Credit Relative Value	102	79
Distressed Opportunities	93	55
Emerging Markets Debt	130	87
Fund of Hedge Funds	-	2
Global Equity	514	421
High Yield	97	-
Infrastructure	215	214
Insurance-Linked Securities	78	88
Liability Driven Investment	820	956
Liquid Credit	39	1
Long Lease Property	63	50
Net Current Assets	20	12
Opportunistic Credit	88	-
Opportunistic Illiquid Credit	82	70
Private Debt	77	58
Property	67	63
Risk Sharing	118	97
Secured Income	134	109
Total assets	<u>3,228</u>	<u>2,877</u>

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.

**SIR OSWALD STOLL FOUNDATION
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Key Assumptions	2021	2020
	% per annum	% per annum
Discount Rate	2.17%	2.38%
Inflation (RPI)	3.28%	2.62%
Inflation (CPI)	2.86%	1.62%
Salary Growth	3.86%	2.62%

Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance
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The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	<u>25.1</u>

Defined contribution scheme

Stoll operates a defined contribution pension plan for employees. The amount recognised as an expense in the period was £25,508 (2020: £37,657).

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21 Restricted Funds

Name of Donor	Type of Restriction	As at 1st April 2020 £	Income £	Expenditure £	As at 31st March 2021 £
ABF The Soldiers' Charity	Support - Mansions	35,000	30,000	42,500	22,500
Anonymous	General Support	-	100,000	100,000	-
Armed Forces Covenant Fund	Supporting Veterans to Thrive	-	35,000	35,000	-
BFBS (Big Salute)	Health & Wellbeing	7,000	-	7,000	-
CEMEX	Stoll Veterans' Nomination Scheme	-	20,000	20,000	-
FIMT (Forces In Mind Trust)	No Homeless Veterans Campaign	-	5,262	5,262	-
Forces Support	Fire Doors	100,000	-	-	100,000
Garfield Weston	Independent Living Service/Support	25,000	-	25,000	-
Hammersmith United	Covid-19 Pandemic Support	-	1,000	1,000	-
Headley Court Charity	WIS Support worker	-	72,562	72,562	-
Lloyd's Patriotic Fund	Drug and Alcohol Service	5,833	10,000	15,833	-
Mercers' Company	Health & Wellbeing	22,500	-	22,500	-
Queen Mary's Roehampton Trust	Support - Mansions	-	30,000	30,000	-
Royal Air Force Benevolent Fund	Support, Health & Wellbeing Service, Veterans Nomination Scheme	3,000	12,000	9,000	6,000
Royal Navy and Royal Marines Charity	Support - Mansions	8,333	7,500	15,833	-
Royal Navy and Royal Marines Charity	Support (Increased Independence)	-	11,562	11,562	-
Scott (Eredine) Charitable Trust	Health & Wellbeing	-	3,000	3,000	-
The Armed Forces Covenant Fund	Covid-19 Support for Stoll Veterans	-	112,250	112,250	-
The Veterans' Foundation	Covid-19 Pandemic Support	11,250	30,000	41,250	-
Trinity House	Support	-	10,000	10,000	-
Total Restricted Funds - Total		217,916	490,136	579,562	128,500

**SIR OSWALD STOLL FOUNDATION
NOTES TO THE ACCOUNTS
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22 Capital Funds

There were no grants received from donors in this financial year for capital purposes.

Capital grants	Aldershot	MOD re bathrooms	Total
	£	£	£
Balance as at 1 April 2020	5,325,400	193,253	5,518,653
Grants receivable in the year	-	-	-
Release to income in the year	(84,800)	(9,848)	(94,648)
Balance as at 31 March 2021	5,240,600	183,405	5,424,005

The grant from the Ministry of Defence received in the financial year 2014/15 was spent on refurbishing 25 bathrooms for disabled veterans.

The grants received in relation to the Aldershot development will now be released as the development is completed.

23 Unrestricted reserves

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

24 Partnerships – Custodian Trustee

Stoll is a member of Cobseo (the umbrella body for Veterans charities) and the Stoll CEO co-chairs the Cobseo Housing Cluster, the sub-group of member organisations involved in Veterans housing. As part of this process, Stoll led on the application of funding for a national telephone helpline for Veterans with a housing need, setting up a service called Veterans Housing Advice. The cluster tendered out the service and it was won by a Consortium led by The Royal British Legion. Stoll wrote the funding application on behalf of the Cobseo Housing Cluster, but as a member organisation they also hold the funds to deliver this service in their bank account on their Balance Sheet.

Veterans Housing Advice Office Funds	2021	2020
	£	£
Balance as at 1 April 2020	-	79,160
Funds received in the year	-	-
Funds released to SOCI	-	(21,900)
Funds paid in the year	-	(57,260)
Balance as at 31 March 2021	-	-

25 Post balance sheet event

During the post year-end period £500k of the cash held at the year-end was, as planned, invested within the COIF Charities Investment Fund, which meets the definition of a fixed asset investment. This will result in a decrease in Stoll's current assets by this amount.