

Company's registered number: 148636
Registered Charity number: 207939
Homes and Communities Agency number: A3418

SIR OSWALD STOLL FOUNDATION

**Consolidated financial statements
for the year ended**

31 March 2013

SIR OSWALD STOLL FOUNDATION

YEAR ENDED 31 March 2013

CONTENTS

PAGE

Trustees and advisers	1
Trustees' report	2 – 6
Statement of Trustees' responsibilities in respect of the accounts	7
Auditor's report	8 – 9
Consolidated income and expenditure account	10
Company income and expenditure account	11
Consolidated balance sheet	12
Company balance sheet	13
Notes to the accounts	14 – 30

SIR OSWALD STOLL FOUNDATION

YEAR ENDED 31 March 2013

TRUSTEES AND ADVISERS

President	Field Marshal Sir John Chapple GCB CBE DL (1 st to 30 th April 2012) General the Lord Walker of Aldringham GCB CMG CBE DL (1 st May 2012 onwards)
Trustees	Colonel Simon Chapman TD MB FFPM CDir (Chair) Patrick Aylmer FCA Colonel John Burgess Shaun Cooper FCMA Rollo Duckworth MSI Air Commodore Andy Fryer BA (Hons) RAF Diana Halliwell Dip COT MIHSM Gordon Hamilton MA FCA Diana Hodson BA (Hons) CIH Commander Clare Hughes RNR (Ret) John Tomalin Brigadier Christopher Wolverson OBE DL Jane Worsley BA (Econ) MCIH Gp Capt Karen Asbee
Registered office	446 Fulham Road London SW6 1DT
Bankers	National Westminster Bank Fulham Broadway London SW6 1AG
Auditor	Nexia Smith & Williamson Statutory Auditor Chartered Accountants 25 Moorgate London EC2R 6AY
Solicitors	Devonshires Solicitors 30 Finsbury Circus London EC2M 7DT
Company's registered number	148636
Registered charity number	207939
Homes and Communities Agency number	A3418

SIR OSWALD STOLL FOUNDATION

YEAR ENDED 31 March 2013 TRUSTEES REPORT

The Board of Trustees has pleasure in presenting its report and the consolidated financial statements of the Sir Oswald Stoll Foundation for the year ended 31 March 2013.

Public Benefit disclosures

During the year ended 31 March 2013, the Company continued to undertake activities necessary to meet its objectives, which relate to the provision and management of housing and support for the benefit of vulnerable and disabled former members of Her Majesty's Armed Forces, or their dependents.

The Trustees have complied with their duty to have regard to the Charity Commission's guidance on the provision of public benefit.

Objectives and Principal Activities

The Foundation is a charitable company and registered provider of social housing established to provide housing and support primarily to vulnerable and disabled ex-Servicemen and women. Its principal activity therefore is the provision and management of housing and the accompanying support services to enable tenants and other Veterans in the wider community to live independently. The governing instrument is the Memorandum and Articles of Association (last reviewed 16th September 2010).

The Foundation's housing comprises an estate of 157 homes and communal facilities in Fulham, a small development of 4 specially adapted houses nearby, a supported housing scheme of 6 units at Ducane Road in North Hammersmith, 20 homes at Banstead Court (formerly Westway Beacons) and 36 homes managed on behalf of its subsidiary charity the Chiswick War Memorial Homes for whom the Sir Oswald Stoll Foundation acts as sole Trustee. The comprehensive support services it provides to Veterans living in its tenancies are partially funded under the Supporting People arrangements, although this will stop at the end of the year. These support services enable the Foundation to successfully sustain tenants with increasingly complex problems living independently in the communities we support. This service has been enhanced by the positive working relations that the team has built with locally provided health and social services and was awarded five 'A' grades in its statutory audit during the year, the highest possible score achievable.

In March 2013 we started construction of 36 new homes in Hounslow, west London. The scheme provides 29 units of single accommodation, four family units and three bespoke disability units. The total construction costs will be £7.61 million and will open in July 2014.

The Foundation also operates a number of community services. These include an outreach support service for vulnerable and disabled ex-Service personnel, offering the same support service that is offered to residents, but to Veterans living in the community. Stoll also hosts a monthly drop-in for Veterans and Veterans organisations from across London to come together and network and offer a wide variety of support services to an average of 25 Veterans at each session. The Foundation offers a broad range of health and wellbeing activities, providing training, confidence-building and opportunities to grow social networks to 240 different Veterans and their dependents during the year, with over 8,000 attendances to 60 different activities. We have also made our pilot Veterans' Nomination Scheme into a permanent service, offering accommodation in mainstream Housing Associations for Veterans ready to live independently in the community. By the end of the year we had over 50 tenancies available to the Scheme with many more in the offing.

SIR OSWALD STOLL FOUNDATION

YEAR ENDED 31 March 2013

2012/13 saw the continued successful delivery of our three-year strategy (2012-2015) which gave rise to five strategic objectives:

- 1.) Refine Stoll's offer and grow our housing and support services
- 2.) Develop more stable funding which enables us to meet strategic objectives
- 3.) Deliver excellent services that promote independence amongst tenants
- 4.) Increase recognition of Stoll amongst key stakeholder groups
- 5.) Deliver excellent corporate functions

Over the year the Foundation has pursued its objectives through a Business Plan, and as a result it has achieved its principal objectives, whilst retaining adequate resources to ensure that it continues to achieve and maintain its high standards in the future. Trustees review this Plan each year to ensure the agreed strategies continue to meet objectives, amend these where appropriate, and add new strategies to meet the changing needs of the Foundation's client group.

Highlights of the year's performance included:

- Developing the London Veterans Drop-in so it became a permanent fixture on the Veterans landscape in London.
- Starting construction on a new 36-unit development in west London
- Rolling out the pilot Veterans Nominations Scheme on a national basis.
- Agreeing and implemented a new rent policy
- Launching a new-look representative body for residents, the Residents Panel.
- Agreeing and started to implement an 11-year rolling maintenance programme for all our properties.
- Moving to place a full-time member of staff at our Chiswick project and a permanent three-day worker at our Chiswick project, reinforcing our support team at our main site, Sir Oswald Stoll Mansions.
- Overhauling our emergency planning and on-call systems.
- Carrying out an exercise to iterate our brand.
- Being appointed to the Executive Board of the umbrella body for Veterans, COBSEO.
- Developed a new financial reporting structure.
- Initiating a full-time Reception function.

Reserves Policy

The Board has agreed that cash reserves should be equal to at least three months operating costs. The Board has agreed that these reserves should continue to be built up over the next few years towards six months reserves. The Board will review the Reserves Policy annually.

Investment Policy

The Foundation's Investment Policy is reviewed annually by the Board, as is the performance of any investment advisers.

Employees

It is the policy of the Foundation to give fair consideration to the employment needs of people with disabilities and to comply with current legislation and good practice in this respect. The Foundation's offices are accessible to wheelchair users, as are all the buildings on its estate.

The Foundation operates a policy of positive promotion of employment opportunities for job applicants and existing staff. It is also policy to advertise all vacancies through multiple channels that target Veterans.

SIR OSWALD STOLL FOUNDATION

YEAR ENDED 31 March 2013

Review of the Foundation's Finances

Trustees and staff have continued to review the Foundation's financial strengths and weaknesses and implement changes to improve the management of the Foundation's existing and future finances. The results of this review are fed in to the business planning process and in February 2013 a revised Business Plan was agreed.

Code of Governance

Trustees have reviewed the National Housing Federation's (NHF) Code of Governance (revised 2009) and concluded that the Foundation complied with this in all respects. However, Trustees committed to adopting the new model rules produced by the NHF for charitable housing companies and with the advice of its Solicitors and the approval of the then Tenant Services Authority, these rules were adopted by the Foundation in September 2011. Following this, Trustees also brought in line its Governance Procedures with the new rules.

Internal Controls

The Board acknowledge their ultimate responsibility for ensuring that the Foundation 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 the Foundation or for publication;
- the maintenance of proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation; 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 the Foundation'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 management, 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 the Foundation. The Board has established a 3-year internal, rolling audit plan and the Internal Auditor reports regularly to the Board in accordance with the requirements of this plan. Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.
- A comprehensive process of annual business planning for the organisation and each department cascading performance reporting from an organisational level reviewed by the Trustees, Trustee

SIR OSWALD STOLL FOUNDATION

YEAR ENDED 31 March 2013

Committees and the Senior Management Team, to departmental and individual levels for review by supervision and appraisal.

Internal Controls

The Trustees have reviewed the effectiveness of the system of internal control in existence in the Foundation for the year ended 31 March 2013 and until 5 September 2013. The Trustees concluded that no weaknesses were found 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.

Trustees

The Trustees during the year, who are all members of the company, were: -

Colonel Simon Chapman TD MB FFPM CDir (Chairman)
Patrick Aylmer FCA
Colonel John Burgess
Shaun Cooper FCMA
Rollo Duckworth MSI
Air Commodore Andy Fryer BA (Hons) RAF
Diana Halliwell Dip COT MIHSM
Gordon Hamilton MA FCA
Diana Hodson BA (Hons) CIH
Commander Clare Hughes RNR (Ret)
John Tomalin
Brigadier Christopher Wolverson OBE DL
Jane Worsley BA (Econ) MCIH
Wing Commander Ken Petrie RAF (resigned 15th November 2012)
Gp Capt Karen Asbee (appointed 15th November 2012)

The Foundation has established a policy and procedure for the recruitment and appointment of Trustees, which sets out a process that firstly identifies the skills, experience and expertise required on the Board and allows an assessment of what gaps need to be covered whenever a vacancy occurs. Potential candidates are then identified using the criteria established from this process. An appointment is made only after the potential Trustee visits the Foundation. They are then interviewed by the Chair and a recommendation made to the Board. In most cases potential Trustees are requested to first serve on a committee to the Board before being elected as a Trustee.

Value for Money

Stoll ensures effective value for money and scrutiny of our financial activities in a number of ways. These include:

- Rolling quarterly meetings of Officers to explore cost savings and review expenditure
- Financial Procedures that guarantee best practice around procurement, including competitive bids for any service or good with a value of over £100
- Management of contractors through an Approved Contractor list which establishes fixed costs for all activity.
- Monthly reviews of expenditure by Stoll's management team.
- Quarterly reviews of expenditure by Stoll's management Team, Stoll's Finance Committee and Stoll's Trustee Board. These quarterly reviews are broken down by service and enable review of every single line of expenditure within the organisation, measuring variances of actual expenditure against projected expenditure.

SIR OSWALD STOLL FOUNDATION

YEAR ENDED 31 March 2013

- An Asset Management Working Group to ensure maximisation of income through our assets through areas such as renting of communal space and advertising.
- Annual, rolling internal audit activity which covers value for money
- Use of a Key Performance Indicator around savings against the expenditure budget which is reviewed by the management team and Trustees
- Benchmarking of salaries against industry standards
- Publication of an Impact Report and Annual Report and Accounts that clearly illustrate return on assets against the specific objectives of the organisation

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 the group's auditors were unaware; and
- that trustee had taken all steps that the director ought to have taken as a trustee to make himself or herself aware of any relevant audit information and to establish that the group'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 Nexia Smith & Williamson acted as External Auditor to the Foundation and a resolution to re-appoint them will be put to the Annual General Meeting.

Approved by the Board on 5th September 2013

Signed on behalf of the Board by:



SIMON CHAPMAN
CHAIR

Registered office:
446 Fulham Road
London SW6 1DT

SIR OSWALD STOLL FOUNDATION

YEAR ENDED 31 March 2013

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 2012. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SIR OSWALD STOLL FOUNDATION

We have audited the financial statements of Sir Oswald Stoll Foundation for the year ended 31 March 2013 which comprise the Group and Company Income and Expenditure Account, the Group and Company Balance Sheets and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the charitable company's Trustees, as a body, in accordance with Section 43 and Schedule 5A of the Charities Act 2011 and regulations made under Section 44 and Schedule 5A of that Act. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and Section 43 and Schedule 5A of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 March 2013 and of their income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011; and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing 2012.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SIR OSWALD STOLL FOUNDATION (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Act 2011 and The Accounting Direction for Private Registered Providers of Social Housing 2012 require us to report to you if, in our opinion:

- the company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Nexia Smith & Williamson

Jonathan Pryor
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 27 September 2013

SIR OSWALD STOLL FOUNDATION

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2013

	Notes	2013	2012
		£	£
Turnover	2	2,615,898	2,179,391
Operating costs			
Social housing property management costs	2a / 2b	(1,594,895)	(1,252,371)
Cost of other social housing activities	2a	(549,717)	(448,737)
Cost of other activities	2a	(48,065)	(99,880)
Operating surplus	8	423,221	378,403
Interest receivable and similar income	6	26,739	29,951
Interest payable and similar charges	7	(110,429)	(104,545)
Surplus for the year	16	339,531	303,809

All of the group's operations are classed as continuing.

There were no recognised gains or losses other than those reported above.

SIR OSWALD STOLL FOUNDATION

COMPANY INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2013

	Notes	2013 £	2012 £
Turnover	2	2,353,253	1,951,315
Operating costs			
Social housing property management costs	2	(1,401,474)	(1,084,555)
Cost of other social housing activities	2	(592,993)	(503,535)
Cost of other activities	2	(48,065)	(99,880)
		<hr/>	<hr/>
Operating surplus	8	310,721	263,345
Interest receivable and similar income	6	68,264	70,616
Interest payable and similar charges	7	(102,311)	(95,921)
		<hr/>	<hr/>
Surplus for the year	16	276,674	238,040
		<hr/>	<hr/>

All of the company's operations are classed as continuing.


There were no recognised gains or losses other than those reported above.

SIR OSWALD STOLL FOUNDATION

CONSOLIDATED BALANCE SHEET as at 31 March 2013

	Notes	2013	2012
		£	£
Fixed assets			
Tangible fixed assets – Housing Properties less depreciation	9	23,247,841	21,108,986
Social Housing Grant and other grant	9	(17,479,047)	(16,248,449)
		<u>5,768,794</u>	<u>4,860,537</u>
Other land and buildings	10	225,463	233,009
Tangible fixed assets – Other	10	26,087	40,682
Investments	11	34,160	34,160
		<u>6,054,504</u>	<u>5,168,388</u>
Current assets			
Debtors	12	60,862	54,228
Cash at bank and in hand			
- held for development		1,210,774	2,200,000
- other		1,105,857	450,542
		<u>2,377,493</u>	<u>2,704,770</u>
Creditors: amounts falling due within one year	13	(721,724)	(370,734)
		<u>1,655,769</u>	<u>2,334,036</u>
Net current assets			
		<u>7,710,273</u>	<u>7,502,424</u>
Total assets less current liabilities			
		<u>3,011,214</u>	<u>3,142,896</u>
Creditors: falling due after more than one year	14		
Reserves			
Unrestricted reserves	16		
- invested in housing properties		2,646,040	1,615,691
- development reserve		1,210,774	2,200,000
- un-designated		825,044	526,636
Investment revaluation reserve	17	14,160	14,160
Endowment reserve	18	3,041	3,041
		<u>7,710,273</u>	<u>7,502,424</u>

The accounts were approved and authorised for issue by the Board of Trustees on 5 September 2013 and were signed on its behalf by:



 Colonel Simon Chapman
 Trustee

SIR OSWALD STOLL FOUNDATION

COMPANY BALANCE SHEET as at 31 March 2013

		2013	2012
	Notes	£	£
Fixed assets			
Tangible fixed assets – Housing Properties less depreciation	9	16,012,215	13,856,922
Social Housing Grant and other grant	9	(12,658,811)	(11,428,213)
		3,353,404	2,428,709
Other land and buildings	10	225,463	233,009
Other tangible assets	10	26,087	40,682
Investments	11	34,160	34,160
		3,639,114	2,736,560
Current assets			
Debtors	12	1,393,913	1,470,775
Cash at bank and in hand			
- held for development		1,210,774	2,200,000
- other		1,079,606	420,359
		3,684,293	4,091,134
Creditors: amounts falling due within one year	13	(699,998)	(355,591)
Net current assets		2,984,295	3,735,543
Total assets less current liabilities		6,623,409	6,472,103
Creditors: falling due after more than one year	14	2,940,613	3,065,981
Reserves			
Unrestricted reserve	16		
- invested in housing properties		1,643,556	503,392
- development		1,210,774	2,200,000
- un-designated		814,306	688,570
Investment revaluation reserve	17	14,160	14,160
		6,623,409	6,472,103

The accounts were approved and authorised for issue by the Board of Trustees on 5 September 2013 and were signed on its behalf by:



 Colonel Simon Chapman

 Trustee

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013

1 Accounting policies

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). A summary of the more important accounting policies adopted are described below.

Basis of accounting

The accounts have been prepared under the historical cost convention. The financial statements comply with applicable accounting standards, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2012 and the Statement of Recommended Practice – Accounting by registered social housing providers – Update 2010” (“the 2010 SORP”).

Basis of consolidation

The group accounts consolidate the accounts of Sir Oswald Stoll Foundation and its subsidiary undertaking, Chiswick War Memorial Homes drawn up to 31 March each year, under the acquisition method. Chiswick War Memorial Homes is a subsidiary as the Foundation is its sole trustee and the two entities are managed on a unified basis.

Turnover

Turnover comprises rental and service charge income, revenue grants (including Aids and Adaptations 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 the Foundation becomes entitled to them, there is certainty over their receipt and they can be measured reliably.

Supporting People

Supporting People receipts from block subsidy contracts are treated as “Supporting People contract income” within turnover in the Income and Expenditure account and are recognised when receivable.

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

1 Accounting policies (continued)

Social Housing Grant and other grant

Where developments have been financed wholly or partly by Social Housing Grant or other grant the cost of those developments has been reduced by the amount of the grant received. This contravenes the Companies Act 2006, but is necessary to show a true and fair view. In the unlikely event of selling a housing property SHG is likely to become repayable.

SHG can be recycled under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes and Communities Agency.

Housing property

Housing properties are stated at cost less SHG less depreciation and less provision for any diminution in value.

For the purposes of the estimation of depreciation, the cost of housing properties is analysed into components and the cost of each component, less attributable SHG, is depreciated over its estimated useful economic life as follows:

Component	Life
Kitchen	20 years
Bathroom	25 years
Electrical heating	20 years
Electrical main	20 years
Hot water cylinders	20 years
Boilers	15 years
Lifts	25 years
Flat roof	25 years
Traditional roof	60 years
Structure	100 years

Land is not depreciated. SHG is attributed firstly to land and structure, with any excess being attributed to components.

Expenditure on components

Expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in an increase in the net income is capitalised. Any other expenditure incurred in respect of repairs is charged to the Income and Expenditure account.

Commercial property

Because this is an integral part of the estate, the cost of its construction is being depreciated over fifty years and SSAP 19 (investment properties) is not applied.

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

1 Accounting policies (continued)

Other fixed assets

These are stated at cost and are depreciated on the straight line basis as follows:

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

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

Impairment

All properties are considered for impairment annually and detailed reviews of assets for impairment are carried out if there is an indication that impairment has occurred. Impairments that are the result of a major reduction in the service potential of a property are recognised in the Income and Expenditure account.

Investments

The investments held at the year end were re-valued in November 1999 by Christie's to the current value of £34,160. The valuation has not been updated following the introduction of Financial Reporting Standard 15 "Tangible Fixed Assets" as the transitional provisions of the standard have been applied.

Pension costs

The Foundation operates a defined benefit contributory pension scheme, which is administered independently by the Pensions Trust. The expected cost of providing pensions is calculated from actuarial advice. It is not possible to separately identify the underlying assets and liabilities belonging to the Foundation therefore for accounting purposes the pension is treated as a defined contribution scheme and costs are charged to the Income and Expenditure account as they are incurred.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Unrestricted general funds

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

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

The Foundation 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.

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

2 a) Particulars of turnover, operating costs and operating (deficit)/surplus

GROUP			31 March 2013 Operating (deficit)/ surplus £	31 March 2012 Operating (deficit)/ surplus £
	Turnover £	Operating costs £		
Income and expenditure from lettings (note 2b)	1,683,741	(1,594,895)	88,846	308,222
Other social housing activities:				
Management fees	19,420	(15,536)	3,884	3,655
Supporting people	83,312	(151,082)	(67,770)	(56,373)
Activities funded by donations and grants	679,828	(383,099)	296,729	72,069
Non-social housing activities:				
Commercial property	92,514	(6,690)	85,824	81,136
Activities funded by donations and grants	57,083	(41,375)	15,708	(30,306)
Total	2,615,898	(2,192,677)	423,221	378,403

COMPANY

Income and expenditure from lettings (note 2b)	1,381,198	(1,401,474)	(20,276)	196,318
Other social housing activities:				
Management fees	98,344	(78,675)	19,669	20,574
Supporting people	83,312	(151,082)	(67,770)	(56,373)
Activities funded by donations and grants	640,802	(363,236)	277,566	51,996
Non-social housing activities:				
Commercial property	92,514	(6,690)	85,824	81,136
Activities funded by donations and grants	57,083	(41,375)	15,708	(30,306)
Total	2,353,253	(2,042,532)	310,721	263,345

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

2 b) Particulars of income and expenditure from lettings

GROUP	2013	2012
	£	£
Turnover		
Rents receivable net of service charges and voids	1,155,095	1,083,019
Service income	480,936	453,248
Other income	47,710	24,326
	<hr/>	<hr/>
Net rental income	1,683,741	1,560,593
Other revenue grants and donations	-	-
	<hr/>	<hr/>
Turnover from social housing lettings	1,683,741	1,560,593
	<hr/>	<hr/>
Expenditure on letting activities		
Services	(171,698)	(187,735)
Management	(853,249)	(668,431)
Routine maintenance	(111,244)	(145,939)
Planned maintenance	(302,984)	(91,993)
Bad debt expense	(20,190)	(25,629)
Depreciation of housing properties	(135,530)	(132,644)
	<hr/>	<hr/>
Total expenditure on lettings	(1,594,895)	(1,252,371)
	<hr/>	<hr/>
Operating surplus on letting activities	88,846	308,222
	<hr/>	<hr/>
Net rental income is stated after losses from voids of	13,425	22,826
	<hr/>	<hr/>

The social housing activities predominantly relate to supported housing / housing for older people.

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

2 b) Particulars of income and expenditure from lettings (continued)

COMPANY	2013	2012
	£	£
Turnover		
Rents receivable net of service charges and voids	927,625	861,911
Services income	405,863	394,636
Other income	47,710	24,326
	<hr/>	<hr/>
Net rental income	1,381,198	1,280,873
Other revenue grants and donations	-	-
	<hr/>	<hr/>
Turnover from social housing lettings	1,381,198	1,280,873
	<hr/>	<hr/>
Expenditure on letting activities		
Services	(154,972)	(173,739)
Management	(741,447)	(577,332)
Routine maintenance	(89,235)	(124,079)
Planned maintenance	(302,984)	(91,994)
Bad debt expense	(18,744)	(26,185)
Depreciation of housing properties	(94,092)	(91,226)
	<hr/>	<hr/>
Total expenditure on lettings	1,401,474	(1,084,555)
	<hr/>	<hr/>
Operating surplus on letting activities	(20,276)	196,318
	<hr/>	<hr/>
Losses from voids	12,934	17,169
	<hr/>	<hr/>

The social housing activities predominantly relate to housing and support to vulnerable and disabled ex – Servicemen and women.

3	Analysis of accommodation	2013 No.	2012 No.
	Units in management as at 31 March 2013		
	Supported housing / housing for older people	219	219
	General needs	4	4
		<hr/>	<hr/>
		223	223
		<hr/>	<hr/>

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

4 Trustees' emoluments

Under Regulations made under Housing Law, the directors are defined as the Trustees of the Board and the Chief Executive. Excluding the Chief Executive and the Company Secretary, none of the Trustees received any emoluments (2012: £nil).

	2013 £	2012 £
Total expenses reimbursed	757	1,301
The total emoluments including pension and benefits in kind of the Chief Executive (2012: Chief Executives)	85,839	119,142
Emoluments excluding pension contribution	79,638	104,695

During the previous year, the Company had two chief executives for three months of the year. Both Chief Executives were ordinary members of the pension scheme. The chief executive was the only member of staff who earned over £60,000 during the year, including salaries and bonuses but excluding pension contributions. His salary fell within the band £70,000- £80,000.

5 Employee information

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

	2013 Number	2012 Number
Administration	7	7
Housing	7	7
Support	10	10
	24	24
Staff costs for the above persons were:		
Wages and salaries	701,728	669,742
Social security costs	64,912	62,394
Other pension costs	47,601	44,705
	814,241	776,841

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

6	Interest receivable	2013	2012
		£	£
	GROUP		
	Bank interest	26,739	29,951
		<hr/>	<hr/>
	COMPANY		
	Bank interest	26,739	29,951
	Interest receivable from subsidiary undertaking	41,525	40,665
		<hr/>	<hr/>
		68,264	70,616
		<hr/>	<hr/>
7	Interest payable and similar charges	2013	2012
		£	£
	GROUP		
	Bank loans	122,679	104,545
	Less: amounts capitalised	(12,250)	-
		<hr/>	<hr/>
		110,429	104,545
		<hr/>	<hr/>
	COMPANY		
	Bank loans	114,561	95,921
	Less: amount capitalised	(12,250)	-
		<hr/>	<hr/>
		102,311	95,921
		<hr/>	<hr/>

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

8	Operating surplus is stated after charging:	2013	2012
		£	£
	GROUP		
	Depreciation		
	- housing properties	135,530	132,644
	- other assets	22,141	22,143
	Auditor's remuneration (excluding VAT)		
	- in respect of the audit	12,140	10,334
	- other services	1,387	1,333
	Operating lease rentals		
	- plant and machinery	9,960	9,477
	- land and buildings	17,069	17,069
		<hr/>	<hr/>
	Operating surplus is stated after charging:	2013	2012
		£	£
	COMPANY		
	Depreciation		
	- housing properties	94,092	91,226
	- other assets	22,141	22,143
	Auditor's remuneration (excluding VAT)		
	- in respect of the audit	7,512	6,626
	- other services	815	875
	Operating lease rentals		
	- plant and machinery	9,960	9,477
	- land and buildings	17,069	17,069
		<hr/>	<hr/>

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

9

Tangible fixed assets – Housing properties

GROUP	Completed £	Under construction £	Leasehold properties £	Total £
Cost				
1 April 2012	21,137,670	-	1,119,841	22,257,511
Additions – property acquisition and development	25,000	2,239,227	-	2,264,227
Additions - replacement components	59,409	-	-	59,409
Disposals	(64,058)	-	-	(64,058)
31 March 2013	21,158,021	2,239,227	1,119,841	24,517,089
SHG and Other Grant				
1 April 2012	(16,248,449)	-	-	(16,248,449)
Received during the year	-	(1,250,000)	-	(1,250,000)
Disposal	19,402	-	-	19,402
31 March 2013	(16,229,047)	(1,250,000)	-	(17,479,047)
Depreciation				
1 April 2012	(1,003,449)	-	(145,076)	(1,148,525)
Charge	(109,904)	-	(25,626)	(135,530)
Disposals	14,807	-	-	14,807
31 March 2013	(1,098,546)	-	(170,702)	(1,269,248)
Net book value				
31 March 2013	3,830,428	989,227	949,139	5,768,794
31 March 2012	3,885,772	-	974,765	4,860,537

The total expenditure in the year on works to existing properties was £495,645 (2012: £416,239).

Interest of £12,250 (2012: £nil) and overhead costs of £nil (2012: £nil) were capitalised in the year.

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

9

Tangible fixed assets – Housing properties

Company	Completed £	Under construction £	Leasehold properties £	Total £
Cost				
1 April 2012	13,653,840	-	1,119,841	14,773,681
Additions –property acquisition and development	-	2,239,227	-	2,239,227
Additions - replacement components	59,409	-	-	59,409
Disposals	(64,058)	-	-	(64,058)
31 March 2013	13,649,191	2,239,227	1,119,841	17,008,259
SHG and Other Grant				
1 April 2012	(11,428,213)	-	-	(11,428,213)
Received during the year	-	(1,250,000)	-	(1,250,000)
Disposals	19,402	-	-	19,402
31 March 2013	(11,408,811)	(1,250,000)	-	(12,658,811)
Depreciation				
1 April 2012 (restated)	(771,683)	-	(145,076)	(916,759)
Charge	(68,466)	-	(25,626)	(94,092)
Disposals	14,807	-	-	14,807
31 March 2013	(825,342)	-	(170,702)	(996,044)
Net book value				
31 March 2013	1,415,038	989,227	949,139	3,353,404
31 March 2012	1,453,944	-	974,765	2,428,709

The total expenditure in the year on works to existing properties was £473,636 (2012: £394,380).

Interest of £12,250 (2012: £nil) and overhead costs of £nil (2012: £nil) were capitalised in the year.

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

10 Tangible fixed assets – Other

GROUP AND COMPANY	Freehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
Cost				
1 April 2012	377,375	183,100	45,975	606,450
Additions	-	-	-	-
31 March 2013	377,375	183,100	45,975	606,450
Depreciation				
1 April 2012	(144,366)	(176,899)	(11,494)	(332,759)
Charge	(7,546)	(3,101)	(11,494)	(22,141)
31 March 2013	(151,912)	(180,000)	(22,988)	(354,900)
Net book value				
31 March 2013	225,463	3,100	22,987	251,550
31 March 2012	233,009	6,201	34,481	273,691

11 Fixed asset investment	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Other investments – Book of paintings	34,160	34,160	34,160	34,160

The book of paintings was donated in 1919 and re-valued by Christies in November 1999. The previously recognised deemed cost was £20,000 (2012 - £20,000).

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

12 Debtors	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Arrears of rent and service charge	103,647	84,560	97,236	77,050
Less provision for bad and doubtful debts	(86,340)	(65,042)	(82,868)	(63,016)
	<hr/>	<hr/>	<hr/>	<hr/>
Net rental arrears	17,307	19,518	14,368	14,034
Amounts owed by Chiswick War Memorial Homes	-	-	1,335,990	1,422,031
Other debtors	43,555	34,710	43,555	34,710
	<hr/>	<hr/>	<hr/>	<hr/>
	60,862	54,228	1,393,913	1,470,775
	<hr/>	<hr/>	<hr/>	<hr/>

13 Creditors: amounts falling due within one year

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Bank borrowings (note 15)	111,540	101,950	105,225	96,189
Rents received in advance	37,953	32,650	29,986	28,775
Trade creditors	335,298	20,307	335,298	16,300
Other taxes and social security costs	21,930	5,374	21,930	5,374
Accruals and deferred income	215,003	210,453	207,559	208,953
	<hr/>	<hr/>	<hr/>	<hr/>
	721,724	370,734	699,998	355,591
	<hr/>	<hr/>	<hr/>	<hr/>

14 Creditors: amounts falling due after more than one year

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Bank borrowings (note 15)	3,011,214	3,142,896	2,940,613	3,065,981
	<hr/>	<hr/>	<hr/>	<hr/>

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

15 Borrowings

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank borrowings are repayable as follows:				
Due within one year	111,540	101,950	105,225	96,189
Between one and two years	114,025	106,058	107,103	99,743
Between two to five years	245,695	336,075	220,669	313,246
Over five years	2,651,494	2,700,763	2,612,841	2,652,992
	<hr/>	<hr/>	<hr/>	<hr/>
Total housing loans	3,122,754	3,244,846	3,045,838	3,162,170
Less: repayable within one year	(111,540)	(101,950)	(105,225)	(96,189)
	<hr/>	<hr/>	<hr/>	<hr/>
Housing loans falling due after more than one year	3,011,214	3,142,896	2,940,613	3,065,981
	<hr/>	<hr/>	<hr/>	<hr/>

Loans from Orchardbrook/RBS and Nationwide are secured by specific charges on the Group's housing properties, with interest being charged at rates of 9.375% - 11.500% and LIBOR plus 1.00% respectively. The life of each loan varies from 30 to 60 years.

16 Unrestricted – Income and expenditure reserve

	Group	Company
	£	£
Income and expenditure		
As at 1 April 2012	4,342,327	3,391,962
Surplus for the year	339,531	276,674
	<hr/>	<hr/>
As at 31 March 2013	4,681,858	3,668,636
	<hr/>	<hr/>
Total reserves		
As at 31 March 2012	4,342,327	3,391,962
	<hr/>	<hr/>
Analysed as:		
Invested in housing properties	2,646,040	1,643,556
Development reserve	1,210,774	1,210,774
Un-designated	825,044	814,306
	<hr/>	<hr/>
	4,681,858	3,668,636
	<hr/>	<hr/>

The amount invested in housing properties is the net book value of the housing properties, less housing loans secured on those properties (plus, for the company, the amount lent to the subsidiary which is used to fund the subsidiary's housing properties).

The development reserve represents cash held for future housing property developments.

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

17 Investment revaluation reserve

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
At 1 April and at 31 March	14,160	14,160	14,160	14,160

18 Endowment reserve

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
At 1 April and at 31 March	3,041	3,041	-	-

19 Operating lease commitments

At 31 March 2013 the group and company had annual commitments under operating leases as follows:

	2013		2012	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Leases which expire:				
Between two and five years	-	9,960	17,069	9,771
After five years	17,069	-	-	-

20 Capital commitments

Group

At the year end, the Group had capital commitments of £4,848,867 (value of SOSF work unpaid for at the year end) (2012: £nil) contracted for but not accrued in these financial statements.

Company

The company had capital commitments of £4,848,867 (as above) at 31 March 2013 (2012: £nil).

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

21 **Related party transactions**

There were no related party transactions during the year.

22 **Pensions**

The Sir Oswald Stoll Foundation participates in the Social Housing Pension Scheme (SHPS). SHPS is a multi-employer defined benefit scheme. The Scheme operated two benefit structures, final salary and career average revalued earnings (CARE), with a 1/60th accrual rate. The Sir Oswald Stoll Foundation paid employer contributions at the rate of 10.2% and 13.8% (2012: 10.2% and 13.8%) during the year, with member contributions varying between 4.7% and 8% (2012: 4.7% and 8%) depending on their age at the date of joining the Scheme.

As at the balance sheet date there were 8 (2012: 8) active members of the Scheme employed by The Foundation. The annual pensionable payroll in respect of these members was £274,988 (2012: £227,076). The Foundation continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from total scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67.0%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2012. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The market value of the Scheme's assets at the date of the Actuarial Report was £2,327 million. The Actuarial Report revealed a shortfall of assets compared with the value of liabilities of £1,241 million, equivalent to a past service funding level of 65%.

The shortfall is funded by the payment by each participating employer of additional contributions.

23 **Members**

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

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2013 (continued)

24 Royal British Legion

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Grant received during the year	1,250,000	-	1,250,000	-
	<hr/>	<hr/>	<hr/>	<hr/>

The grant was used to purchase land at 537A Staines Road, Feltham to build 36 units to house ex service men and women.