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

**SIR OSWALD STOLL FOUNDATION**  
**Report and financial statements for the year ended 31 March 2019**

## **SIR OSWALD STOLL FOUNDATION**

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## **SIR OSWALD STOLL FOUNDATION**

### **TRUSTEES AND ADVISERS**

<b>President</b>	Field Marshall Lord Walker of Aldringham GCB CMG CBE DL
<b>Trustees</b>	Shaun Cooper FCMA (Chair of Finance Committee) Air Commodore Andy Fryer BA (Hons) RAF (Resigned 29/11/18) Patrick Aylmer FCA (Resigned 29/11/18) Gordon Hamilton MA FCA (Resigned 29/11/18) Diana Hodson BA (Hons) CIH Commander Clare Hughes RNR (Ret) John Tomalin (Resigned 29/11/18) Simon Philips Uta Hope Brigadier David Godsall MBE DL (Resigned 14/06/18) Roger Shrimplin George Thornton Timothy David Rossington (ACMA,CB) Air Vice Marshal Raymond Lock CBE (Chair) Kathrine Russell (Appointed 29/11/18)
<b>Chief Executive Officer</b>	Ed Tytherleigh
<b>Company Secretary</b>	Ed Tytherleigh
<b>Registered office</b>	The Sir Oswald Stoll Mansions 446 Fulham Road London SW6 1DT
<b>Bankers</b>	National Westminster Bank Fulham Broadway London SW6 1AG
<b>Auditor</b>	Kreston Reeves LLP Statutory Auditor Chartered Accountants Springfield House, Springfield Road Horsham, West Sussex RH12 2RG
<b>Solicitors</b>	Trowers & Hamblins LLP 3 Bunhill Row London EC1Y 8YZ
<b>Company's registered number</b>	148636
<b>Registered charity number</b>	207939
<b>Homes and Communities Agency number</b>	A3418

**SIR OSWALD STOLL FOUNDATION  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

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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 2019.

**Public Benefit disclosures**

During the year ended 31 March 2019, Stoll continued to undertake activities necessary to meet its charitable objectives, which relate to the provision and management of housing and support for the benefit of disabled and vulnerable former members of Her Majesty's Armed Forces, or their dependants.

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**

Stoll 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 13th November 2014).

Stoll runs 287 supported housing units delivered in schemes found within London and the South East. We have 157 homes and communal facilities in Fulham, four further townhouses in Fulham, 20 homes at Banstead Court (formerly Westway Beacons) in Acton, 36 homes in Chiswick (Chiswick War Memorial Homes) and 36 supported housing units in Hounslow called Countess of Wessex House. During the financial year 2018/19, we also opened 36 new homes in a scheme called Centenary Lodge in Aldershot. Centenary Lodge won the Inside Housing Award for Best Social Housing Development which was a wonderful accomplishment for the charity.

The comprehensive support services Stoll provides to Veterans living in its tenancies are funded solely through charitable donations. This is because all statutory funding was stopped in 2013 as part of austerity measures. Stoll makes only a small surplus from its rents due to an ongoing commitment to keep rents low enough that they do not provide any barrier to Veterans returning to work, so they are not out-of-pocket. At the same time, we remain committed to providing an exceptionally high level of service to tenants. This higher service includes frequent interaction from Housing Officers, free facilities such as wi-fi, IT suites, gyms, gardens and recreation facilities – as well as a higher standard of property for new lettings, including decoration and a deep clean. The support services we offer enable Stoll to house tenants with increasingly complex problems. This service has been enhanced by the many positive working relationships that the team has built with partners in the voluntary sector and NHS who enhance the offer that we can make to the more than 300 veterans we support every year in our properties.

Stoll also operates a number of community services. These include an outreach support service for vulnerable and Stoll operates a national resettlement service for Veterans ready to live independently without further support. The Veterans' Nomination Scheme brokers access to social housing for homeless Veterans and helps them to 'jump the queue' into general needs housing. We are now just shy of finding a home for 500 Veterans since the scheme was set up in 2012.

Stoll in addition offers a broad range of Health and Wellbeing activities, providing training, confidence-building and considerable wider benefits; last year there were over 11,000 attendees at a wellbeing activity by Veteran beneficiaries. These activities range from therapeutic activities that focus upon psychological wellbeing and mindfulness, to other activities that focus upon more social and physical outcomes to support the wider wellbeing of our Veterans. This work is supported by a Drug and Alcohol service provided by Addaction, mental health services provided by the NHS and a wide range of partners offering therapies and programmes from our various projects.

**The Refurbishment of Sir Oswald Stoll Mansions**

The year was somewhat overshadowed by the progression of the redevelopment of our main site in Fulham, Sir Oswald Stoll Mansions. In September 2017, Stoll signed a pre-contract agreement with Chelsea Football Club to build 104 new, state-of-the-art homes on 0.65 acres of the Sir Oswald Stoll Mansions site with the provision that, once the new build was completed, we would then sell the remainder of the land to the Football Club. Towards the end of the financial year 2017/18, we aligned ourselves to signing the contract by carrying out key activities such as a public consultation, ensuring that we had achieved 'best value' to comply with Charity Commission requirements around sale of an asset and delivering the design and plans for a significant refurbishment.



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In May 2018, we had drafted the contract and were about to sign the agreement for a substantial above-market fee when the project was unexpectedly put on hold by Chelsea Football Club. Through the process, Chelsea Football Club maintained payments in line with the agreement to cover the extra resource that Stoll was incurring to deliver the refurbishment, but these were stopped in September 2018. We started to decant properties at Sir Oswald Mansions in January 2018, which meant that by September 2018, we were left with 42 vacant properties at the Mansions and increased levels of expenditure to deliver the considerable change process that we anticipated would start at any time. This project suspension therefore resulted in our having to take cost reduction measures, including staff positions, going through to early 2019. Despite engagement with Chelsea Football Club, we were not able to cover all our costs and void losses following September 2019 and therefore had a shortfall of income from taking part in the refurbishment process of £337,000 – in addition to the opportunity cost of the organisational effort expended on such a large project.

### **Achievements and Performance**

During the year we drafted a twenty year strategy to deliver in the event of undertaking the redevelopment of Sir Oswald Stoll Mansions. This remains on hold and therefore all the significant work was done in line with our five-year strategy from 2015-2020 which we will review in the coming year depending upon how the redevelopment proceeds. In line with the five-year strategy we work towards four strategic objectives and our progress during the year has been listed under the four headings:

#### **1 Maximise the independence of our existing beneficiaries through the provision of excellent support and accommodation services.**

During the year Stoll:

- Completely overhauled the support planning process we use to administer and focus our support work for our residents and our outreach beneficiaries. This has brought a number of significant benefits, including a focus on achieving longer-term independence rather than solely resolving immediate challenges. It also allows us to deliver a much more empirical approach to measuring progress through using a score out of 10 for each of the six outcome areas.
- Developed a much stronger suite of policies and procedures for our housing work.
- Instituted a new role of Psychological Wellbeing Advisor in partnership with Help for Heroes.
- Trialled a new working partnership with Mears to overhaul our void properties

This resulted in the following impact upon our beneficiaries:

- 101 Veterans were prevented from becoming homeless
- 16 Veterans moved on from our own properties into independent living
- 13.5% of residents we worked with were more able to live independently
- 80% of residents we supported retained their independence
- 10,911 different wellbeing or vocational activities were attended.

We achieved the following performance as a landlord. Three main benchmarking sources have been used to compile this report:

- ☐ Smaller Providers Benchmarking (SPBM) – a national benchmarking group of 140 Housing Associations with up to 1,000 homes.
- ☐ A SPBM Supported Housing group of 21 supported housing providers who produce a separate benchmarking dataset and whom we meet with on a quarterly basis.
- ☐ Housemark – a national benchmarking database of over 400 housing providers of all sizes.

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KPI	Stoll 17/18	Stoll 18/19	Peer group (supported housing providers) 17/18	SPBM (140 smaller providers) 17/18	Housemark (over 400 providers) 17/18
Void turnaround time	47 days	73 days	47 days	24.85 days	28.35 days
Current tenant rent arrears	3.76%	2.97%	5.31%	4.71%	2.80%
Personal rent arrears (net of HB)	2.90%	2.56%	1.79%	1.54%	Not measured
Percentage of emergency repairs completed within target	100%	97.50%	98.30%	100%	N/A – no longer measured
Percentage of urgent repairs completed within target	96.30%	97.30%	95.90%	97.10%	N/A
Percentage of routine repairs completed within target	97.10%	96.30%	97.10%	96.80%	N/A
Satisfaction with the overall service provided by the landlord	N/A	87%	89%	92%	88%
Satisfaction with the repairs and maintenance service	N/A	72%	75%	80%	76%
Satisfaction with the most recent repair	100%	99%	97%	97%	96%

The reason for our high turnaround time for voids was because we left properties open in other schemes to facilitate a smoother decant from Sir Oswald Stoll Mansions.

## **2. Deliver increased levels of veteran-specific supported accommodation according to need**

During the year Stoll:

- Opened a very special 34-unit scheme of supported housing in Aldershot including disability-specific and family accommodation. The scheme went on to win the Inside Housing Award for Best Social Housing Development 2019.



- Progressed the redevelopment of Sir Oswald Stoll Mansions. As per the description above, this remains on hold and we await news as to whether it will progress. We are also exploring the option of working with other development partners with the possibility of redeveloping the site and realising some of the asset value through a joint venture with a private developer.
- Evolved out strategic work around developing Stoll's future housing offer whereby the intention is now to offer two different types of housing in the future: more temporary accommodation in studio flats for working age Veterans on short-term tenancies; coupled with longer-term accommodation options for veterans who will not return to the work place because of age, health issues or disability.

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

- We have maintained an Outreach service for wounded, injured and sick ex-Service-personnel within the M25 region supported by Help for Heroes.
- We also do considerable work with sub-groups within the Veterans population, such as those undergoing transition from the Armed Forces into 'civvy street' and specific services (i.e. the British Army, the Royal Air Force and the Royal Navy and Royal Marines).
- 62% of Outreach beneficiaries we worked with were more able to live independently as a result of our work in 2018/19.

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

Stoll has made a considerable impact through its effective policy work. Stoll co-chairs the Cobseo Housing Cluster with Haig Housing Trust. The Cluster is the umbrella body which brings together housing providers for Veterans from across the country and in March 2018 we launched a Call to Action at the House of Lords outlining three key policy objectives:

- i. The development of a more effective transition process from the military around housing;
- ii. The need for a more co-ordinated approach around how we respond and support homeless Veterans when they are in 'civvy street'
- iii. The need for more revenue funding and ringfencing of properties for homeless Veterans. We have continued to lobby key public figures within politics, the civil service and the broader Veterans sector.

This work has received considerable support and made a definite impact upon the profile of Veterans' homelessness in the United Kingdom. As a result, homelessness within the Veterans community is now reducing, against the tide of rising homelessness as a whole throughout the country. The most eye-catching win of this policy work has been a change we achieved in the annual returns that Local Authorities have to submit to central Government around their homelessness work. All Local Authorities now need to identify the number of Veteran households they have worked with, thereby ensuring they identify Veterans coming through their services. Our policy work resulted in the Cobseo Housing Cluster winning the Forces in Mind Trust 'Working Together Award' at the Soldiering On Awards in April 2018.

Stoll's Veterans' Nomination Scheme has continued to make a significant dent in Veterans' homelessness in the United Kingdom. The Scheme set up 79 new tenancies during 2018/19.

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**Corporate Services**

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

- Recruited a new Chair of Trustees.
- Renamed our Development Committee the Property and Development Committee delegating authority to lead on asset review as well as new redevelopments.
- Developed individual wellbeing plans for all staff.
- Appointed a Facilities Officer to oversee IT and all office functions.
- Started using Purchase Orders for all significant transactions.
- Restructured our 5-person fundraising team to ensure a greater focus on grants and foundations, delegating major donor work to the Head of Fundraising and Chief Executive.
- Reviewed our individual giving database and started a much more consistent individual giving programme and newsletter.

**Future Plans for the Charity**

With the redevelopment of Sir Oswald Stoll Mansions on hold, the focus in 2019/20 is ensuring that our operations continue to be effective and that we provide the platform for strategic work in the future once we understand whether we will be working with Chelsea Football Club or a different partner on the redevelopment of Sir Oswald Stoll Mansions. We will launch a new strategy in 2019/20, but until then the focus of our work includes the following initiatives:

1. Develop an independence strategy to align the organisation on ensuring that more residents move through our properties. This would mean helping more Veterans in the long term, as well as helping them more effectively. Currently Stoll is excellent at supporting vulnerable Veterans to settle down after upheaval in their lives, but somewhat less effective in supporting them to move on once they have regained confidence, increased resilience and the skills to live independently.
2. Develop a plan to redevelop the Sir Oswald Mansions site and properties in a manner which regenerates the properties and enables us to develop new services with the asset value.
3. Setting up an employment service within the Mansions as partner agencies have had to withdraw following funding cuts.
4. Develop a digital strategy for our tenants and staff.
5. Increase our use of volunteers in a manner which is well administered.
6. Review whether we continue to deliver the Drop—in or hand it over to a partner organisation. It is not our core business.
7. Align our performance review in line with the Sector Scorecard and Regulatory compliance.
8. Take part in the Cobseo Governance self-review assessment.
9. Set up a new staff benefit and rewards scheme.
- 10 Move to a new IT server and operating system to facilitate the move to Office 365 and Sharepoint.
- 11 Review our Health and Safety contract.
- 12 Ensure that we recoup full service charge on properties that are increasingly expensive to operate.

**Reserves Policy**

With reduced cash holdings following the delayed redevelopment of Sir Oswald Stoll Mansions and the income risk around having between 25 and 30% of our income coming from revenue fundraising, maintaining an adequate reserve is vital at this time. Therefore Stoll aims to retaining a minimum of three months operating costs (not including restricted funds) in cash reserves which equates to approximately £800,000 and commits to working towards a cash reserves level of three months' expenditure, to be achieved by the end of 2019/20 and then cash reserves equivalent to six months' operating costs by the end of 2020/21. The Board reviews the Reserves Policy annually. The Board will continue to review the target level of cash reserves in line with the organisation's operating environment and to ensure that the policy continues to reflect the underlying risks facing the organisation, and the level of reserves judged necessary to protect its core services to clients.

Free reserves comprise the unrestricted funds less the designated investment fund and amounts tied up in the Charity's fixed assets. At the end of the year there were no free reserves (2018: £252,862).

### **Investment Policy**

Stoll seeks to produce the best financial return within an acceptable level of risk. The investment objective is to generate a return in excess of inflation (RPI) per annum, after expenses whilst generating an income to support the on-going activities of the organisation. Stoll's investment policy is reviewed annually by the Finance and Human Resources Committee, as is the performance of any investment advisers.

### **Employees**

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

Stoll 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.

### Remuneration policy

In terms of remuneration, Stoll uses other smaller housing associations and charities to benchmark salaries. Salaries are reviewed annually at the Finance and Human Resources Committee.

### **Review of Stoll's Finances**

At the end of 2019/20, Stoll made a loss of £261,974 before the pension accounting adjustment and a deficit of £750,974 after this adjustment. There were exceptional circumstances behind this as the redevelopment of Sir Oswald Stoll Mansions came to an unexpected halt and it needed some careful financial management in order to retain stability. Underlying these exceptional circumstances, Stoll has a stable financial model where between 60 and 80% of income comes from rents and this is supplemented from revenue fundraising and rental income from the GP Surgery on the Sir Oswald Stoll Mansions site.

Going forward, Stoll has reduced expenditure within the organisation to a level whereby we have approved a 2019/20 budget that will result in a surplus of at least £100,000 and steadily growing unrestricted cash reserves. Stoll will also explore opportunities to grow cash levels more quickly during the year through a strategic review of their assets.

### **Principal Risks and Uncertainties**

The halt to the redevelopment of Sir Oswald Stoll Mansions has left Stoll facing more risks than in previous years. This is what lies behind the short-term focus on reducing outgoings and increasing cash levels before we develop a new longer-term strategy.

For this reason the primary risk facing Stoll during the latter half of 2018/19 has been around our cash holdings as the expected windfall from the redevelopment of the Mansions site did not materialise. We have been successful in reducing our expenditure to regain a sustainable model and we will be exploring ways of using our assets to grow our cash levels through the year, while continuing to operate within tighter budgets to guarantee an operating surplus at the end of the year. Cash levels are currently monitored weekly internally.

The second highest risk to Stoll is the ending of the redevelopment process entirely. We have mitigated this effectively by reverting back to an operating and financial model which is not dependent upon the redevelopment proceeding, but it will make a substantial positive difference to our financial model and security should it proceed – as well as a step change in our ability to support our beneficiaries.

Revenue fundraising has always been the variable in our financial performance and we have fallen short of our stated target for the last five years. The fundraising climate for military charities is harder than it used to be in the immediate aftermath of the Afghanistan conflict, but this does not mean we should not be striving for excellent performance. However, we have aligned ourselves to more realistic targets. In 2017/18 our target was £1,050,000. In 2018/19 it was £923,000, and in 2019/20 we have reduced this to £850,000, in line with our actual performance in 2018/19. Due to the strength of our existing relationships we anticipate that we will achieve this, albeit with some effort.

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Our other key risk is the ongoing maintenance of the properties at Sir Oswald Stoll Mansions. The majority of them were constructed in 1916 and, while they have all gone through substantial refurbishment in their lifetimes, they are not at the standard of Stoll's other properties and need significant investment again. Our low rental levels mean that we do not raise the levels of funding needed to redevelop them and this has to be one of the main drivers to redevelop them 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.

### **Fundraising**

Stoll employs a team of fundraisers to raise funds for its projects and activities who raise funds from Charitable Trusts and Foundations, Corporates and Individuals. Stoll adheres to the Fundraising Code of Practice set out by the Fundraising Regulator. Stoll has a Fair Processing Policy for Supporters and a Complaints procedure. Stoll does not contact individuals or hold personal information without their permission. Fundraising activity is monitored on a quarterly basis by the Fundraising & Communications Committee and at quarterly Board of Trustee meetings.

Stoll's fundraising team work to set targets broken down by area of work (e.g. Trusts, major donors, individuals etc.). Performance against those targets are monitored monthly through key performance indicators and through Stoll's management accounts. Quarterly reviews also happen through the Fundraising and Communications Committee as part of Stoll's governance. We mitigate the risk of not achieving targets through the use of scenario planning and maintaining an adequate cash reserve to try and prevent reductions in operations should we not hit our target.

### **Code of Governance**

During the year Stoll implemented an action plan to ensure they were compliant with all aspects of the National Housing Federation Code of Good Governance launched in 2015. We also benchmarked ourselves against the equivalent code developed by the Charity Commission. In 2017 we carried out an independent review of our governance delivered by the consultants Campbell Tickell. We also joined the Cobseo governance working group in 2018/19 to develop the self-reporting tool to be used by all Members of the umbrella body. We have benchmarked ourselves against this standard and scored very highly.

### **New trustees**

Committee Members and Trustees at Stoll are recruited on a needs basis according to the procedure outlined in Annex A to Stoll's Governance Procedures. Every year the Trustees and each Committee carry out an annual governance review, including looking at the membership of their respective committees. If a skills gap is identified then Stoll will advertise vacancies and follow through the recruitment process outlined in the Recruitment and Selection Policy and in accordance with our Equal Opportunities Policy.

### **Trustees Responsibilities Statement**

The Board (which is comprised of trustees who are also directors of Sir Oswald Stoll Foundation for the purposes of company law) is responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 unless it is inappropriate to presume that the association will continue in business.
- The Trustees are not aware of any relevant audit information that has not been disclosed to the organisation's auditors.
- The Trustees have taken all steps necessary to make themselves aware of any relevant audit information and to establish that the organisation's auditors are aware of that information.
- The Trustees have considered and reviewed the major risks to which the charity is exposed and are satisfied that systems and procedures have been established to manage these risks.
- The Trustees will continue to take into account changing circumstances, revised financial forecasts and evolving challenges and opportunities facing the organisation to protect its long term sustainability and independence.



## **Internal Controls**

The Board acknowledge their ultimate 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 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 Stoll. The Board has established a 3-year internal, rolling audit plan and the Internal Auditor (sourced externally) 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; and
- 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 Committees and the Senior Management Team, to departmental and individual levels for review by supervision and appraisal.

Based on the above, the Trustees have reviewed the effectiveness of the system of internal control and have therefore 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.

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 in 2019 a review with Cobseo (the umbrella body). These reviews confirm that Stoll complies with these standards.

## **Value for Money**

### **Value for Money Metrics**

The Regulator of Social Housing has defined a set of standard metrics to support transparency and enable providers to analyse their performance alongside that of their peers on a comparable basis.

There are seven metrics to measure economy, efficiency and effectiveness on a comparable basis across the sector.

Stoll compares its actual performance against other similar sized housing providers to measure its efficiency and

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Area	Indicator	Measurement of VFM Cost Chain	Reason for measurement	Social Units owned( size <2500 ) benchmark	Stoll's Target	17/18	18/19	Explanation
Regulator's VFM Metrics	1. Reinvestment %	Efficiency	Investment in new properties as a % of the total properties held	3.3%	5.0%	0.00%	26%	Our new development in Aldershot was completed
	2. Supply of New Social Housing	Effectiveness	Total Social Housing Units developed as a proportion of total social housing units owned	1.20%	34	0.00%	34	housing 34 veterans and their families in 34 new units.
	3. Gearing	Efficiency	To measure how much of the adjusted assets are made up of debt and the degree of dependence on debt finance	14.5%	50.0%	22%	19%	Paid off part of the Nationwide Loan
	4. EBITDA MRI (as a % of interest)	Efficiency	Key indicator for liquidity and investment capacity	238.0%	200.0%	111%	90%	Investment in stock (components replaced) £82k
	5. Headline social housing cost per unit	Economy		£5,940	£8,000	£6,653	£8,611	Supported Housing costs are higher than normal social housing providers
	6.A. Operating Margin (overall)	Efficiency	Profitability of operating assets before exceptional expenses are taken into account	15.4%	5.0%	1%	-5%	This is based on the operating loss before the pension adjustment
	6.B. Operating margin (social housing lettings)			20.4%	6.0%	14%	4%	
	7. ROCE	Efficiency	Measure to assess the efficient investment of capital resources	2.6%	2.0%		-0.4%	



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Our key focus remains on maximising value and focusing in particular on improving the services we provide to our residents. The key performance indicators on which our Value for Money principles are based, are monitored and reported to the Board on a quarterly basis. 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.

**Consumer Standards Outcome: People and Homes**

<b>Indicator</b>	<b>Peer-Group Median (Supported) 17/18</b>	<b>Stoll's Target</b>	<b>17/18</b>	<b>18/19</b>
Veterans prevented from becoming homeless	n/a	25 per qtr.	101	74
Veterans being housed in Stoll properties	n/a	6 per qtr.	5	40
Veterans being housed elsewhere	n/a	25 per qtr.	78	76

Last year Stoll prevented 74 veterans from being homeless.  
40 veterans were housed at Stoll mansions as we tried to fill the Voids.

**Consumer Standards Outcome: Independence and Dignity**

<b>Indicator</b>	<b>Peer-Group Median (Supported) 17/18</b>	<b>Stoll's Target</b>	<b>17/18</b>	<b>18/19</b>
Veterans living more independently	n/a	>20%	n/a	14%
% maintained or increased their independence	n/a	90%	90.25%	94%

Last year 14% of Stoll's veterans are living more independently whilst 94% maintained their independence.

**Consumer Standards Outcome: Landlord services**

% level of rent arrears	Supported Housing 5.31%, Small HAs 4.71%	4.50%	3.76%	2.97%
% level of personal arrears	Supported Housing 1.79%, Small HAs 1.54%	2.40%	2.98%	2.56%
% repairs done on time	Supported Housing 97.1%, Small HAs 98%	97%	97.70%	97.00%
Average void turnaround	Supported Housing 47 days, Small HAs 25 days	4 wks.	47 days	73 days
Overall Tenant Satisfaction	Supported Housing 89%, Small HAs 92%	90.00%	100%	87%

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Our end of year rent arrears is favourable within the supported housing sector due a dedicated member of staff working on this. We have implemented several initiatives to mitigate the risk of increasing rent arrears as rent is Stoll's primary source of income. There is a dedicated member of staff working on rent arrears and we have distinguished between high and low rent arrears and tenant & personal arrears to improve cash flow.

Improved and more accurate reporting has helped to us to handle day-to-day responsive repairs more efficiently and improve cyclical maintenance by initiating triggers for overdue or late inspections quickly.

Our Repair completion times were excellent compared to targets and in line with SPBM targets. Due to the refurbishment of the Mansions that is planned we had very little Planned maintenance done.

Due to the refurbishment plans for the Mansions, and holding voids open for the decant process our voids were high.

Overall satisfaction levels were satisfactory in 2018/2019 across all satisfaction measures.

Stoll continues to seek customer feedback about its services to ensure that it is providing a quality 'Value for Money' service.

Last year Stoll continued with the implementation of its new Procurement Policy to manage costs better.

Continuous improvement continues to be a key business strategy for Stoll

**Going concern**

Stoll remains a going concern. The organisation has faced heightened levels of risk in the last 12 months following the unexpected end of the redevelopment. The organisation has a significant property asset base of £34m. Stoll also has relatively low gearing and is making the changes needed to increase their access to cash reserves at an appropriate level. Based on the Board's projections, including the long-term business plan, the Board has a reasonable expectation that Stoll will continue to deliver adequate surpluses and meet its financial covenants for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing the financial statements.

**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

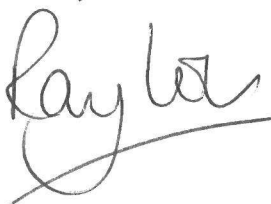
This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

**Auditors**

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

This report was approved by the Trustees, on 20/4/19 and signed on their behalf by:

**Air Vice Marshal Raymond Lock CBE**  
Chair of Trustees  
Date:



**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 'association') for the year ended 31 March 2019 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 association's affairs as at 31st March 2019, 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 2015.

**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 association 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

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

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 board 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 association and its environment obtained in the course of the audit, we have not identified material misstatements in the board 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 board was not entitled to prepare the financial statements in accordance with the small companies regime and take

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 board**

As explained more fully in the board's responsibilities statement set out on page 8, the board members (who are also the directors of the association for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board 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 board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

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

**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.

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 association's internal control.
- Conclude on the appropriateness of the board's 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 association'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 association 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.

**Use of our report**

This report is made solely to the association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Sarah Ediss**

Senior Statutory Auditor

For and on behalf of Kreston Reeves LLP, Statutory Auditor

Springfield House

Springfield Road

Horsham

West Sussex

RH12 2RG

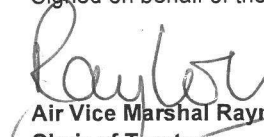
27 September 2019


**SIR OSWALD STOLL FOUNDATION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
Turnover	2	4,078,942	3,479,827
Operating expenditure		(4,118,336)	(3,288,295)
Operating surplus	8	(39,394)	191,532
Interest receivable and similar income	6	-	2,851
Interest payable and similar charges	7	(222,281)	(158,073)
(Deficit)/Surplus for the year	8	(261,674)	36,310
Initial recognition of multi-employer defined benefit scheme		(305,000)	-
Actuarial losses in respect of pension schemes		(184,000)	-
<b>Total comprehensive income for the financial year</b>		<b>(750,674)</b>	<b>36,310</b>

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: 26 Sep 19

  
Shaun Cooper FCMA  
Chair of Finance Committee  
Date: 26 Sep 19

The notes on pages 19 to 37 form part of these financial statements.

**SIR OSWALD STOLL FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 MARCH 2019**

Company's registered number: 148636

	Notes	2019 £	2018 £
<b>Fixed Assets</b>			
Tangible fixed assets - Housing properties less depreciation	9	34,023,381	33,911,535
Tangible fixed assets - other	10	260,406	288,419
		<u>34,283,787</u>	<u>34,199,954</u>
<b>Current assets</b>			
Debtors	11	198,064	404,307
Cash held for development		-	1,089,909
Cash at bank and in hand		281,834	403,920
<b>Current assets</b>		<u>479,897</u>	<u>1,898,136</u>
Creditors: amounts falling due within one year	12	(1,386,617)	(2,447,436)
<b>Net Current liabilities</b>		<b>(906,720)</b>	<b>(549,300)</b>
Total assets less Current Liabilities		<u>33,377,067</u>	<u>33,650,654</u>
Creditors: amounts falling due after more than one year	13	(30,058,407)	(29,581,318)
<b>Total Net assets</b>		<u><u>3,318,660</u></u>	<u><u>4,069,336</u></u>
<b>Reserves</b>			
Unrestricted Reserves	16		
- invested in housing properties		3,270,343	3,542,796
- development reserve		-	-
- un-designated		780,750	252,862
- pension deficit		(924,000)	-
Restricted Funds	24	177,407	259,518
Investment Revaluation Reserve	17	14,160	14,160
		<u>3,318,660</u>	<u>4,069,336</u>

The accounts were approved and authorised for issue by the Board of Trustees on 26 Sep 19 and were signed on its behalf by:

  
Air Vice Marshal Raymond Lock CBE  
Chair of Trustees

  
Shaun Cooper FCMA  
Chair of Finance Committee

The notes on pages 19 to 37 form part of these financial statements.

**SIR OSWALD STOLL FOUNDATION  
STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED 31 MARCH 2019**

	Invested in housing properties £	Development reserve £	Restricted funds £	Un-designated £	Pension deficit £	Investment revaluation reserve £	Total reserves £
<b>Balance at 1st April 2018</b>	3,542,796	-	259,518	252,861	-	14,160	4,069,334
(Deficit)/Surplus for the year	(179,564)	-	(82,111)	-	(489,000)	-	(750,674)
Transfer between funds	(92,889)	-	-	527,889	(435,000)	-	-
<b>Balance at 31 March 2019</b>	<b>3,270,343</b>	<b>-</b>	<b>177,407</b>	<b>780,750</b>	<b>(924,000)</b>	<b>14,160</b>	<b>3,318,660</b>

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

The Development Reserve is held for costs related to our new housing scheme at Aldershot which was opened in June 2018.

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

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 SHPS pension scheme.

The Investment revaluation reserve represents the cumulative gains on revaluation of fixed assets held under a policy of revaluation (i.e. the paintings).

The notes on pages 19 to 37 form part of these financial statements



**SIR OSWALD STOLL FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
<b>Net cash generated from/(used in) operating activities</b>	<b>A</b>	115,337	(42,734)
<b>Investing Activities:</b>			
Interest received		-	2,851
Deferred capital grants received		500,000	-
Purchases of tangible assets		(728,557)	(5,402,016)
<b>Net cash (used in)/generated from investing activities</b>		<u>(228,557)</u>	<u>(5,399,165)</u>
<b>Financing activities</b>			
Repayments of borrowings		(876,494)	(238,964)
New loans		-	2,866,000
Interest paid		(222,281)	(158,073)
<b>Net cash (used in)/generated from financing activities</b>		<u>(1,098,775)</u>	<u>2,468,963</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(1,211,995)	(2,972,936)
Cash and cash equivalents at beginning of the year	<b>B</b>	1,493,829	4,466,765
<b>Cash and cash equivalents at end of year</b>		<u>281,834</u>	<u>1,493,829</u>

The notes on pages 19 to 37 form part of these financial statements

**SIR OSWALD STOLL FOUNDATION**  
**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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

	2019	2018
	£	£
<b>Cash Flow from Operating Activities:</b>		
Net (loss)/Income	(750,674)	36,310
Depreciation	613,740	426,098
Loss on disposal of housing properties	32,974	-
Decrease/(Increase) in debtors	206,243	(174,384)
(Decrease)/Increase in creditors	(390,658)	(218,060)
Interest payable	222,281	158,073
Interest Receivable	-	(2,851)
Amortised government grants	(307,569)	(202,920)
Movement in Pension Liability	489,000	(65,000)
<b>Net Cash Flow from Operating Activities</b>	<b>115,337</b>	<b>(42,734)</b>

**B. Cash and cash equivalents**

	At 1 April 2018	Cashflows	At 31 March 2019
	£	£	£
Cash at Bank and on Hand	1,493,829	(1,211,995)	281,834
Net Funds	1,493,829	(1,211,995)	281,834

**C. Net Debt note**

	2019	2018
	£	£
<b>Cash and cash equivalents</b>	281,834	1,493,829
Short term borrowings :		
Bank loans	(416,673)	(1,091,551)
Long term borrowings :		
Bank loans	(5,943,546)	(6,057,662)
Other loans	(537,500)	(625,000)
	(6,481,046)	(6,682,662)
<b>Net Debt position</b>	<b>(6,199,212)</b>	<b>(5,188,833)</b>

**SIR OSWALD STOLL FOUNDATION  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**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 activity is disclosed in the Trustees Report on page 2.

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 FRS 102.

**Basis of accounting**

The Financial Statements of Stoll are prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Housing SORP 2014 "Statement of Recommended Practice for registered social housing providers 2014" ("the SORP") and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015.

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 2019/20 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. 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 (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 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**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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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:

<b>Component</b>	<b>Life</b>
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. Stoll also holds other assets i.e. paintings which are held under policy of revaluation. 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. The paintings held at the year end were re-valued in a previous financial year by Christie's. The value provided was not materially different from the carrying value and so no adjustment was made. The Board do not believe that the value of the paintings has changed significantly in 2018.

**SIR OSWALD STOLL FOUNDATION  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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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.

**Funds held as Custodian Trustees**

Stoll holds funds on behalf of the Cobseo Housing Cluster to fund a national telephone advice service to veterans. (See note 26 for more detail).

**Pension costs**

Stoll operates a defined benefit scheme, which is administered independently by the Pensions Trust. The expected cost of providing pensions is calculated from actuarial advice. Until this financial year it has not been 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 have now made available information to individual employers their share of the Social Housing Pension scheme assets and liabilities and therefore in accordance with FRED 71, the pension liability has been accounted for a defined benefit scheme. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis, the details of which are set out in note 22.

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  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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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 23 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.

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

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

*Housing property impairments*

For impairment purposes, as explained in the accounting policies, housing properties are grouped into schemes which 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
- The Defined Social Housing Pension scheme

*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.

*The Defined Social Housing Pension scheme*

The present value of the Social Housing Pension scheme 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 22, will impact the carrying amount of the pension liability. Following the latest valuation which has an effective date of 30 September 2017, which was certified on 28 November 2018, participating employers have agreed a recovery plan to fund the shortfall – details of which are included in note 22.

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

	<b>2019</b>		<b>2018</b>	
	Turnover £	Operating costs £	Operating (deficit)/surplus £	Operating (deficit)/surplus £
<b>Income and expenditure from lettings</b> (note 2b)	2,569,084	(2,965,043)	(395,959)	60,054
<b>Other social housing activities:</b>				
Supporting people	2,159	(797,621)	(795,462)	(723,842)
Activities funded by donations and grants	1,394,702	(355,672)	1,039,030	687,979
<b>Non - social housing activities</b>				
Commercial property	112,997	-	112,997	167,340
	<u>4,078,942</u>	<u>(4,118,336)</u>	<u>(39,394)</u>	<u>191,532</u>

**Activities funded by donations and grants include:**

	<b>2019</b> £	<b>2018</b> £
Trusts & Grants	983,485	708,452
Corporates	33,400	28,961
Strategic Partners (Help for Heroes)	130,280	163,830
Community, Individuals & Events	45,504	48,836
Major Donors	8,000	18,624
Statutory Bodies	69,700	-
Legacies	124,333	-
Statutory Accounts	<u>1,394,702</u>	<u>968,702</u>

**2b Income and Expenditure from lettings**

	<b>2019</b> £	<b>2018</b> £
<b>Turnover</b>		
Rent Receivable net of service charges and voids	1,507,799	1,526,255
Service Charges	618,190	542,400
Other Income	135,526	57,516
Grant Amortisation	307,569	212,648
Net Rental Income	<u>2,569,084</u>	<u>2,338,819</u>
Other Revenue Grants and Donations	-	-
Turnover from other social housing lettings	<u>2,569,084</u>	<u>2,338,819</u>
<b>Expenditure on letting activities</b>		
Services	(293,382)	(281,871)
Management	(1,823,306)	(1,456,343)
Routine Maintenance	(242,761)	(145,843)
Planned Maintenance	(46,914)	(21,547)
Bad Debt expense	-	(457)
Depreciation of housing properties	(558,680)	(372,704)
Total expenditure on lettings	<u>(2,965,043)</u>	<u>(2,278,765)</u>
<b>Operating (Deficit)/Surplus on letting activities</b>	<u>(395,959)</u>	<u>60,054</u>
Net rental income is stated after losses from voids of	<u>(261,495)</u>	<u>(121,543)</u>



FOR THE YEAR ENDED 31 MARCH 2019

### 6. Analysis of decomposition

[illegible]+ **Entirements of the board of directors and senior management team**

expenses reimbursed to practices were \$2,315 (\$1,111–\$3,519).

\_\_\_\_\_

NS; management personnel are not involved in the

was released by the employer, and the date of release (month/year/year),

Shrinking pension commitments

### • Simple, no instrumentation

[illegible][illegible]

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

	2019 £	2018 £
Bank Interest Receivable	-	2,851

**7 Interest payable and similar charges**

	2019 £	2018 £
Bank Loans	248,862	200,299
Less: Amounts capitalised	(26,581)	(48,225)
	222,281	152,073
Unwinding of discount on multi-employer pension scheme liability	-	6,000
	222,281	158,073

**8 (Deficit)/Surplus for the year is stated after charging**

	2019 £	2018 £
Depreciation		
- Housing properties	558,680	372,704
- Other assets	55,061	53,394
Auditors remuneration ( excluding vat)		
- In respect of the external audit	11,739	15,480
- HCA audit	-	1,182
- Internal Audit	-	9,857
Operating lease rentals		
- Plant and machinery	60,949	15,203
- Land and buildings	11,419	19,575

**9 Property, plant and equipment - housing properties**

	Completed £	Under Construction £	Leasehold Properties £	Total £
<b>Cost</b>				
As at 1 April 2018	29,033,689	9,428,450	1,123,513	39,585,652
Additions- property acquisition & development	625,118	-	-	625,118
Additions- replacement components	76,392	-	-	76,392
Disposals	(61,985)	-	-	(61,985)
Transfers on completion of construction	9,428,450	(9,428,450)	-	-
As at 31 March 2019	39,101,664	-	1,123,513	40,225,177
<b>Depreciation</b>				
As at 1 April 2018	5,384,549	-	289,568	5,674,117
Charge for the year	533,014	-	25,666	558,680
Disposals	(31,001)	-	-	(31,001)
As at 31 March 2019	5,886,562	-	315,234	6,201,796
<b>Net Book Value</b>				
As at 31 March 2019	33,215,102	-	808,279	34,023,381
As at 31 March 2018	23,649,140	9,428,450	833,945	33,911,535

The total expenditure in the year on works to existing properties was £76,392 (2018: £nil).  
Interest capitalised during the year amounted to £26,581 (2018: £48,225).

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**10 Property, plant and equipment - other**

	Freehold Land & Buildings £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Heritage assets £	Total £
<b>Cost</b>					
As at 1 April 2018	393,662	354,848	45,975	34,160	828,645
Additions	-	27,047	-	-	27,047
Disposals	-	-	-	-	-
As at 31 March 2019	<u>393,662</u>	<u>381,895</u>	<u>45,975</u>	<u>34,160</u>	<u>855,692</u>
<b>Depreciation</b>					
As at 1 April 2018	189,183	305,068	45,975	-	540,226
Charge for the year	7,872	47,188	-	-	55,060
As at 31 March 2019	<u>197,055</u>	<u>352,256</u>	<u>45,975</u>	<u>-</u>	<u>595,286</u>
<b>Net Book Value</b>					
As at 31 March 2019	<u>196,607</u>	<u>29,639</u>	<u>-</u>	<u>34,160</u>	<u>260,406</u>
As at 31 March 2018	<u>204,479</u>	<u>49,780</u>	<u>-</u>	<u>34,160</u>	<u>288,419</u>

Heritage Assets – consists of a book of paintings. The book of paintings is a collection of works from Fellows of the Royal Academy. It was donated to Stoll by the Royal Academy itself at the time of its founding in 1916 for use as a raffle prize, but was never given away. It includes works from individuals such as Thomas Hardy, Stanhope Forbes and Rudyard Kipling.

**11 Debtors**

	2019 £	2018 £
Arrears of rent and service charge	115,091	167,471
Less provision for bad and doubtful debts	(71,779)	(109,629)
Net Rental Arrears	<u>43,312</u>	<u>57,842</u>
Prepayments	25,588	13,420
Accrued Income	118,547	95,744
Other debtors	<u>10,616</u>	<u>237,301</u>
	<u>198,064</u>	<u>404,307</u>

**12 Creditors: amounts falling due within one year**

	2019 £	2018 £
Bank borrowings (note 14)	416,673	1,091,551
Rents received in advance	55,189	22,833
Trade Creditors	43,090	399,556
Other Creditors	98,455	80,169
Other taxes & social securities	14,472	41,553
Accruals & deferred income	365,059	422,711
Multi-employer pension scheme (note 22)	88,000	69,000
Deferred capital grant (note 15)	211,031	202,920
Other deferred capital grant (note 24)	<u>94,648</u>	<u>117,143</u>
	<u>1,386,617</u>	<u>2,447,436</u>

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**13 Creditors: amounts falling due after more than one year**

	2019 £	2018 £
Bank borrowings (note 14)	5,943,546	6,057,662
Other loans (note 14)	537,500	625,000
Deferred capital grant (note 15)	17,222,707	16,441,849
Other deferred capital grant (note 24)	5,518,654	6,090,807
Multi Employer Pension Scheme	836,000	366,000
	<u>30,058,407</u>	<u>29,581,318</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 directors have delegated the responsibility for monitoring financial risk management to a sub-committee of the board of trustees, via the Audit and Risk Committee.

*Credit risk*

Stoll's credit risk is primarily attributable to its inability to make payments on its loans or the interest associated with the loan. Close financial monitoring in meeting its lenders covenants is performed quarterly, and reported to the Finance and 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 an enforcement of a 1% rent reduction on housing associations over the next five years.

Stoll has implemented a Rent Allocations policy that requires appropriate credit checks on potential tenants before flats are let out.

*Interest rate risk*

Stoll has both interest bearing cash investments and interest bearing liabilities. Interest bearing assets comprise cash as well as debt which earn interest at a variable rate.

Stoll's cash investments earned interest at a fixed rate of 1%.

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

	2019 £	2018 £
<b>Financial assets:</b>		
Measured at undiscounted amounts receivable		
Debtors	<u>198,064</u>	<u>404,307</u>
<b>Financial liabilities:</b>		
Measured at amortised costs		
Loans repayable	4,876,854	7,774,213
Measured at undiscounted amounts receivable	<u>43,090</u>	<u>399,556</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

-

2,851

Total interest expense for financial liabilities at amortised cost

222,281

152,073

**SIR OSWALD STOLL FOUNDATION**  
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Details of the terms of Stoll's borrowings are disclosed below:

	2019 £	2018 £
One year or less	416,673	1,091,551
One to two year's	416,673	391,551
Two to five year's	1,187,519	1,174,652
Over five year's	4,876,854	5,116,459
<b>Total housing loan</b>	<b>6,897,719</b>	<b>7,774,213</b>
Less repayable within one year	(416,673)	(1,091,551)
<b>Total housing loan falling due after more than one year</b>	<b>6,481,046</b>	<b>6,682,662</b>

Loans from Orchard Brook and Nationwide are secured by specific charges on the company'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 company's housing properties, with interest being charged at a rate of 4% and repaid at 10% per annum.

Loans include a loan from Charities Aid Foundation Bank (CAF) at 2.75% and repaid over 25 years. It is secured over the 36 flats in Chiswick

**15 Deferred capital grants**

	2019 £	2018 £
As at 1 April	16,644,769	16,847,689
Grants receivable in the year	500,000	-
Transferred from Other Capital Grants	500,000	-
Release to income in the year	(211,031)	(202,920)
<b>Balance at 31 March</b>	<b>17,433,738</b>	<b>16,644,769</b>
Classified as:		
Amounts to be released within one year (note 12)	211,031	202,920
Amounts to be released in more than one year (note 13)	17,222,707	16,441,849
	<b>17,433,738</b>	<b>16,644,769</b>

**16 Reserves (excluding investment revaluation)**

	2019 £	2018 £
<b>Income and Expenditure</b>		
As at 1 April 2018	4,055,176	4,018,866
Surplus for the year	(750,674)	36,310
<b>As at 31 March 2019</b>	<b>3,304,502</b>	<b>4,055,176</b>
<b>Analysed as:</b>		
Invested in housing properties	3,270,343	3,542,796
Restricted Funds	177,407	259,518
Un-designated	(143,250)	252,862
	<b>3,304,502</b>	<b>4,055,176</b>

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**17 Investment revaluation reserve**

	2019 £	2018 £
At 1 April and at 31 March	<u>14,160</u>	<u>14,160</u>

**18 Members**

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

**19 Operating lease commitments**

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

Leases which expire	2019 Land & Buildings £	2019 Other £	2018 Land & Buildings £	2018 Other £
No later than one year	11,419	16,854	19,575	16,854
Between two and five years	<u>-</u>	<u>44,095</u>	<u>11,419</u>	<u>60,949</u>
	<u>11,419</u>	<u>60,949</u>	<u>30,994</u>	<u>77,803</u>

**20 Capital commitments**

Capital expenditure contractor costs that have been authorised by the Board of Trustees at the year end for the building works and development of Aldershot amounts to £nil (2018: £809k contractor costs).

Capital expenditure costs that has been authorised by the Board of Trustees and incurred by 31 March 2019, held in other debtors in relation to the future refurbishment of the Mansions amounts to £nil.

**21 Related Party transactions**

- i. A committee member's family resides on one of the Stoll sites.  
An interest was declared and a full allocations policy was applied.
- ii. A tenant serves on Stoll's Board of Trustees.  
The normal chargeable rent is applied in both instances.

Rent for the year	£	19,659
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The normal chargeable rent is applied in both instances.

- iii. The charity applied and received a grant at a trust that the CEO is a trustee off at Queen Mary Roehampton Trust.

The Grant received	£	30,000
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- iv. A member of the key management team is a director at Howlett Health & Safety who provided a fire risk assessment to the charity.

Fire risk assessment	£	575
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Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the group, or in relation to the company, the company. In the opinion of the board of trustees of the Association the key management are:

- Chief Executive
- Senior Management Team consisting of the Director of Finance, Director of Development and and Housing, Director of Corporate Services, Head of Support and Head of Fundraising.

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

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**22 Pensions**

The company participates in the Social Housing Pension scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme 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.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company 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 the scheme 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)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014; this valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers agreed that additional contributions would be paid, in combination from all employers, to the scheme as follows:

**Deficit contributions**

<b>Tier 1</b>	£40.6m per annum
From 1 April 2016 to 30 September 2020:	(payable monthly and increasing by 4.7% each year on 1st April)
<b>Tier 2</b>	£28.6m per annum
From 1 April 2016 to 30 September 2023:	(payable monthly and increasing by 4.7% each year on 1st April)
<b>Tier 3</b>	£32.7 m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1st April)
<b>Tier 4</b>	£31.7 m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1st April)

TPT Retirement solutions have 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)**

	2019 £'000	2018 £'000
Fair value of plan assets	2,631	2,457
Present value of defined benefit obligation	3,555	3,197
Surplus (deficit) in plan	(924)	(740)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(924)	(740)

**Reconciliation of the impact of the asset ceiling**

	2019 £'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**

	2019 £'000
Defined benefit obligation at start of period	3,197
Current service cost	64
Expenses	4
Interest expense	82
Contributions by plan participants	14
Actuarial losses (gains) due to scheme experience	24
Actuarial losses (gains) due to changes in demographic assumptions	10
Actuarial losses (gains) due to changes in financial assumptions	226
Benefits paid and expenses	(66)
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>3,555</u>

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

	2019 £'000
Fair value of plan assets at start of period	2,457
Interest income	63
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	67
Contributions by the employer	96
Contributions by plan participants	14
Benefits paid and expenses	(66)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	<u>2,631</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2019 was £130,000.



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

	<b>2019</b>
	<b>£'000</b>
Current service cost	64
Expenses	4
Net interest expense	19
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>87</u>

**Defined benefit costs recognised in other comprehensive income**

	<b>2019</b>
	<b>£'000</b>
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	67
Experience gains and losses arising on the plan liabilities - gain (loss)	(24)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(10)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(226)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain	<u>(193)</u>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	<u>(193)</u>

**Assets**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Absolute Return	228	300
Alternative Risk Premia	152	93
Corporate Bond Fund	123	101
Credit Relative Value	48	-
Distressed Opportunities	48	24
Emerging Markets Debt	91	99
Fund of Hedge Funds	12	81
Global Equity	443	485
Infrastructure	138	63
Insurance-Linked Securities	75	65
Liability Driven Investment	962	895
Long Lease Property	39	-
Net Current Assets	5	2
Over 15 Year Gilts	-	-
Private Debt	35	22
Property	59	113
Risk Sharing	79	23
Secured Income	94	91
Total assets	<u>2,631</u>	<u>2,457</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.

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Key Assumptions	2019 % per annum	2018 % per annum
Discount Rate	2.30%	2.56%
Inflation (RPI)	3.30%	3.19%
Inflation (CPI)	2.30%	2.19%
Salary Growth	3.30%	3.19%
	75% of maximum allowance	75% of maximum allowance
Allowance for commutation of pension for cash at retirement		
The mortality assumptions adopted at 31 March 2019 imply the following life expectancies:		
		Life expectancy at age 65 (Years)
Male retiring in 2019		21.8
Female retiring in 2019		23.5
Male retiring in 2039		23.2
Female retiring in 2039		24.7

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FOR THE YEAR ENDED 31 MARCH 2019

23 Restricted Funds

Name of Donor	Type of Restriction	As at 1st April 2018 £	Income £	Expenditure £	As at 31st March 2019 £
ABF The Soldiers' Charity	Support - Mansions	26,667	40,000	53,334	13,333
Albert Hunt Trust	Support - Banstead Court	2,000	3,000	5,000	-
Anonymous (Lt Colonel Wood Fund)	Drug and Alcohol Service and Support	2,500	100,000	102,500	-
Barclays AFTER Programme	H&W - learning & skills; employability	30,462	40,000	49,761	20,701
Beatrice Laing Trust	Independent Living Service	2,500	5,000	7,500	-
The Drapens Company	Health & Wellbeing	3,750	-	3,750	-
The Daisy Trust	Health & Wellbeing	875	-	875	-
The Edith Lilian Harrison 2000 Founder	Independent Living Service	1,000	-	1,000	-
FiMT (Forces In Mind Trust)	York Report launch at Houses of Parliament	3,398	-	3,398	-
Hatfield Davis Family Trust	Independent Living Service	750	-	750	-
Henry Smith Charity	Health & Wellbeing	20,000	-	20,000	-
Help For Heroes	WIS Outreach	10,250	41,000	30,750	20,500
Help For Heroes	WIS Outreach	10,250	41,000	10,250	41,000
Henhurst Charitable Trust	Independent Living Service	-	500	500	-
Inman Charity Trustees Limited	Health & Wellbeing	3,333	3,000	6,333	-
Inner London Magistrate's Court & Feeder Charity Poor Box	SUPP - Banstead Court	-	6,000	6,000	-
The 'Let Us Forget' Association	Health & Wellbeing	417	-	417	-
Lloyd's Patriotic Fund	Drug and Alcohol Service	25,000	51,634	49,341	27,293
Lord Barnby's Foundation	Health & Wellbeing	2,500	-	2,500	-
The Mrs FB Laurence Charitable Trust	Independent Living Service	1,250	-	1,250	-
Mercers' Company	Health & Wellbeing	-	30,000	7,500	22,500
Momsons Foundation	Aldershot - garden/allotments	-	15,000	15,000	-
Percy Bilton Trust	Aldershot furnishings (communal area)	-	3,944	3,944	-
Queen Mary's Roehampton Trust	Support - Mansions	25,000	30,000	55,000	-
Royal Air Force Benevolent Fund	Health & Wellbeing	1,000	12,000	10,000	3,000
Royal Navy and Royal Marines Charity	Support - Mansions	8,333	25,000	25,000	8,333
Seafarers' UK	Tenancy Support	6,563	-	6,563	-
Schroder Charity Trust	Independent Living Service	-	2,000	2,000	-
Scott (Eredine) Charitable Trust	Health & Wellbeing	747	2,500	3,247	-
The Armed Forces Covenant Fund	H&W - Next Steps (learning & skills; employability)	-	19,700	19,700	-
The Edward Gosling Foundation	Aldershot furnishings (children's play house)	-	1,994	1,994	-
The Endeavour Fund - Royal Foundation of the Duke and Duchess of	Health & Wellbeing - fitness activities	3,480	17,895	21,375	-
The Endeavour Fund - Royal Foundation of the Duke and Duchess of	Gym equipment/refurbishment	-	11,825	11,825	-
The Leathersellers' Company	Independent Living Service	-	15,000	15,000	-
The Philip King Charitable Trust	Support - Banstead Court	16,667	-	16,667	-
The Royal British Legion	Veterans Nominations Scheme	34,319	-	34,319	-
The Royal British Legion	Veterans Nominations Scheme	4,925	31,120	15,298	20,747
The Royal British Legion	Support - Psychological Wellbeing	-	50,000	50,000	-
The Veterans' Foundation	Health & Wellbeing	1,250	5,000	6,250	-
The Trillium Trust	Welfare Fund (educational courses/materials)	8,333	-	8,333	-
Trinity House	Support	-	19,500	19,500	-
Worshipful Company of Chartered Secretaries and Administrators	Health & Wellbeing	-	1,000	1,000	-
Worshipful Company of Coopers	Independent Living Service	2,000	3,000	5,000	-
<b>Total Restricted Funds - Total</b>		<b>259,519</b>	<b>627,612</b>	<b>709,723</b>	<b>177,408</b>

**SIR OSWALD STOLL FOUNDATION  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**24 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 2018	5,995,000	212,950	6,207,950
Trf to Deferred Capital Grants	(500,000)	-	-
Grants receivable in the year	-	-	-
Release to income in the year	(84,800)	(9,849)	(94,649)
<b>Balance as at 31 March 2019</b>	<b>5,410,200</b>	<b>203,101</b>	<b>5,613,301</b>

The grant from the Ministry of Defence received in the financial year 2014/15 has been 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.

**25 Unrestricted reserves**

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

**26 Partnerships – Custodian Trustee**

Stoll are members of Cobseo (the umbrella body for Veterans charities) and Stoll 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	£
Balance as at 1 April 2018	79,160
Funds received in the year	-
Funds paid in the year	-
<b>Balance as at 31 March 2019</b>	<b>79,160</b>

**27 Contingent liabilities**

During the post year end period Stoll received a demand for uninvoiced water rates at one of their sites. The meter had not been read for a significant period of time and upon reading the meter it became apparent that there had been a leak. Stoll has accrued for the water rates for the period for which they have not received an invoice or had a reading for, on their normal usage. The value of the potential liability in respect of the leak has not been finalised, although the request for payment amounts to £320,000, it is expected that we will settle at a significantly lower figure.