

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 2016

SIR OSWALD STOLL FOUNDATION

YEAR ENDED 31 March 2016

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SIR OSWALD STOLL FOUNDATION

TRUSTEES AND ADVISERS

President	Field Marshall Lord Walker of Aldringham GCB CMG CBE DL
Trustees	Air Commodore Andy Fryer BA (Hons) RAF (Chair) Patrick Aylmer FCA Colonel John Burgess (resigned 9 June 2016) Shaun Cooper FCMA Diana Halliwell Dip COT MIHSM (resigned 12 Nov 2015) Gordon Hamilton MA FCA Diana Hodson BA (Hons) CIH Commander Clare Hughes RNR (Ret) John Tomalin Gp Capt. Karen Asbee (resigned 27 May 2015) Simon Philips Uta Hope Brigadier David Godsall MBE DL Roger Shrimplin George Thornton
Registered office	The Sir Oswald Stoll Mansions 446 Fulham Road London SW6 1DT
Bankers	National Westminster Bank Fulham Broadway London SW6 1AG
Auditor	Nexia Smith & Williamson Statutory Auditor Chartered Accountants 25 Moorgate London EC2R 6AY
Solicitors	Devonshire's Solicitors 30 Finsbury Circus London EC2M 7DT
Company's registered number	148636
Registered charity number	207939
Homes and Communities Agency number	A3418

SIR OSWALD STOLL FOUNDATION

TRUSTEES' REPORT

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 2016.

Public Benefit disclosures

During the year ended 31 March 2016, the Company continued to undertake activities necessary to meet its objectives, which relate to the provision and management of housing and support for the benefit of vulnerable and disabled former members of Her Majesty's Armed Forces, or their dependents.

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

Objectives and Principal Activities

The Foundation is a charitable company and registered provider of social housing established to provide housing and support primarily to vulnerable and disabled ex-Servicemen and women. Its principal activity therefore is the provision and management of housing and the accompanying support services to enable tenants and other Veterans in the wider community to live independently. The governing instrument is the Memorandum and Articles of Association (last reviewed 13th November 2014).

The Foundation's housing comprises an estate of 157 homes and communal facilities in Fulham, a small development of 4 specially adapted houses nearby, a supported housing scheme of 6 units at Ducane Road in North Hammersmith, 20 homes at Banstead Court (formerly Westway Beacons) in Acton and 36 homes managed on behalf of its subsidiary charity the Chiswick War Memorial Homes for whom the Sir Oswald Stoll Foundation acts as sole Trustee. In July 2014 Stoll also opened 36 new state-of-the-art supported housing units in Hounslow in a scheme entitled The Countess of Wessex House.

The comprehensive support services the Foundation provides to Veterans living in its tenancies are funded solely through charitable donations. This is because all statutory funding was stopped in 2013 and the Foundation does not make money from its rental income as it keeps rents low (to ensure that any Veteran who wishes and is able to return to work is better off in doing so), while providing an exceptionally high level of service to tenants. These support services enable the Foundation to successfully house tenants with increasingly complex problems. This service has been enhanced by the positive working relations that the team has built with partners in the NHS and voluntary sector who provide their specialist services to Veterans from our services.

The Foundation also operates a number of community services. These include an outreach support service for vulnerable and disabled ex-Service personnel across London, offering the same support service that is available to residents, but delivered by going out into the community instead. The Outreach service has specialisms in working with Wounded, Injured and Sick Veterans and serving personnel undergoing transition. Stoll also hosts the monthly London Veterans Drop-in for Veterans and Veterans organisations from across London to come together and network and offer a wide variety of support services to an average of 30 Veterans at each session. The Foundation offers a broad range of health and wellbeing activities, providing training, confidence-building and considerable wider benefits; last year there were over 10,000 attendances at a wellbeing activity by one of our beneficiaries. Finally our Veterans' Nomination Scheme goes from strength to strength and since its inception in 2011 has housed over 200 Veterans into social housing.

TRUSTEES' REPORT (continued)

2015/16 saw the completion of the first year of our five year strategy (2015-2020). Stoll now works towards four strategic objectives and progress under each one is listed underneath:

1. Maximise the Independence of our Existing Beneficiaries through the Provision of excellent Support and Accommodation Services:

- We launched an embedded employment mentor within our support team, funded by Walking with the Wounded and employed by RFEA.
- We reviewed and launched a new allocations policy and procedure to access Stoll properties.
- Ran a 'move-on' working group to increase a culture of move-on within our properties.
- Appointed a tenant onto the Board of Trustees.

In terms of performance:

- Our rent arrears reduced from 6.34% at the end of 14/15 to 4.82% at the end of 15/16.
- 97% of repairs were done in time
- Void turnaround reduced from a high of 9 weeks per void at the end of 14/15 to a very strong 3.2 weeks.
- 62% of residents achieved a significant step forward in at least one support area in every quarter of the year.
- 93% of residents were better able to manage their tenancy, or manage it at the same level, from the start of the year to the end.
- There were 10,520 attendances at a training or wellbeing activity run by the Foundation
- 102 new tenancies were set up for Veterans in general needs social housing through the Veterans Nomination Scheme
- 360 Veterans attended a monthly London Veterans' Drop-in session

2. Deliver Increased Levels of Veteran-Specific Supported Accommodation according to need:

- We purchased a 1-Acre site in Aldershot and received planning to build 34 new homes for vulnerable and disabled ex-Service personnel on the site.

3. Expand Stoll's Outreach Services to Increase our Ability to Prevent Homelessness

- 174 new clients were seen by the Outreach service of which 70% achieved a significant step forward in at least one support area in every quarter of the year.

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

- Stoll led the process of designing one point of contact for every Veteran with a housing need in England, Scotland and Wales
- Work commenced on the second phase of the research study into Veterans housing through the UK, which is exploring the types of provision that are most effective for Veterans and making recommendations.

Reserves Policy

In the light of an income risk analysis done recently and a review of committed expenditure, Stoll commits to retaining a minimum of three months operating costs (not including restricted funds) in **cash reserves** and commits to working towards a minimum cash reserves level of six months' operating expenditure, to be achieved by the end of the 2015-2020 strategy period.'

The Board will review the Reserves Policy annually.

SIR OSWALD STOLL FOUNDATION

TRUSTEES' REPORT (continued)

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.

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

Employees

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

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

Review of the Foundation's Finances

Trustees and staff have continued to review the Foundation's financial strengths and weaknesses and implement changes to improve the management of the Foundation's existing and future finances. The Board are aware that cash holdings are lower than previously desired and have set a surplus target for each year of the current 5-year business plan. The aim is to ensure unrestricted cash holdings move to the Board's stated target of 3 to 6 months. This is especially necessary due to:

- Increased reliance on potentially volatile fundraising income.
- The threat of a review in the way supported housing will be funded in future, the potential LHA cap and the 1% rent reduction projected for all Housing Associations over the next three years.
- Increased exposure to risk for the Foundation as they look to start a new building development in Aldershot in 2016/17 with a Total Scheme Cost of £10.1 million.

Looking further forward, the Trustees are aware of the need to secure more sustainable revenue funding streams to cover the costs of Stoll's support services in the future and this will be a focus for the Board through 2016/17.

Code of Governance

Following the launch of the NHF's new Code of Governance in 2015, the Trustees carried out a comprehensive review of their own governance against the NHF's Code and made a commitment to meet all the standards in the code. This led to a 33 point action plan to ensure the Foundation complied with the standards. Culminating in this Annual Report, the Trustees are pleased to report that they meet all aspects of the current Code and will continue to review this annually to ensure compliance ongoing.

In meeting the code, it was agreed to confirm to the best practice behaviour whereby Trustees are elected for a three-year term and it is advised that any individual Trustees stands for no more than three terms. The Trustees agreed two exceptions to this; the first being that Stoll's current Chair has been a Trustees for longer than nine years and will stand down from being a Trustee at the end of his term as Chair. Similarly, the current chair of the Development Committee has stood for longer than nine years and he will stay on as a Trustee until he completes a specific piece of work to review the use of our assets ongoing; once this is complete, he will also step down and will confirm to the nine-year best practice guidance.

SIR OSWALD STOLL FOUNDATION

TRUSTEES' REPORT (continued)

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the Association and parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the Association and of the surplus or deficit of the Association for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing 2015 and the Statement of Recommended Practice: Accounting by registered social housing providers (SORP 2014). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud

Internal Controls

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

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

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

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Foundation's assets;
- Experienced and suitably qualified staff takes 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;

SIR OSWALD STOLL FOUNDATION

TRUSTEES' REPORT (continued)

- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the committees of the Board with final authorisation by the Board itself;
- The Board reviews reports from management, from the internal audit process and from the External Auditor to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Foundation. The Board has established a 3-year internal, rolling audit plan and the Internal Auditor (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.

During the financial year 2016:

- An Audit & Risk Committee was formed to identify and mitigate any risks Stoll might face.
- An Internal Audit was performed on Finance and the controls and procedures in place and the result was satisfactory.

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.

Trustees

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

Air Commodore Andy Fryer BA (Hons) RAF (Chair)
Patrick Aylmer FCA
Colonel John Burgess (resigned 9 June 2016)
Shaun Cooper FCMA
Diana Halliwell Dip COT MIHSM (resigned 12 Nov 2015)
Gordon Hamilton MA FCA
Diana Hodson BA (Hons) CIH
Commander Clare Hughes RNR (Ret)
John Tomalin
Gp Capt. Karen Asbee (resigned 27 May 2015)
Simon Philips
Uta Hope
Brigadier David Godsal MBE DL
Roger Shrimplin
George Thornton

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

SIR OSWALD STOLL FOUNDATION

TRUSTEES' REPORT (continued)

VALUE FOR MONEY

Continuous improvement and Value for Money (VFM) is a key business strategy for the Sir Oswald Stoll Foundation. We continue to embed the principle of VFM, focusing in particular on improving the services we provide to our residents.

We have identified five principles upon which our VFM strategy is based:

- 1) Delivering excellent customer service by providing more cost effective and efficient services to our residents – we demonstrate this by ensuring our residents receive value for the rent and service charges they pay us. We meet the elected Residents Panel monthly and meet with all the residents on a quarterly basis at a public question and answer session where their views can be expressed.
- 2) Investment in our existing homes – we regularly assess the services we provide to see if we are getting value for the costs we incur, and ensuring we respond quickly to repairs that need to be done
- 3) Ensuring our resources are managed effectively and efficiently- We have started a process of contractor review to ensure that our outsourcing arrangements represent value for money, as well as reviewing our financial procedures to ensure we follow good practice in all our procurement. For certain areas of procurement (including solicitors and architects), we have developed an 'Approved Contractors List' to ensure we only work with providers with an agreed pricing and established levels of quality.
- 4) Performance Review - We review our performance continuously by setting clear, measurable and achievable targets through our 5 year Business Plan and through Key Performance indicators. Our Senior Management team meet monthly to review our overall performance and the functional Committees & Trustee Board meet on a quarterly basis to ensure we are meeting our objectives and strategy and providing our residents with the best service. Performance is managed on an individual basis monthly and reviewed quarterly per team with the Chief Executive, at SMT level and at Trustee level, through the individual Committees and the full Board.
- 5) We use Key Performance indicators to measure how well we are meeting the challenging targets that we set and to measure how well we are improving on a year-on-year basis and in through benchmarking with the best in social housing sector to ensure we set standards which stretch us.

Investment in Existing Homes

	Actual Achieved	Target	Similar HAs
Emergency Repairs completed on time	97%	98%	97.6%
Urgent & Routine Repairs completed on time	96.5%	96%	95.6% urgent 93.7% routine
Homes with a valid gas servicing certificate	100%	100%	100%

Repair completion times and satisfaction levels were satisfactory this year though have been somewhat affected by the fact that we have been unable to recruit a Repairs Officer to increase capacity within the team. During 16/17 we will carry out a review of our Responsive Maintenance and Facilities Management service with a view to the potential outsourcing of some or all of these functions. We continued our Planned Maintenance Programme in 15/16 which included our ongoing kitchen, bathroom and heating upgrade refurbishment at the Mansions site in addition to a LIBOR funded programme of 30 disability bathrooms. We also carried out roof replacement and external painting

SIR OSWALD STOLL FOUNDATION

TRUSTEES' REPORT (continued)

Delivery of excellent Customer Service

	Actual Achieved	Target	Similar HAs
Residents satisfied with overall service	77%	85%	89%
Residents satisfied we took their views into account	60%	65%	69%
Residents satisfied with Repairs service	81%	90%	83%

Overall satisfaction levels decreased slightly in 15/16 though are still positive bearing in mind the vulnerability of the client group. We have taken account of all of the feedback given by tenants during the annual survey process and have incorporated this feedback into an action plan with relevant improvement actions being part of each team's delivery plan for the year.

Lettings

	Actual Achieved	Target	Similar HAs
Average number of days to relet homes	22 days	28 days	33 days

The Foundation has improved on its time to turn around voids. The Foundation still guarantees a complete redecoration of a property before it is let, above and beyond the scope of nearly all comparable housing providers.

Developing an efficient organisation

	Actual Achieved	Target	Similar HAs
Rent arrears of current tenants	2.43%	2.5%	2.79%

New staff have contributed to the increase in performance in this area. Targets have been reviewed to ensure that both the Board and Committees are aware of our short and long-term goals in this area.

Value for money in the next financial year

Value for money and Continuous Improvement are an ongoing strategy across the whole organisation. In the coming year we intend to place emphasis on:

- Increased fundraised income to subsidise the support service we provide to our tenants. We are developing our fundraising activity as we move towards our 100th Anniversary. This will ensure we provide even more services to our residents, maximising the benefit to our beneficiaries at no extra cost;
- Continuing the process of contractor & legal services review;
- Reviewing Service Charges to minimize the financial burden on self paying tenants.

SIR OSWALD STOLL FOUNDATION

TRUSTEES' REPORT (continued)

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

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

Auditors

During the year Nexia Smith & Williamson acted as External Auditor to the Foundation and a resolution to re-appoint them will be put to the Annual General Meeting.

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal stroke.

29 / 9 / 16

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

We have audited the financial statements of Sir Oswald Stoll Foundation for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Cash Flow Statement and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of the board and the auditor

As explained more fully in the Statement of the Trustee's Responsibilities set out on page 5, the Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2016 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011; and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008, and The Accounting Direction for Private Registered Providers of Social Housing 2015 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.



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

25 Moorgate
London
EC2R 6AY

Date: 30 September 2016

SIR OSWALD STOLL FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 (Restated) £
Turnover	2a	3,614,242	2,702,924
Operating expenditure	2a	3,415,524	2,458,325
Operating surplus	2a	198,718	244,599
Interest receivable and similar income	6	35,467	8,296
Interest payable and similar charges	7	(204,204)	(152,097)
Surplus for the financial year	8	29,981	100,798
Other comprehensive income		-	-
Total comprehensive income for the financial year		29,981	100,798

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

Charity Registered Number 207939
Companies Registered Number: 148636,
Homes and Communities Agency Number: A3418

The notes on pages 17 to 38 form part of these financial statements.

SIR OSWALD STOLL FOUNDATION

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Notes	2016 £	2015 (Restated) £
Fixed assets			
Tangible fixed assets – housing properties	9	27,378,751	25,357,060
Tangible fixed assets – other	10	321,763	328,509
		<hr/>	<hr/>
		27,700,514	25,685,569
Current assets			
Debtors	11	300,318	168,751
Cash at bank and in hand			
- held for development		2,800,885	5,600,000
- other		472,529	632,012
		<hr/>	<hr/>
		3,573,732	6,400,763
Creditors: amounts falling due within one year	12	(1,502,819)	(1,853,313)
		<hr/>	<hr/>
Net current assets		2,070,913	4,547,450
		<hr/>	<hr/>
Total assets less current liabilities		29,771,427	30,233,019
		<hr/>	<hr/>
Creditors: falling due after more than one year	13	(25,859,369)	(26,350,942)
		<hr/>	<hr/>
Total net assets		3,912,058	3,882,077
		<hr/>	<hr/>
Reserves			
Restricted reserves	24	68,521	735,917
Unrestricted reserves			
- invested in housing properties		3,179,567	2,886,382
- un-designated		649,810	245,618
		<hr/>	<hr/>
		3,897,898	3,867,917
		<hr/>	<hr/>
Investment revaluation reserve	17	14,160	14,160
		<hr/>	<hr/>
		3,912,058	3,882,077
		<hr/>	<hr/>

The accounts were approved and authorised for issue by the Board of Trustees on 29/7/16 and were signed on its behalf by:

..... Air Commodore Andy Fryer BA (Hons) RAF
Trustee

The notes on pages 17 to 38 form part of these financial statements

SIR OSWALD STOLL FOUNDATION

STATEMENT OF CHANGES IN RESERVES for the year ended 31 March 2016

	Invested in housing properties £	Development reserve £	Restricted funds £	Un- designated £	Investment revaluation reserve £	Endowment reserve £	Total reserves £
Balance at 1 April 2014	3,214,524	200,000	103,936	245,618	14,160	3,041	3,781,279
Surplus for the year	-	-	100,798	-	-	-	100,798
Transfer between funds	(328,142)	(200,000)	531,183	-	-	(3,041)	-
Balance at 31 March 2015	2,886,382	-	735,917	245,618	14,160	-	3,882,077
Surplus for the year	29,981	-	-	-	-	-	29,981
Transfer between funds	263,204	-	(667,396)	404,192	-	-	-
Balance at 31 March 2016	3,179,567	-	68,521	649,810	14,160	-	3,912,058

The notes on pages 17 to 38 form part of these financial statements.

SIR OSWALD STOLL FOUNDATION

STATEMENT OF CASH FLOWS for the year ended 31 March 2016

	Notes	2016 £	2015 £
Net cash generated from/(used in) operating activities	A	11,807	555,145
Investing activities			
Interest received		35,467	8,296
Grants received		-	5,923,294
Purchases of tangible assets		(2,436,712)	(1,833,748)
Net cash (used in)/generated from investing activities		(2,401,245)	4,097,842
Financing activities			
Repayments of borrowings		(371,956)	-
New loans		-	727,751
Interest paid		(197,204)	(140,097)
Net cash (used in)/generated from financing activities		(576,160)	587,654
Net (decrease)/increase in cash and cash equivalents		(2,958,598)	5,240,641
Cash and cash equivalents at beginning of the year		6,232,012	991,371
Cash and cash equivalents at end of year	B	3,273,414	6,232,012

The notes on pages 17 to 38 form part of these financial statements

SIR OSWALD STOLL FOUNDATION

NOTES TO THE CASH FLOW STATEMENT for the year ended 31 MARCH 2016

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

	2016 £	2015 £
Surplus for the year	29,981	100,798
Loss on sale of housing properties	10,612	3,155
Interest payable	204,204	152,097
Interest receivable	(35,467)	(8,296)
Depreciation charge on property, plant and equipment	411,155	380,412
Amortised government grants	(202,920)	(202,920)
Increase in debtors	(131,567)	(69,825)
Decrease in creditors	(397,191)	222,724
Movement in pension liability	123,000	(23,000)
	<hr/>	<hr/>
Net cash inflow from operating activities	11,807	555,145
	<hr/>	<hr/>

B CASH AND CASH EQUIVALENTS

	At 1 April 2015 £	Cash flow £	At 31 March 2016 £
Cash at bank and in hand	6,232,012	(2,958,598)	3,273,414
	<hr/>	<hr/>	<hr/>
Net funds	6,232,012	(2,958,598)	3,273,414
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SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016

1 Accounting policies

General information

The Charity is a Registered Provider of Social Housing registered with the Homes and Communities Agency. A description of the nature of the Association's operations and its principal activity is disclosed in the Trustees Report on page 2.

The Association's registered office is The Sir Oswald Stoll Mansions, 446 Fulham Road, London, SW6 1DT.

Basis of accounting

These accounts are the first annual Financial Statements of the Association 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.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015.

In accordance with FRS 102 the Association has:

- provided comparative information,
- applied the same accounting policies throughout all periods presented,
- retrospectively applied FRS102 as required, and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 102.

Further information about the transition and the impact of first-time adoption of FRS 102, is given in accounting policies and note 27.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with the company's accounting policies.

Going concern

After reviewing the budget for 2016/17 and the long term financial plan, the Board has a reasonable expectation that the Association 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.

Exemptions under FRS 102

The Association has not taken advantage of any exemptions available under FRS 102.

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

1 Accounting policies (continued)

Turnover

Turnover comprises rental and service charge income, revenue grants (including Aids and Adaptations grants), fees and donations.

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

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

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

Social Housing Grant and government grants

Government grants include grants receivable from the Homes and Communities Agency (HCA), 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 and its individual components (excluding land), 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 the Homes and Communities Agency. If this is the case, they are credited to a Recycle 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.

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 the association, 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. 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:

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

1 Accounting policies (continued)

Housing property (continued)

Component	Life
Kitchen	20 years
Bathroom	25 years
Electrical heating	20 years
Electrical main	20 years
Hot water cylinders	20 years
Boilers	10 years
Lifts	25 years
Flat roof	25 years
Traditional roof	60 years
Structure	100 years

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. The Association 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 this financial year by Christie's. The value provided was not materially different from the carrying value and so no adjustment was made.

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.

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

1 Accounting policies (continued)

Impairment (continued)

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 income statement.

Holiday pay accrual

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

Pension costs

The Foundation operates a defined benefit scheme, which is administered independently by the Pensions Trust. The defined benefit scheme has been closed off to new members. The expected cost of providing pensions is calculated from actuarial advice. It is not possible to separately identify the underlying assets and liabilities belonging to the Foundation on a consistent and reasonable basis.

As there is a contractual agreement between the scheme and the Foundation that determines how the deficit will be funded, the contributions payable that arise from the agreement to the extent that they relate to the deficit is recognised as a liability in the Statement of Financial Position and the resulting expense in the Statement of Comprehensive Income. When the contributions are not expected to be settled within 12 months after the reporting period, the liability is measured at the present value of the contributions payable by using a discounted rate (discounted present value basis). The rate used is determined by reference to market yields at the reporting date on high quality bonds.

The Foundation 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 2016 (continued)

1 Accounting policies (continued)

Value added tax

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

Taxation

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

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Association 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 the Association 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 the Association'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.

The Association is party to a multi-employer defined benefit (final salary) contributory pension scheme administered independently. The Association is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

SJR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

1 Accounting policies (continued)

Employee benefits (continued)

As there is a contractual agreement between the scheme and the Association that determines how the deficit will be funded, the contributions payable that arise from the agreement to the extent that they relate to the deficit is recognised as a liability in the Statement of Financial Position and the resulting expense in the Statement of Comprehensive Income. When the contributions are not expected to be settled within 12 months after the reporting period, the liability is measured at the present value of the contributions payable by using a discounted rate (discounted present value basis). The rate used is determined by reference to market yields at the reporting date on high quality bonds.

Restricted reserves

These are funds given to the foundation for a specific purpose or to support a project and cannot be used for any other purpose. (See Note 24 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 Financial Statement 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 the Association'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 the Association's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Financial instrument classification
- Housing property impairments

Financial instruments classification

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

One of the Association'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.

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

1 Accounting policies (continued)

Key sources of estimation uncertainty and judgements (continued)

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 as 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 PPE
- The main components of housing properties and their useful lives
- The recoverable amount of rental and other trade receivables

Identification of housing property components

The Association 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.

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

1 Accounting policies (continued)

Key sources of estimation uncertainty and judgements (continued)

Bad debt provision

The trade debtors balance of £106,892 recorded in the Association's statement of financial position comprises a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

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

	Turnover	Operating costs	2016 Operating surplus/ (deficit)	2015 Operating surplus/ (deficit)
	£	£	£	£
Income and expenditure from lettings (note 2b)	2,390,776	(2,165,294)	225,482	380,404
Other social housing activities:				
Supporting people	1,300	(672,196)	(670,896)	(550,874)
Activities funded by donations and grants	1,124,218	(578,034)	546,184	307,469
Non-social housing activities:				
Commercial property	97,948	-	97,948	109,020
Activities funded by donations and grants	-	-	-	(1,420)
Total	3,614,242	(3,415,524)	198,718	244,599

Activities funded by donations and grants comprise:

	2016 £	2015 £
Trusts & grants	541,554	524,911
Corporates	51,349	15,136
Strategic Partners (Help for Heroes)	360,000	90,000
Strategic Partners (Libor)	19,600	-
Community Groups	36,721	4,413
Individuals & Events	94,994	20,136
Major Donors	10,000	48,000
Legacies	10,000	5,000
	1,124,218	707,596

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

2b) Particulars of income and expenditure from lettings	2016 £	2015 £
Turnover		
Rents receivable net of service charges and voids	1,587,879	1,387,980
Service income	514,991	471,178
Grant	202,920	202,920
Other income	84,986	84,792
	<hr/>	<hr/>
	2,390,776	2,146,870
Expenditure on letting activities		
Services	(271,203)	(248,459)
Management	(1,130,233)	(815,100)
Routine maintenance	(148,795)	(158,422)
Planned maintenance	(225,948)	(161,467)
Bad debt expense	(4,555)	(25,248)
Loss on replacement of components	(10,611)	(3,155)
Depreciation of housing properties	(373,952)	(354,615)
	<hr/>	<hr/>
Total expenditure on lettings	(2,165,297)	(1,766,466)
	<hr/>	<hr/>
Operating surplus on letting activities	225,482	380,404
	<hr/>	<hr/>
Net rental income is stated after losses from voids of	24,008	32,903
	<hr/>	<hr/>

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

3 Analysis of accommodation	2016 No.	2015 No.
Units in management		
Supported housing / housing for older people	255	255
General needs	4	4
	<hr/>	<hr/>
	259	259
	<hr/>	<hr/>

4 Emoluments of the Board of Trustees and senior management team

Under Regulations made under Housing Law, the Trustees are defined as the Trustees of the Board and the Chief Executive. Excluding the Chief Executive and the Company Secretary, none of the Trustees received any emoluments (2015: £nil). Total expenses reimbursed to Trustees were £4,650 (2015: £1,567).

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

4 Emoluments of the Board of Trustees and senior management team (continued)

	2016 £	2015 £
Remuneration paid to key management personnel were:		
Gross salary	80,000	75,760
Social security costs	8,551	8,156
Employer's pension contributions	9,440	9,086
	<hr/>	<hr/>
The total emoluments including pension and benefits in kind of the Chief Executive	97,991	93,002
	<hr/>	<hr/>
Emoluments excluding pension contribution	88,551	83,916
	<hr/>	<hr/>

The Chief Executive is an ordinary member of the Defined Benefit Career Average Revalued Earnings (CARE) 60ths scheme which was funded by the employer at the rate of 11.8% (2015:11.8%) during the year, with member contributions of 5.7% (2015:4.2%)

The Chief Executive was the only member of staff who earned over £60,000 during the year, including salaries and bonuses but excluding pension contributions. His salary fell within the band £80,000- £90,000.

5 Employee information

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

	2016 Number	2015 Number
Administration	7	6
Housing	9	6
Support	14	13
Fundraising	7	3
	<hr/>	<hr/>
	37	28
	<hr/>	<hr/>
	2016 £	2015 £
Staff costs for the above persons were:		
Wages and salaries	1,167,331	838,645
Social security costs	111,348	70,632
Other pension costs	98,014	77,542
	<hr/>	<hr/>
	1,376,693	986,819
	<hr/>	<hr/>

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

6	Interest receivable and similar income	2016	2015
		£	£
	Bank interest	35,467	8,296
		<hr/>	<hr/>
7	Interest payable and similar charges	2016	2015
		£	£
	Bank loans	236,204	140,097
	Less: amounts capitalised	(39,000)	-
		<hr/>	<hr/>
		197,204	140,097
	Unwinding of discount on multi-employer pension scheme liability	7,000	12,000
		<hr/>	<hr/>
		204,204	152,097
		<hr/>	<hr/>
8	Surplus for the year is stated after charging:	2016	2015
		£	£
	Depreciation		
	- housing properties	373,952	354,615
	- other assets	37,203	25,797
	External auditor's remuneration (excluding VAT)		
	- in respect of the external audit	10,917	10,500
	- other services (FRS102)	5,167	-
	Internal auditor's remuneration (excluding VAT)		
	- in respect of the internal audit	3,948	-
	Operating lease rentals		
	- plant and machinery	5,375	14,385
	- land and buildings	58,725	78,300
		<hr/>	<hr/>

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

9 Property, plant and equipment – housing properties

	Completed £	Under construction £	Leasehold properties £	Total £
Cost				
1 April 2015 (restated)	28,710,009	284,566	1,123,513	30,118,088
Additions – property development	-	1,958,175	-	1,958,175
Additions – replacement components	448,080	-	-	448,080
Disposals	(188,384)	-	-	(188,384)
31 March 2016	28,969,705	2,242,741	1,123,513	32,335,959
Depreciation				
1 April 2015 (restated)	(4,545,532)	-	(215,496)	(4,761,028)
Charge for the year	(351,088)	-	(22,864)	(373,952)
Released on disposal	177,773	-	-	177,772
31 March 2016	(4,718,848)	-	(238,360)	(4,957,208)
Net book value				
31 March 2016	24,250,857	2,242,741	885,153	27,378,751
31 March 2015 (restated)	24,164,477	284,566	908,017	25,357,060

The total expenditure in the year on works to existing properties was £448,080 (2015: £213,222). Interest capitalised during the year amounted to £39,000 (2015: £nil).

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

10 Property, plant and equipment – other

	Freehold land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Paintings £	Total £
Cost or Valuation					
1 April 2015 (restated)	393,662	257,551	45,975	34,160	731,348
Additions	-	30,457	-	-	30,457
31 March 2016	393,662	288,008	45,975	34,160	761,805
Depreciation					
1 April 2015 (restated)	(167,333)	(189,531)	(45,975)	-	(402,839)
Charge	(7,531)	(29,672)	-	-	(37,203)
31 March 2016	(174,864)	(219,203)	(45,975)	-	440,442
Net book value					
31 March 2016	218,798	68,805	-	34,160	321,763
31 March 2015 (restated)	226,329	68,020	-	34,160	328,509

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

11 Debtors	2016 £	2015 £
Arrears of rent and service charge	221,736	197,991
Less: provision for bad and doubtful debts	(114,844)	(110,289)
Net rental arrears	106,892	87,702
Prepayments	65,714	24,200
Accrued income	11,517	21,000
Other debtors	116,195	35,849
	300,318	168,751
12 Creditors: amounts falling due within one year	2016 £	2015 £
Bank borrowings (note 14)	488,027	442,330
Rents received in advance	54,633	73,942
Trade creditors	80,711	149,706
Other taxes and social security costs	29,903	-
Accruals and deferred income	600,625	939,415
Deferred capital grant (note 15)	202,920	202,920
Multi-employer pension scheme (note 22)	46,000	45,000
	1,502,819	1,853,313
13 Creditors: amounts falling due after more than one year	2016 £	2015 £
Bank borrowings (note 14)	3,145,680	3,313,333
Other loans (note 14)	875,000	1,125,000
Multi – employer pension scheme (note 22)	491,000	362,000
Deferred capital grant (note 15)	16,847,689	17,050,609
Other grant	4,500,000	4,500,000
	25,859,369	26,350,942

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

14 Financial instruments

The Association'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 the association's operations.

The Association'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

The Association'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

The Association's liquidity risk is primarily is 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.

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

Interest rate risk

The Association 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.

The Association's cash investments earned interest at a fixed rate of 1%

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

	2016	2015
	£	£
Financial assets:		
Measured at undiscounted amounts receivable		
• Debtors	300,318	168,752
	<hr/>	<hr/>
	300,318	168,752
	<hr/>	<hr/>
Financial liabilities:		
Measured at amortised cost		
• Loans repayable	4,508,708	4,880,663
Measured at undiscounted amounts receivable		
• Trade creditors	80,711	149,706
	<hr/>	<hr/>

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

14 Financial instruments (continued)

The Group's income, expense, gains and losses in respect of the financial instruments are summaries below:

Interest income and expense

• Total interest income for financial assets at amortised cost	35,467	8,296
• Total interest expense for financial liabilities at amortised cost	204,204	152,097

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

Housing loans	2016 £	2015 £
Bank and other borrowings are repayable as follows:		
Due within one year	488,027	442,330
Between one and two years	418,496	431,503
Between two to five years	1,103,147	1,131,645
Over five years	2,499,037	2,875,185
Total housing loans	4,508,707	4,880,663
Less: repayable within one year	(488,027)	(442,330)
Housing loans falling due after more than one year	4,020,680	4,438,333

Loans from Orchardbrook/RBS 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 1.00% 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 commencing the earlier of completion of the secured property or 30 June 2015.

15 Deferred capital grants	2016 £	2015 £
At 1 April as restated	17,253,529	16,033,155
Grants receivable in the year	-	1,423,294
Release to income in the year	(202,920)	(202,920)
Balance at 31 March	17,050,609	17,253,529
Classified as:		
Amounts to be released within one year	202,920	202,920
Amounts to be released in more than one year	16,847,689	17,050,609
	17,050,609	17,253,529

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

16 Reserves (excluding investment revaluation)

	2016 £	2015 £
Income and expenditure		
As at 1 April	3,867,917	3,767,119
Surplus for the year	29,981	100,798
	<hr/>	<hr/>
As at 31 March	3,897,898	3,867,917
	<hr/>	<hr/>
Analysed as:		
Invested in housing properties	3,179,567	2,886,382
Restricted Funds	68,521	735,917
Un-designated	649,810	245,618
	<hr/>	<hr/>
	3,897,898	3,867,917
	<hr/>	<hr/>

17 Investment revaluation reserve

	2016 £	2015 £
At 1 April and at 31 March	14,160	14,160
	<hr/>	<hr/>

18 Members

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

19 Operating lease commitments

At 31 March 2016 the Association had future minimum lease payments under non-cancellable leases are as follows:

	2016		2015	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Leases which expire:				
No later than one year	19,575	4,990	19,575	10,350
Later than one year but within five years	39,150	385	58,725	4,035
	<hr/>	<hr/>	<hr/>	<hr/>
	58,725	5,375	78,300	14,385
	<hr/>	<hr/>	<hr/>	<hr/>

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

20 Capital commitments

Capital expenditure that has been authorised by the Board of Management that has not yet been contracted for amounts to £7.2m for the building works and development of Aldershot (2015: £1.8m for land purchase in Aldershot).

21 Related party transactions

A member of the key management's family resides on one of the Stoll sites. An interest was declared and a full allocations policy was applied. During the year, a tenant was elected onto the Stoll Board. The normal chargeable rent is applied in both instances.

	£
Rent for the year	14,983
Amounts outstanding at year end	-

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

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

22 Pensions

The company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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 2014. This actuarial 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 have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

22 Pensions (continued)

Deficit contributions

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

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present value of provision	2016 £'000	2015 £'000
As at 31 March	537	407
Reconciliation of opening and closing provisions	2016 £'000	2015 £'000
Provision as at 1 April	407	418
Unwinding of the discount factor	7	12
Deficit contributions paid	(45)	(43)
Amendments to the contribution schedule	171	-
Impact of changes in assumptions	(3)	20
As at 31 March	537	407

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

22 Pensions (continued)

Income statement impact	2016 £'000	2015 £'000
Unwinding of discount factor	7	12
Remeasurements - impact of changes in assumptions	(3)	20
Remeasurements - amendments to the contribution schedule	171	-
	<hr/>	<hr/>
As at 31 March	175	32
	<hr/>	<hr/>
Restated as:	2016 £'000	2015 £'000
Creditors: amounts falling due within one year	46	45
Creditors: amounts falling due after more than one year	491	362
	<hr/>	<hr/>
	537	407
	<hr/>	<hr/>

ASSUMPTIONS

	31 March 2016 % per annum	31 March 2015 % per annum	31 March 2014 % per annum
Rate of discount	2.06	1.92	3.02

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

23 Royal British Legion

	2016 £	2015 £
Balance outstanding at the end of the year	-	62,500
	<hr/>	<hr/>

The loan was used to finance development costs at 537A Staines Road, Feltham to build 36 units to house ex service men and women.

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

24 Restricted funds

Grants received from donors in this financial year for Revenue purposes

Donor	Purpose	Amount £
The Royal British Legion	To support the Chiswick Scheme Coordinator	65,800
Forces in Mind Trust	To support the Research project	74,288
ABF The Soldiers Charity	To finance the Domestic Support service	35,000
Philip King Charitable Trust	To support Banstead Court	32,500
Queen Mary's Roehampton Trust	Tenancy Support	30,000
Paul Hamlyn Foundation	To support the Combat Veterans Players	16,667
Anton Jurgens Charitable Trust	To support the Domestic Support Service	3,000
The Monument Trust	To finance the Drug & Alcohol project	40,000
Beatrice Laing Trust	To support the Domestic Support Service	5,000
Seafarers UK	To support 20 seafarers and dependents	
Henry Smith Charity	Domiciliary, Outreach and Health & Well Being	6,667
Childwick Trust	To support the Health & Wellbeing programme	30,000
Royal Navy Royal Marines Charity	To support the Health & Wellbeing programme	15,000
Garfield Weston	To support the Health and Wellbeing programme	33,000
Help for Heroes	To support the Health and Wellbeing programme	30,000
WC Coopers	To support Wounded , Injured, Sick veterans	22,000
Forces in Mind Trust	To support the Domestic Support Service	3,000
	To support Veterans in transition	75,375
		517,297

Of which £68,521 is carried forward to next financial year

Forces in Mind	15,188
Seafarers	13,333
Monument Trust	20,000
Philip King Charitable Trust	20,000
	68,521

Capital funds

The grant from the Ministry of Defence received in the financial year 2014/15 for £246,199 has been spent on refurbishing 25 bathrooms for disabled veterans. The amount released in the statement of comprehensive income in the year ending 31 March 2016 was £7,224.

SIR OSWALD STOLL FOUNDATION

NOTES TO THE ACCOUNTS for the year ended 31 March 2016 (continued)

25 Unrestricted reserves

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

26 Legacy income

It is with much gratitude that we received a legacy of £10k from Mrs Nessie Maureen Morrison.

27 FRS 102 transition

These financial statements are the Group's first financial statements in compliance with FRS 102. The date of transition was 1 April 2014.

The transition to FRS 102 has resulted in some changes in accounting policies compared to those used previously. The following table describes the differences between the amounts presented previously under old UK GAAP and as restated to comply with FRS 102:

- in the statement of comprehensive income and statement of financial position for the year ended 31 March 2015 (i.e. comparative information); and
- in the opening balance sheet (i.e. at 1 April 2014, the date of transition).

Reconciliation of capital and reserves

	At 1 April 2014 £	At 31 March 2015 £
As previously reported	4,744,434	4,781,869
Adjustments:		
1) Re-instatement of grant previously amortised	(312,962)	(312,962)
2) Amortisation of grant	2,835,560	3,038,480
3) Depreciation of properties on gross cost	(3,067,753)	(3,258,282)
4) Adjustment to disposals previously made	-	39,972
5) Pension adjustments	(418,000)	(407,000)
As reported under FRS 102	3,781,279	3,882,077

Reconciliation of retained surplus for the year ended 31 March 2015

	Year ended 31 March 2015 £
As previously reported	37,435
Adjustments:	
1) Amortisation of grant	202,920
2) Depreciation of properties on gross cost	(190,529)
3) Adjustments to disposals previously made	39,972
4) Pension adjustments	11,000
	100,798