

Company's registered number: 148636
Registered Charity number: 207939
Homes England number: A3418

SIR OSWALD STOLL FOUNDATION
Report and financial statements for the year ended 31 March 2020

SIR OSWALD STOLL FOUNDATION

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SIR OSWALD STOLL FOUNDATION

TRUSTEES AND ADVISERS

President	Field Marshall Lord Walker of Aldringham GCB CMG CBE DL
Trustees	David Arthur (appointed 5/12/19) Shaun Cooper FCMA (resigned 5/12/2019) Karl Craig (appointed 5/12/2019) Diana Hodson BA (Hons) CIH (resigned 5/12/2019) Uta Hope Commander Clare Hughes RNR (Ret) Simon Philips Roger Shrimplin George Thornton Timothy David Rossington CB (Chair of Finance Committee) Air Vice Marshal Raymond Lock CBE (Chair) Katherine Russell
Chief Executive Officer	Ed Tytherleigh (to 31 March 2020)
Interim Chief Executive Officer	Sarah Berzon (from 1 April 2020)
Company Secretary	Ed Tytherleigh
Registered office and principal office	The Sir Oswald Stoll Mansions 446 Fulham Road London SW6 1DT
Bankers	National Westminster Bank Fulham Broadway London SW6 1AG
Auditor	Kreston Reeves LLP Statutory Auditor Chartered Accountants Springfield House, Springfield Road Horsham, West Sussex RH12 2RG
Solicitors	Trowers & Hamblins LLP 3 Bunhill Row London EC1Y 8YZ
Company's registered number	148636
Registered charity number	207939
Homes England number	A3418

**SIR OSWALD STOLL FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

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 2020.

Public Benefit disclosures

During the year ended 31 March 2020, 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 5th December 2019).

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. Outside of London, we also opened a scheme with 34 homes in 2018 called Centenary Lodge in Aldershot. Centenary Lodge won the Inside Housing Award for best social housing development in 2019 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. 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 void standard for new lettings. The support services we offer enable Stoll to house tenants with complex problems – although we have made the case to Government that sometimes we cannot take the most complex without funding from Government. 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, including 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 600 Veterans since the scheme was set up in 2012.

For the first half of the year, we also ran 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 to try and maintain their independence in the community. The Outreach service focused upon Wounded, Injured and Sick veterans, but sadly had to close down in October 2019 after funding was ended by a partner Veterans charity – as all charities within the Veterans sector have found their funding reduced.

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Stoll also hosts the monthly London Veterans Drop-in which provides a forum for veterans and the organisations that support them 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. During the year we evolved the Drop-in to try and give it a greater reach and, in partnership with the Camden & Islington NHS Trust, we have moved the venue of the Drop-in to the St Pancras Hospital in Islington.

Stoll also offers a broad range of Health and Wellbeing activities, providing training, confidence-building and considerable wider benefits to those undertaking the activities; last year there were over 11,000 attendees at a wellbeing activity by Veterans and their dependants. 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 was supported through the year by a Drug and Alcohol support 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.

One final area of work for Stoll and which has been a significant growth area for the organisation is in policy and public affairs work around veterans housing. We co-chair the umbrella group that leads the process of bringing about a much more co-ordinated approach to our country's veterans in housing need. In this position we have led the very successful No Homeless Veterans campaign, targeting Local authorities to ensure they fulfil their statutory obligations around veterans housing – and encourage them to go beyond if appropriate. Anecdotally we believe the number of veterans in housing need has gone down and we have evidence of tens of Local Authorities who have changed their practice as a result of the campaign.

The Refurbishment of Sir Oswald Stoll Mansions

Yet again, a key issue for the organisation was progressing 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 a smaller footprint on the site and then to sell the remainder of the land to the Football Club. However in May 2018 the project was put on hold as the purchaser put the transaction on hold at the last minute. This pause carried on into the 2019/20 financial year and has created much uncertainty.

This pause had considerable financial impact upon the charity as there were a number of sunk costs related to our part of the deal. We also had 42 void properties when the transaction stopped and it has taken a long time to fill all these properties with suitable veterans tenants. We are pleased to report that we are most of the way to recovering our previous financial position before this happened.

However, one legacy that remains unresolved is the rising cost of maintaining the Mansions properties which are over 100 years old. We simply do not raise adequate funds from our rents to invest to the level we would like in these properties and they do not meet the very high standards of our other properties in our other schemes. Coupled with the value of the site and the potential to convert the asset into many more homes for Veterans, we have continued to pursue the redevelopment of the site and Knight Frank were employed in the 19/20 financial year to carry out a process to identify a development partner for the redevelopment of the site where, as per the original proposal with Chelsea FC, we plan to remain on a lesser footprint of the site, with the remainder of the site being used in this context for new residential property for rent or sale. This is a significant undertaking, but the Trustees believe the risk of not refurbishing the properties is greater than the redevelopment of the site, despite one false start. Due to the current Covid and lockdown situation, the trustees have decided to put the redevelopment on hold until normal operations are resumed and the new Chief Executive is on board.

Achievements and Performance

2019/20 has been the last year of our most recent five-year organisational strategy. It has been delivered within the context of cost reduction for two reasons. First, the organisation has continued to recover from the impact of the last-minute pause on the redevelopment of Sir Oswald Stoll Mansions. Second, funding for the military charity sector has decreased significantly and all the major charities are having to cut back services and funding to smaller organisations. Within that context, the trustees are very pleased to report that the fundamental services that Stoll offers its beneficiaries have been untouched as the focus of cost reduction has been upon administrative or 'value add' functions.

Our report is structured around the following headings of the 2015/20 organisational strategy:

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

During the year Stoll:

- Delivered training and workshops and reviewed service delivery to ensure an increased focus upon independence through the delivery of our support services.
- Reviewed the delivery of our domestic support service to our most isolated beneficiaries, also with a view to growing their independence.
- Moved the Drop-in service to St Pancras Hospital in partnership with Camden & Islington NHS Trust.
- Overhauled our health and wellbeing services to maximise the outcome to beneficiaries and their personal growth and sense of independence.
- Commenced a support review that will deliver a two-tier support service to Stoll residents. For our more vulnerable tenants, this will mean formal keyworking and support planning structure to their support. For our more independent tenants, this will mean a risk and needs-based approach to ensure support to achieve independence on their own, without formal support planning in process. This is resource-driven, but we also believe that it will give clarity for tenants and encourage the more independent to stand on their own two feet to a greater degree.
- We also ended our five-year relationship with Addaction providing drug and alcohol services on site to our veterans. The relationship has worked very well and the impact on our longer-term beneficiaries with addiction issues has been overwhelmingly positive. The service also supplemented our mainstream support offer admirably. We do not currently have the funding to continue this service.

This resulted in the following impact upon our beneficiaries:

- 45 Veterans were prevented from becoming homeless
- 13 Veterans moved on from our own properties into independent living
- 69 veterans were housed by the Veterans' Nomination scheme
- 11 % of residents we worked with were more able to live independently
- 94% of residents we supported retained their independence

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

Stoll did not add to its property portfolio during the year, following the completion of the Centenary Lodge scheme in Aldershot. But the work to redevelop our Sir Oswald Stoll Mansions site continues, as per the description above. We hope this will not only lead to a renewal of the properties on the site but, in time, an increased portfolio of supported housing to veterans in the future as a result.

We continue to explore opportunities for new developments in the future. We have also evolved our 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

Stoll has run Outreach services for veterans over the past eight years and we were saddened to close the Outreach down in October 2019 as funding was ended. The performance of the team remained very strong and the decision was not driven by the outputs or outcomes of the team, but by the funding constraints of the partner charity (Help for Heroes) who funded the service for Wounded, Injured and Sick ex-Service personnel, and cut its grant funding programme..

The closure of the service has had two detrimental effects wider than the impact on the beneficiaries themselves. London now lacks an outreach service with the range of skills and multi-disciplinary approach that the Outreach team brought. This means that some of the most vulnerable veterans in the capital do not get the level of support they need to move forward in their lives. Second, it has also meant that some of the more vulnerable veterans cannot move into Stoll properties because we do not have the resource to prepare them and resolve issues that prevent them settling down in a residential setting prior to move-in. We continue to push to bring back the service if we can.

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

Stoll continues to be the leading organisation trying to achieve a more co-ordinated approach to veterans' housing in the UK. Our No Homeless Veterans campaign (www.nohomelessveterans.org.uk) has been a considerable success. The campaign has had a media reach of 22,000,000 people including 5 pieces of national coverage and four pieces of broadcast media and a social media reach of 141,000 impressions. Staff from 100 Local Authorities have been briefed by members of the team up and down the country.

We deliver this work on behalf of the Cobseo Housing Cluster and we are working with the Cluster to evolve the No Homeless Veterans brand and offer in the coming year as well, working alongside our fellow providers.

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Value for Money

Value for Money metrics were introduced to the sector in the 2017/2018 financial year to compare performance across the sector in a fair and comparable way and in accordance with FRS102 requirements. The seven metrics 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 effectiveness and to identify where improvements can be made.

Indicator	Measurement of VFM Cost Chain	STOLL 18/19	STOLL 19/20	SPBM Group
1. Reinvestment %	Efficiency	26%	0%	4%
2. Supply of New Social Housing	Effectiveness	34	-	0%
3. Gearing	Efficiency	19%	20%	17%
4. EBITDA MRI (as a % of interest)	Efficiency	90%	138%	249%
5. Headline social housing cost per unit	Economy	£8,611	£9,713	£4,607
6.A. Operating Margin (overall)	Efficiency	-5%	3%	18%
6.B. Operating margin (social housing lettings)		4%	5%	19%
7. ROCE	Efficiency	-0.4%	0.4%	2.40%

Continuous improvement continues to be a key business strategy for Stoll.

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. We are constantly striving on increasing our VFM metrics to be more in line with our targets and benchmark our results against other similar housing providers.

Government legislation introduced in 2016 resulted in Stoll having to reduce its rental income by 1% each year over a four-year period. This ended in the last financial year and in 20/21 rents will be increased in line with the Regulator guidelines. Universal Credit changes and budget cutbacks has impacted on government funding for new homes. Stoll's five-year strategy was revised to respond to the new challenges it faces and the Value for money culture is driven from within the organisation.

We also achieved the following performance as a landlord:

SPBM Benchmarking KPI's Housing	STOLL 19/20	SPBM Group
	£'s	£'s
Housing Management Cost per Unit	1,295	393
Responsive Repairs Cost per Unit	1,115	651
Major & Cyclical Repairs Cost per Unit	652	1,228
Service Charge per Unit	1,763	-

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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

Consumer Standards Outcome: Landlord services

Indicator	Stoll's Target	18/19	19/20	SPBM Group
Rent arrears net of unpaid HB - Supported Housing	2%	3%	4%	2%
Current arrears - Supported	5%	3%	6%	5%
Former arrears - Supported	2%	2%	3%	1%
% emergency repairs completed within target	97%	98%	100%	99%
% urgent repairs completed within target	97%	97%	97%	95%
% routine repairs completed within target	97%	96%	98%	97%
% Void Loss	4%	15%	6%	6%
Average void turnaround	28 days	73 days	84 days	53 days

Value for Money Principle- Investment in Existing Homes:

We further evolved our relationship with Mears to work with them on all reactive repairs. This is a six-month pilot ending in summer 2020 and has been very effective thus far.

While our performance tends to benchmark very well against other providers, the one area where we would like to improve is voids, where we used to perform much better – and intend to in the future. This is for a combination of reasons. The large number of voids has been higher than at any stage in Stoll's history. The shorter-term tenancy agreements on our Fulham properties has had an effect on people's desire to move-in after upheaval in their lives. We also staggered expenditure on our most challenging void properties to manage our lower cash levels during the year.

Consumer Standards Outcome: Independence and Dignity

Indicator	Stoll's Target	18/19	19/20
Veterans living more independently	> 20%	14%	11%
% maintained or increased their independence	90%	94%	94.00%

Value for Money Principle- Delivery of Excellent Customer Service:

During the year, we evolved our tenancy agreements so that all new tenants move onto Periodic Assured Shorthold tenancy, giving our new tenants increased tenancy rights than the previous short-term tenancies issued for Mansions tenants.

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Consumer Standards Outcome: People and Homes

Indicator	Stoll's Target	18/19	19/20
Veterans being housed in Stoll properties	24	40	45
Veterans moving on to independence	16	16	13
Veterans housed through Veterans Nomination Service	80	76	69

During the 19/20 financial year 45 veterans were housed at Stoll and 69 more housed through the Veteran Nominations scheme. 13 Veterans moved on to independence.

Other Value for Money Achievements in 2019/20

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

- Growing the number of volunteers we used and evolving the manner in which we administrate and support volunteers at Stoll.
- Evolved our staff benefits offer to include Perkbox and an employee Assistance Programme.
- Made considerable, positive strides to the way in which we deliver our health and safety inspections, tracking and practice throughout the organisation.
- Developed a new Digital Strategy for the organisation
- Overhauled and improved our purchasing procedures for the organisation

Future Plans for the Charity

After nine successful years at the charity, Stoll's Chief Executive has made the decision to move onto a new role. We have been fortunate to have been through a period of strong leadership and many successes during that period. But a change of leadership also presents new opportunities and in March 2020 Trustees approved the strategic framework for the next five years, which set five new strategic objectives for the charity:

1. Operate a financially sustainable model

Stoll is aligned strongly to ensure that our residents have the best support they can and pay a social rent so that there is no financial barrier to return to work. But all our support services are reliant upon charitable fundraising, which is unpredictable and reducing for the military charities. Furthermore, our high-level housing offer and low rent model means that we are not able to generate the funds we need to invest in our properties to the extent that we would like. Therefore, with the redevelopment of Sir Oswald Stoll Mansions central to this objective, we would like to evolve the offer we make to the veterans' community, retaining an affordable offer to working age veterans and a high end offer for disabled and vulnerable veterans for a rent that means we can maintain that offer for the long-term.

2. Deliver an Effective Support and Housing Model that Promotes Independence

As the complexity of need presented by those applying for our services increases, there is a growing understanding within the charity that we need to align ourselves to meet that need, which means evolving our practice and the procedures that underpin this so we are clear of the offer we make to each and every veteran and we can manage their expectations appropriately as well. This is a considerable undertaking and one that needs to be done.

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3. Ensure that all our properties are safe and in good repair

We live in an era of greater regulatory control and, supported by Stoll, increasingly higher standards around health and safety, particularly in the light of the Grenfell tragedy. Stoll already has high standards, but we want to ensure that we can continue to excel in this area. This also means financial investment in all our properties which remains a challenge we are determined to overcome.

4. Invest in our people

Any organisation working in a social care environment is only as good as its people. From its leadership, to the quality of its recruitment, its culture and the investment in training in development. We recognise this and want to make sure that we perform highly in this area to maximise the impact of our services on our beneficiaries.

5. Consolidate our position as the leading organisation within the veterans' housing space

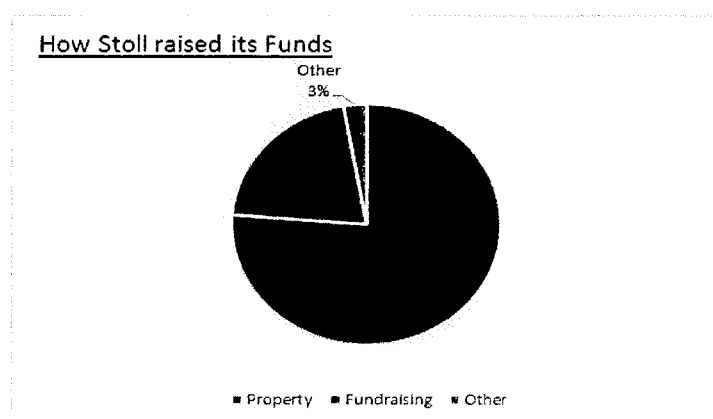
Not only has our extensive policy and lobbying work grown our reputation as the leading voice and provider within the veterans housing space, it has also had a significant impact on our charitable objects as veterans' homelessness remains remarkably low. Opportunities come from this position, both for the organisation and homeless veterans across the country and we will work hard to ensure we remain that momentum and work towards the entirely achievable outcome that it is very difficult to be homeless and a veteran in this country.

Stoll has appointed a new Chief Executive, Richard Gammage, who will be joining Stoll in September 2020. He will be responsible for turning the strategic framework that was developed into a business plan for approval by the Trustees.

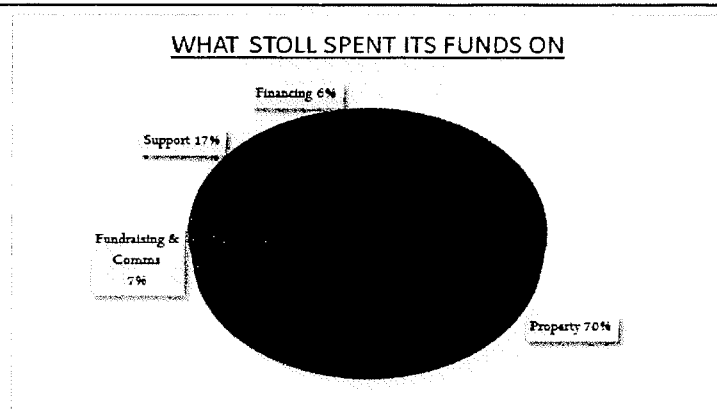
Review of Stoll's Finances

At the end of 2019/20, Stoll made a surplus of £362,113 due to a positive Pension adjustment but a loss of £151,887 excluding the pension movement. The loss excluding this adjustment was almost entirely driven by the difficulty we found in reaching our fundraising targets in an ever-more difficult environment for raising funds. More positively, Stoll actually increased its cash holdings as we were able to secure more multi-year funding which means that we should be more confident going forward that we will achieve sustainable fundraising income. To make sure that we do not experience the risk of not achieving our funding targets in 2020/21, we have signed off a budget for the year which reduces our fundraising target by £200,000 to £650,000 and also budgets for a surplus of £150,000. As we enter the financial year 2020/21, £430,000 of our fundraising income has either been pledged already or is expected to come in due to having been received in previous years. For this reason we believe that it is a conservative budget and will not lead to another loss in the forthcoming year and we are confident of achieving a surplus.

We also secured a loan with Charity Bank for £1m to be used for operational cash flow purposes and to help fund the cost of the redevelopment of the Mansions.



Stoll's income amounted to £3,851k in the last financial year. 76% of Stoll's income is derived from the letting of its flats and houses to veterans, 21% is through our charitable activities i.e. fundraised income and 3% is from other such as the rental income from the Medical Centre based on one of our sites.



Most of our expenditure is spent on maintaining our property stock i.e. 70% including admin costs and 17% is spent on providing a support service to our vulnerable veterans. 7% of our costs is our fundraising and communications expenditure.

Principal Risks and Uncertainties

The stalling of the intended redevelopment of the Sir Oswald Stoll Mansions created uncertainty and compounded the risk to the ongoing maintenance of the properties at that site. The majority of these 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. Our rental income levels are insufficient to raise the level of surplus funding necessary to redevelop the site as we would wish. This risk will be mitigated by generating an alternative approach to the redevelopment that builds on the excellent work done to date. This would ensure that all our properties are best-in-class in line with our other sites.

That said, the primary risk facing Stoll during 2019/20 has been around our cash holdings as the anticipated 'windfall' from the redevelopment of the Mansions site did not materialise. Through well-considered and prudent actions by senior management, and guided by the expert support of its Trustees, Stoll has been successful in reducing its operational expenditure. This has served to reduce the risk associated with cash flow and enabled Stoll to engender a more sustainable business model. Stoll continues to explore improved 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 and continuing to provide broad and effective support services to the beneficiaries. Cash levels are currently monitored weekly internally and have returned to three months' operating expenditure. Fundraising remains variable and we have fallen short of our stated target for the last five years, in part because the fundraising climate for military charities is harder than it used to be in the immediate aftermath of the Afghanistan conflict. We have reviewed our targets and set more realistic (and lower) ones as a result, and progress is being made. In 2019/20 the target was £850,000, and in the next year it will be £650,000, but we have also embarked on a major drive for new funds, including a Covid-related appeal. Results so far are positive.

Financial Impact of COVID 19 on Stoll

The Covid pandemic is widely recognized as a health, financial and social crisis. The Stoll Trustees recognise the risks and challenges that this virus poses to the charity in terms of the impact on its beneficiaries, the increase in unbudgeted expenditure incurred as a direct result of the virus and the potential decline in future income. A wide range of measures have quickly and effectively been implemented in order to mitigate the impact. Accordingly, the Trustees are content to confirm that they have assessed the financial implications of Covid19 and have disclosed the potential impact in a true and fair manner in accordance with the Charity SORP Committee guidelines.

Going concern

The charity has faced heightened levels of risk in the last year following the unexpected pause of the major intended redevelopment of the Sir Oswald Stoll Mansions. The charity, however, has a significant property asset base of some £40m at cost and reserves of £3.7m at the year end. Stoll also has relatively low gearing and is making the changes needed to increase access to cash reserves at an appropriate level. After reviewing the budget for 2020/21 and the long term financial plan, the Board has a reasonable expectation that Stoll has adequate resources to continue in operational existence for the foreseeable future. While the impact of the Covid-19 virus has been assessed by the Trustees, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the charity's activities. However, taking into consideration the UK Government's response and the charity's planning, the Trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. For this reason the Board continues to adopt the going concern basis preparing the financial statements.

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Post balance sheet event

Stoll successfully applied for a loan at Charity Bank for £1m for operational purposes. The funds were transferred on the 17 April 2020 which has resulted in a movement on the balance sheet from a net current liabilities position at the year end to a net current assets position post year end.

Employees

Stoll is committed to ensuring our approach to recruitment, selection and staff development is inclusive. Stoll's offices are accessible to wheelchair users, as are all the buildings on its estate. All decisions relating to employment practices are objective, free from bias and based solely on work criteria and individual merit. We promote a working environment that is free from discrimination, harassment and victimisation.

Stoll operates a policy of positive promotion of employment opportunities to Veterans and is a gold standard holder of the Armed Forces Covenant Employer Recognition Scheme.

Remuneration policy

Stoll uses other small housing associations and charities to benchmark salaries on a regular basis, salaries are reviewed annually at the Finance and Human Resources Committee. This committee is also responsible for setting the remuneration policy for the organisation's Chief Executive and Senior Management Team.

Volunteers

Stoll has volunteers donating their time in many different ways. we have categorised them into the following groups:

- Trustees and members
- Fundraising Volunteers
- Activities Volunteers
- Practitioner Volunteers
- Corporate Volunteers
- Office/Support Volunteers

We have a volunteer policy and procedures in place which include recruitment and selection, supervision, expenses, safeguarding, data protection and health and safety.

There are also governance procedures in place for Trustees and members.

Impact of Covid

Where appropriate to the organisation, business staff have been furloughed with a planned return to work in line with government guidance. The majority of staff are working from home providing our usual housing the support services remotely and all essential services have been maintained on site. As the lockdown has eased we are increasing the staffing presence on site, all our sites are Covid-19 Secure, having met all the Health and Safety requirements for staff in the workplace.

Fundraising

Stoll employs a team of fundraisers to raise funds for its projects and activities, we 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 the fundraising team 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.

Reserves Policy

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 commits to retaining a minimum of three months operating costs (not including restricted funds) in cash reserves by the end of 2020/21. This equates to approximately £800,000. Cash reserves held at 31 March 2020 were £705,190 and therefore we fell slightly short of this target. We intend to have six months' reserves by the end of the forthcoming strategy period. 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 the policy continues to reflect the underlying risks facing the organisation, and the level of reserves necessary to protect its core services to clients.

Total reserves at 31 March 2020 were £3,666,613 of which £217,916 were restricted and £3,399,943 were designated. At 31 March 2020 there were £425,754 (2019: £780,750) undesignated funds and the pension deficit reserve was (£377,000) (2019: (£924,000)).

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.

Code of Governance

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

Structure

The Trustees (who are also directors of Stoll for the purposes of company law) who served during the year are shown on page 1. Stoll's Board of Trustees meet four times a year. There are 5 sub-committees comprising of the Housing And Support Committee, Audit & Risk Committee, Finance and Human Resources, Fundraising, and Development that meet on a quarterly basis and report into the main Board of Trustees.

The Board sets the strategic framework which it delegates to the senior management team to deliver. It appoints the Chief Executive and ensures good performance through regular supervision and annual appraisal. The Chief Executive is responsible for leading and managing the organisation through a senior management team comprising of the Director of Finance, Director of Development and Housing, Director of Corporate Services, Head of Support and Head of Fundraising.

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. See page 1 for the new Trustee appointments during the year.

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 Charities SORP 2015 also requires that its methods and principles are observed. The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019 and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities. The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

During the 19/20 year Stoll's finance policies and procedures were reviewed by an independent consulting firm and the results were good. The internal audit is performed on a three year rolling cycle. An internal audit on The Finance Policies and Procedures is planned for the 20/21 financial year. 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.

**SIR OSWALD STOLL FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

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

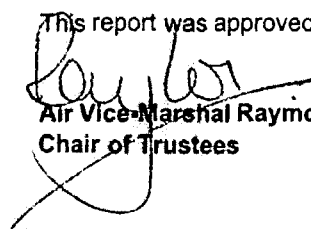
This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

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.

Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

This report was approved by the Trustees, on 24.9.2020 and signed on their behalf by


Air Vice-Marshal Raymond Lock CBE
Chair of Trustees

SIR OSWALD STOLL FOUNDATION

FOR THE YEAR ENDED 31 MARCH 2020

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 2020 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 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

SIR OSWALD STOLL FOUNDATION

FOR THE YEAR ENDED 31 MARCH 2020

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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 13, 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.

SIR OSWALD STOLL FOUNDATION

FOR THE YEAR ENDED 31 MARCH 2020

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

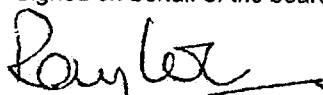
Date: 29 September 2020

**SIR OSWALD STOLL FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
Turnover	2	3,851,811	4,078,942
Operating expenditure		(3,745,551)	(4,118,336)
Operating surplus/(deficit)	8	<u>106,260</u>	<u>(39,394)</u>
Interest receivable and similar income	6	1,900	-
Interest payable and similar charges	7	(260,047)	(222,281)
(Deficit)/Surplus for the year	8	<u>(151,887)</u>	<u>(261,674)</u>
Initial recognition of multi-employer defined benefit scheme		-	(305,000)
Actuarial gains/(losses) in respect of pension schemes		514,000	(184,000)
Total comprehensive income for the financial year		<u><u>362,113</u></u>	<u><u>(750,674)</u></u>

All of Stoll's operations are classed as continuing

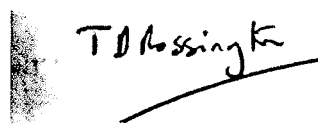
Signed on behalf of the board by :



Air Vice-Marshal Raymond Lock CBE

Chair of Trustees

Date: 24.9.2020



Timothy David Rossington (CB)

Chair of Finance Committee

Date: 24.9.2020

The notes on pages 23 to 40 form part of these financial statements.

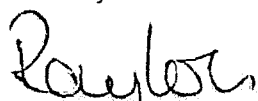
**SIR OSWALD STOLL FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2020**

Company's registered number: 148636

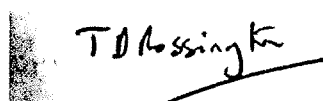
	Notes	2020 £	2019 £
Fixed Assets			
Tangible fixed assets - Housing properties less depreciation	9	33,491,845	34,023,381
Tangible fixed assets - other	10	198,796	260,406
		33,690,641	34,283,787
Current assets			
Debtors	11	274,028	198,064
Cash at bank and in hand		705,190	281,834
Current assets		979,218	479,897
Creditors: amounts falling due within one year	12	(1,972,325)	(1,386,617)
Net Current liabilities		(993,107)	(906,720)
Total assets less Current Liabilities		32,697,534	33,377,067
Creditors: amounts falling due after more than one year	13	(29,030,921)	(30,058,407)
Total Net assets		3,666,613	3,318,660
Reserves			
Unrestricted Reserves	16		
- invested in housing properties		3,399,943	3,270,343
- un-designated		425,754	780,750
- pension deficit		(377,000)	(924,000)
Restricted Funds	22	217,916	177,407
Investment Revaluation Reserve	17	-	14,160
		3,666,613	3,318,660

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

The accounts were approved and authorised for issue by the Board of Trustees on 24.9.2020 and were signed on its behalf by:



Air Vice-Marshal Raymond Lock CBE
Chair of Trustees



Timothy David Rossington (CB)
Chair of Finance Committee

The notes on pages 23 to 40 form part of these financial statements.

**SIR OSWALD STOLL FOUNDATION
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2020**

	Invested in housing properties £	Restricted funds £	Un-designated £	Pension deficit £	Investment revaluation reserve £	Total reserves £
Balance at 1st April 2019	3,270,343	177,407	780,750	(924,000)	14,160	3,318,660
Total comprehensive income for the year before disposal of heritage assets	(239,556)	40,509	-	547,000	-	347,953
Transfer between funds on disposal of heritage assets	-	-	14,160	-	(14,160)	-
Transfer between funds	369,156	-	(369,156)	-	-	-
Balance at 31 March 2020	<u>3,399,943</u>	<u>217,916</u>	<u>425,754</u>	<u>(377,000)</u>	<u>-</u>	<u>3,666,613</u>

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

Restricted funds represents funds given to Stoll for a specific purpose or to support a project and cannot be used for any other purpose.(see note 22)

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).
These assets were sold during the year.

The notes on pages 23 to 40 form part of these financial statements

SIR OSWALD STOLL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Net cash generated from/(used in) operating activities	A	988,978	115,337
Investing Activities:			
Interest received		1,900	-
Deferred capital grants received		-	500,000
Proceeds on disposal of tangible fixed assets		44,676	-
Purchases of tangible assets		(21,534)	(728,557)
Net cash generated/(used in) from investing activities		<u>25,042</u>	<u>(228,557)</u>
Financing activities			
Repayments of borrowings		(330,618)	(876,494)
New loans		-	-
Interest paid		(260,047)	(222,281)
Net cash (used in)/generated from financing activities		<u>(590,665)</u>	<u>(1,098,775)</u>
Net increase/(decrease) in cash and cash equivalents		423,356	(1,211,995)
Cash and cash equivalents at beginning of the year	B	281,834	1,493,829
Cash and cash equivalents at end of year		<u>705,190</u>	<u>281,834</u>

The notes on pages 23 to 40 form part of these financial statements

SIR OSWALD STOLL FOUNDATION
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

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

	2020	2019
	£	£
Cash Flow from Operating Activities:		
Net income/(loss)	362,113	(750,674)
Depreciation	580,427	613,740
Gain on disposal of fixed assets	(24,584)	32,974
Decrease/(Increase) in debtors	(75,965)	206,243
(Decrease)/Increase in creditors	743,408	(390,658)
Interest payable	260,047	222,281
Interest receivable	(1,900)	-
Amortised government grants	(307,568)	(307,569)
Movement in Pension Liability	(547,000)	489,000
Net Cash Flow from Operating Activities	988,978	115,337

B. Cash and cash equivalents

	At 1 April 2019	Cashflows	At 31 March 2020
	£	£	£
Cash at Bank and on Hand	281,834	423,356	705,190
Net Funds	281,834	423,356	705,190

C. Net Debt note

	2020	2019
	£	£
Cash and cash equivalents	705,190	281,834
Short term borrowings :		
Bank loans	(347,770)	(266,673)
Other loans	(125,000)	(150,000)
Long term borrowings :		
Bank loans	(5,656,830)	(5,943,546)
Other loans	(437,500)	(537,500)
	(6,567,100)	(6,897,719)
Net Debt position	(5,861,910)	(6,615,885)

**SIR OSWALD STOLL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

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 2018 "Statement of Recommended Practice for registered social housing providers 2018" ("the SORP") and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

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

The financial statements are presented in Sterling.

Going concern

After reviewing the budget for 2020/21 and the long term financial plan, the Board has a reasonable expectation that Stoll has adequate resources to continue in operational existence for the foreseeable future. While the impact of the Covid-19 virus has been assessed by the Trustees, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the charity's activities. However, taking into consideration the UK Government's response and the charity's planning, the Trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. For this reason the Board continues to adopt the going concern basis preparing the financial statements.

Turnover

Turnover comprises rental and service charge income, revenue grants (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 2020**

Other grants

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

Housing property

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

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

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

Capitalisation of interest

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

Expenditure on components

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

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

Other fixed assets

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

SIR OSWALD STOLL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

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 25 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 the financial year ended 31 March 2019 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 FRS102 for the first time during the year ended 31 March 2019, the pension liability has been accounted for as a defined benefit scheme. Pension scheme assets are measured at fair value and liabilities are measure on an actuarial basis, the details of which are set out in note 21. A liability for the foundations obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

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

Operating lease agreements

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

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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 22 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

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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 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 21, will impact the carrying amount of the pension liability.

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

	2020		2019	
	Turnover £	Operating costs £	Operating surplus/(deficit) £	Operating (deficit)/surplus £
Income and expenditure from lettings (note 2b)	2,919,975	(2,787,759)	132,216	(395,959)
Other social housing activities:				
Supporting people	5,296	(676,567)	(671,271)	(795,462)
Activities funded by donations and grants	810,119	(281,225)	528,894	1,039,030
Non - social housing activities				
Commercial property	116,421	-	116,421	112,997
	<u>3,851,811</u>	<u>(3,745,551)</u>	<u>106,260</u>	<u>(39,394)</u>

Activities funded by donations and grants include:

	2020 £	2019 £
Trusts & Grants	604,747	983,485
Corporates	18,377	33,400
Strategic Partners (Help for Heroes)	28,354	130,280
Community, Individuals & Events	52,536	45,504
Major Donors	19,855	8,000
Statutory Bodies	33,250	69,700
Lottery Funding	53,000	-
Legacies	-	124,333
	<u>810,119</u>	<u>1,394,702</u>

2b Income and Expenditure from lettings

	2020 £	2019 £
Turnover		
Rent Receivable net of service charges and voids	1,811,623	1,507,799
Service Charges	661,565	618,190
Other Income	114,635	135,526
Grant Amortisation	307,568	307,569
Net Rental Income	<u>2,895,391</u>	<u>2,569,084</u>
Profit on disposal of asset	24,584	-
Turnover from social housing lettings	<u>2,919,975</u>	<u>2,569,084</u>
Expenditure on letting activities		
Services	(506,026)	(293,382)
Management	(1,201,168)	(1,823,306)
Routine Maintenance	(320,144)	(242,761)
Planned Maintenance	(187,171)	(46,914)
Bad Debt expense	(20,807)	-
Depreciation of housing properties	(552,442)	(558,680)
Total expenditure on lettings	<u>(2,787,759)</u>	<u>(2,965,043)</u>
Operating Surplus/Deficit on letting activities	<u>132,216</u>	<u>(395,959)</u>
Net rental income is stated after losses from voids of	<u>(115,566)</u>	<u>(261,495)</u>

SIR OSWALD STOLL FOUNDATION
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3 Analysis of accommodation

		No.	
Units in managements as at 1 April 2019		287	
Additional units taken on during the year		-	
Units in managements as at 31 March 2020 (split as below)		<u>287</u>	
		2020 No.	
		2019 No.	
Supported housing / housing for older people:	Let at social rent	217	217
	Let at affordable rent	70	70
General needs		4	4
		<u>291</u>	<u>287</u>

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 (2019: £nil). Total expenses reimbursed to Trustees were £1,648 (2019: £5,810).

	2020	2019
Total expenses reimbursed	<u>1,648</u>	<u>5,810</u>
The total emoluments including pension & benefits in kind of the key management personnel were:	<u>433,628</u>	<u>424,003</u>
Emoluments excluding pension contribution	<u>393,359</u>	<u>390,513</u>

Key management personnel are defined in note 20.

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 11.3% (2019: 11.3%) during the year, with member contributions of 3.8% (2019: 3.8%). The total employer pension contributions made on behalf of the Chief Executive during the year ended 31 March 2020 were £12,684.

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 (2019: £80,000-£90,000).

5 Employee information

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

	2020 No.	2019 No.
Administration	6	6
Communications	2	-
Fundraising	6	5
Housing	9	9
Support	14	21
	<u>37</u>	<u>41</u>
Average number of employees based on number of employees each month	<u>45</u>	<u>47</u>
	2020 £	2019 £
Staff costs for the above persons were:		
Wages & Salaries	1,299,893	1,391,948
Social Security Costs	129,116	148,823
Redundancy Costs	47,037	5,695
Other Pension Costs	119,527	83,671
	<u>1,595,573</u>	<u>1,630,137</u>

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6 Interest receivable and similar income

	2020 £	2019 £
Bank Interest Receivable	1,900	-

7 Interest payable and similar charges

	2020 £	2019 £
Bank Loans	239,047	248,862
Less: Amounts capitalised	-	(26,581)
	239,047	222,281
Interest on net defined benefit pension liability	21,000	-
	260,047	222,281

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

	2020 £	2019 £
Depreciation		
- Housing properties	552,442	558,680
- Other assets	27,985	55,061
Auditors remuneration (excluding vat)		
- In respect of the external audit	13,700	11,739
- In respect of tax advice	1,750	-
- In respect of preparation of accounts	3,250	-
Operating lease rentals		
- Plant and machinery	16,854	16,854
- Land and buildings	11,419	19,575

9 Property, plant and equipment - housing properties

	Freehold properties £	Leasehold Properties £	Total £
Cost			
As at 1 April 2019	39,101,664	1,123,513	40,225,177
Additions- replacement components	18,492	2,508	20,999
Disposals	-	(1,865)	(1,865)
As at 31 March 2020	39,120,156	1,124,156	40,244,311
Depreciation			
As at 1 April 2019	5,886,562	315,234	6,201,796
Charge for the year	527,080	25,362	552,442
Disposals	-	(1,772)	(1,772)
As at 31 March 2020	6,413,642	338,824	6,752,466
Net Book Value			
As at 31 March 2020	32,706,514	785,332	33,491,845
As at 31 March 2019	33,215,102	808,279	34,023,381

The total expenditure in the year on works to existing properties was £20,999 (2019: £76,392).
Interest capitalised during the year amounted to £NIL (2019: £26,581).

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

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10 Property, plant and equipment - other

	Freehold Land & Buildings £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Heritage assets £	Total £
Cost					
As at 1 April 2019	393,662	381,895	45,975	34,160	855,692
Additions	-	535	-	-	535
Disposals	-	(73,355)	-	(34,160)	(107,515)
As at 31 March 2020	<u>393,662</u>	<u>309,075</u>	<u>45,975</u>	<u>-</u>	<u>748,712</u>
Depreciation					
As at 1 April 2019	197,055	352,256	45,975	-	595,286
Charge for the year	7,874	20,111	-	-	27,985
Depn on disposals	-	(73,355)	-	-	(73,355)
As at 31 March 2020	<u>204,929</u>	<u>299,012</u>	<u>45,975</u>	<u>-</u>	<u>549,916</u>
Net Book Value					
As at 31 March 2020	<u>188,733</u>	<u>10,063</u>	<u>-</u>	<u>-</u>	<u>198,796</u>
As at 31 March 2019	<u>196,607</u>	<u>29,639</u>	<u>-</u>	<u>34,160</u>	<u>260,406</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. These assets have been sold during the year.

11 Debtors

	2020 £	2019 £
Arrears of rent and service charge	213,677	115,091
Less provision for bad and doubtful debts	(97,500)	(71,779)
Net Rental Arrears	<u>116,177</u>	<u>43,312</u>
Prepayments	43,826	25,588
Accrued Income	107,497	118,547
Debtors	3,725	-
Other debtors	2,804	10,616
	<u>274,028</u>	<u>198,064</u>

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank borrowings (note 14)	347,770	266,673
Other loans (note 14)	125,000	150,000
Rents received in advance	51,910	55,189
Trade Creditors	91,206	43,090
Other Creditors	47,896	98,455
Other taxes & social securities	48,903	14,472
Accruals & deferred income	862,072	365,059
Multi-employer pension scheme (note 21)	90,000	88,000
Deferred capital grant (note 15)	212,919	211,031
Other deferred capital grant (note 23)	94,648	94,648
	<u>1,972,325</u>	<u>1,386,617</u>

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13 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank borrowings (note 14)	5,656,830	5,943,546
Other loans (note 14)	437,500	537,500
Deferred capital grant (note 15)	17,007,900	17,222,707
Other deferred capital grant (note 23)	5,424,005	5,518,654
Multi Employer Pension Scheme	287,000	836,000
Deferred grant	217,686	-
	<u>29,030,921</u>	<u>30,058,407</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. Stoll's cash investments earned interest at a rate of less than 1% due to the current low interest base rates.

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

	2020 £	2019 £
Financial assets:		
Measured at undiscounted amounts receivable		
Debtors	<u>274,028</u>	<u>198,064</u>
Financial liabilities:		
Measured at amortised costs		
Loans repayable (see below for further analysis)	6,567,100	6,897,719
Measured at undiscounted amounts receivable	<u>91,206</u>	<u>43,090</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

Total interest expense for financial liabilities at amortised cost

<u>-</u>	<u>-</u>
<u>260,047</u>	<u>222,281</u>

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

	2020 £	2019 £
One year or less	472,770	416,673
One to two year's	472,770	416,673
Two to five year's	1,355,811	1,187,519
Over five year's	4,265,749	4,876,854
Total housing loan	6,567,100	6,897,719
Less repayable within one year	(472,770)	(416,673)
Total housing loan falling due after more than one year	6,094,330	6,481,046

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

	2020 £	2019 £
As at 1 April	17,433,738	16,644,769
Grants receivable in the year	-	500,000
Transferred from Other Capital Grants	-	500,000
Release to income in the year	(212,919)	(211,031)
Balance at 31 March	17,220,819	17,433,738
Classified as:		
Amounts to be released within one year (note 12)	212,919	211,031
Amounts to be released in more than one year (note 13)	17,007,900	17,222,707
	17,220,819	17,433,738

16 Reserves (excluding investment revaluation)

	2020 £	2019 £
Income and Expenditure		
As at 1 April 2019	3,304,500	4,055,174
Surplus for the year	362,113	(750,674)
As at 31 March 2020	3,666,613	3,304,500
Analysed as:		
Invested in housing properties	3,399,943	3,270,343
Un-designated	425,754	780,750
Restricted Funds	217,916	177,407
Pension	(377,000)	(924,000)
	3,666,613	3,304,500

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17 Investment revaluation reserve

	2020 £	2019 £
At 1 April and at 31 March	-	14,160

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	2020 Land & Buildings £	2020 Other £	2019 Land & Buildings £	2019 Other £
No later than one year	-	16,854	11,419	16,854
Between two and five years	-	27,241	-	44,095
	-	44,095	11,419	60,949

20 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 in total for i. and ii. £ 19,886

At the end of the year the amount of rent outstanding in total was £332.

- iii. The charity applied and received a grant from Queen Mary Roehampton Trust where the ex CEO, Ed Tytherleigh is also a trustee.

The grant received £ 30,000

- 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

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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21 Pensions

The company participates in the TPT Retirement Solutions - 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

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

	2020 £'000	2019 £'000
Fair value of plan assets	2,877	2,631
Present value of defined benefit obligation	3,254	3,555
Surplus (deficit) in plan	(377)	(924)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	<u>(377)</u>	<u>(924)</u>

Reconciliation of the impact of the asset ceiling

	2020 £'000
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

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Reconciliation of opening and closing balances of the defined benefit obligation

	2020
	£'000
Defined benefit obligation at start of period	3,555
Current service cost	67
Expenses	4
Interest expense	82
Contributions by plan participants	15
Actuarial losses (gains) due to scheme experience	48
Actuarial losses (gains) due to changes in demographic assumptions	(33)
Actuarial losses (gains) due to changes in financial assumptions	(415)
Benefits paid and expenses	(69)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	<u>3,254</u>

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

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

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £175,000 (2019: £130,000).

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

	2020
	£'000
Current service cost	67
Expenses	4
Net interest expense	21
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	<u>92</u>

Defined benefit costs recognised in other comprehensive income

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

Assets

	2020	2019
	£'000	£'000
Absolute Return	150	228
Alternative Risk Premia	201	152
Corporate Bond Fund	164	123
Credit Relative Value	79	48
Distressed Opportunities	55	48
Emerging Markets Debt	87	91
Fund of Hedge Funds	2	12
Global Equity	421	443
Infrastructure	214	138
Insurance-Linked Securities	88	75
Liability Driven Investment	956	962
Liquid Credit	1	-
Long Lease Property	50	39
Net Current Assets	12	5
Opportunistic Illiquid Credit	70	-
Private Debt	58	35
Property	63	59
Risk Sharing	97	79
Secured Income	109	94
Total assets	<u>2,877</u>	<u>2,631</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	2020 % per annum	2019 % per annum
Discount Rate	2.38%	2.30%
Inflation (RPI)	2.62%	3.30%
Inflation (CPI)	1.62%	2.30%
Salary Growth	2.62%	3.30%
	75% of maximum allowance	75% of maximum allowance
Allowance for commutation of pension for cash at retirement		
The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:		
		Life expectancy at age 65 (Years)
Male retiring in 2019		21.5
Female retiring in 2019		23.3
Male retiring in 2039		22.9
Female retiring in 2039		<u>24.5</u>

Defined contribution scheme

Stoll also operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £37,657 (2019: £83,671).

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22 Restricted Funds

Name of Donor	Type of Restriction	As at 1st April 2019 £	Income £	Expenditure £	As at 31st March 2020 £
ABF The Soldiers' Charity	Support - Mansions	13,333	60,000	38,333	35,000
Albert Hunt Trust	Support - Banstead Court	-	3,000	3,000	-
Anonymous	Drug and Alcohol Service and Support	-	100,000	100,000	-
Anonymous	H&W	-	5,000	5,000	-
Barclays AFTER Programme	H&W - learning & skills, employability	20,701	-	20,701	-
Beatrice Laing Trust	Independent Living Service	-	5,000	5,000	-
BFBS (Big Salute)	H&W Trips	-	7,000	-	7,000
The Daisy Trust	Health & Wellbeing	-	1,285	1,285	-
FIMT (Forces in Mind Trust)	York Report launch at Houses of Parliament	-	53,000	53,000	-
Forces Trust	Void Repairs	-	35,000	35,000	-
Forces Support	Fire doors - Mansions	-	100,000	-	100,000
Garfield Weston	Independent Living Service/Support	-	50,000	25,000	25,000
Headley Court Charity	WIS Support worker	-	72,562	72,562	-
Help For Heroes	WIS Outreach	20,500	-	20,500	-
Help For Heroes	WIS Outreach	41,000	-	41,000	-
Help For Heroes	WIS Outreach	-	24,500	24,500	-
Henhurst Charitable Trust	Independent Living Service	-	750	750	-
Inner London Magistrate's Court & Feeder Charity Poor Box	SUPP - Banstead Court	-	5,000	5,000	-
Jan & Catherine Nasmyth CF	Outreach Support Service	-	20,000	20,000	-
Lloyd's Patriotic Fund	Drug and Alcohol Service	27,293	10,000	31,460	5,833
Mercers' Company	Health & Wellbeing	22,500	30,000	30,000	22,500
Queen Mary's Roehampton Trust	Support - Mansions	-	30,000	30,000	-
Royal Air Force Benevolent Fund	Health & Wellbeing	3,000	12,000	12,000	3,000
Royal Navy and Royal Marines Charity	Support - Mansions	8,333	25,000	25,000	8,333
Royal Navy and Royal Marines Charity	Support (increased independence)	-	3,854	3,854	-
Scott (Eredine) Charitable Trust	Health & Wellbeing	-	3,000	3,000	-
The Armed Forces Covenant Fund	H&W - Next Steps (learning & skills, employability)	-	33,250	33,250	-
The Royal British Legion	Veterans Nominations Scheme	20,747	-	20,747	-
The Veterans' Foundation	Health & Wellbeing	-	15,000	3,750	11,250
Worshipful Company of Coopers	Independent Living Service	-	3,000	3,000	-
Total Restricted Funds - Total		177,408	707,201	666,692	217,916

SIR OSWALD STOLL FOUNDATION
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23 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 2019	5,410,200	203,101	5,613,301
Grants receivable in the year	-	-	-
Release to income in the year	(84,800)	(9,848)	(94,648)
Balance as at 31 March 2020	5,325,400	193,253	5,518,653

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 is now being released as the development is completed.

24 Unrestricted reserves

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

25 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 2019	79,160
Funds received in the year	-
Funds released to SOCI	(21,900)
Funds paid in the year	(57,260)
Balance as at 31 March 2020	-

26 Post balance sheet events

On 17 April 2020 Stoll received a loan from Charity Bank of £1 million for operational purposes. This has resulted in a movement on the balance from net current liabilities position to a net current asset position post year end.