

**The Forces Pension Society
(Limited by Guarantee)**

Report and Consolidated Financial Statements

Year Ended

31 December 2015

Company number: 00418311

THURSDAY



L5A8F541

LD9

30/06/2016

#93

COMPANIES HOUSE

**The Forces Pension Society
(Limited by Guarantee)**

Directors

Air Vice-Marshal A J Burton OBE
Major General A P N Currie CB, CBE
Ms C E Foxley
Warrant Officer 2 P D Harvey
Captain T F W Martin (appointed 10 June 2015)
Ms F T West (appointed 7 December 2015)
Vice Admiral P J Wilkinson CB, CVO (Chairman)
Commander R E Williams OBE

Secretary and registered office

J S Pitt-Brooke
68 South Lambeth Road, London SW8 1RL

Company number

00418311

Auditors

Berley Chartered Accountants, Statutory Auditors
76 New Cavendish Street, London, W1G 9TB

**The Forces Pension Society
(Limited by Guarantee)**

Contents

Page:

1	Report of the Council
4	Independent auditors' report
6	Consolidated revenue account
7	Consolidated statement of total recognised gains and losses
8	Group balance sheet
9	Company balance sheet
10	Notes forming part of the financial statements

**The Forces Pension Society
(Limited by Guarantee)**

Report of the Council for the year ended 31 December 2015

The directors present their report together with the audited financial statements of the company and the group for the year ended 31 December 2015.

Results

The group revenue account is set out on page 6 and shows a surplus for the year.

Principal activities and business review

The principal activities of The Forces Pension Society ("the Society") during the year remained consistent with the most recent (amended 2011 by AGM resolution) iteration of the Articles of Association of the Society. This is to secure equitable and just Armed Forces pensions for personnel of all three Services, serving and retired, and for their widows, widowers, eligible partners, civil partners and dependants, which recognise the unique commitment which they make and have made to their country and which are in line with modern good practice; and to advise and assist members of the Society on pension problems and related issues. The Society has continued to pursue these aims with energy and professionalism, and a deep understanding of the Armed Forces Pension Schemes.

The Society began the year still dealing with the repercussions of the very successful Justice for Widows campaign, which had reached a climax in November 2014. There was no such high profile campaigning triumph in 2015, but there was a deep involvement in the workings of pension's policy and administration and a very high role for the Society in key pensions decision-making. The Society's reputation was higher than ever and it worked to promote its aims in co-operation with other Service and civilian organisations, lobbying Government, Parliament, the Ministry of Defence ("MoD") and the Armed Forces leadership.

The new pension scheme – AFPS 15 – was introduced in April 2015. The Society had been consulted in the development of this scheme and was then closely involved in monitoring its introduction. Other significant changes in the year were the increase in the numbers of armed forces personnel affected by Lifetime Allowance and Annual Allowance tax policies, and a new pay scheme.

During 2015 the Society joined the high level Armed Forces Pensions Board - this is a new structure set up following the Public Service Pensions Act 2013 to oversee governance and administration of the Armed Forces Pension Schemes. Membership of the Board puts the Society at the very heart of pension's decision-making in the MoD. The Society also has a position in the Confederation of Service Charities ("COBSEO"), and the Public Services Pensioners' Council, in both of the latter cases seeking and securing elected membership by the vote of other bodies.

The Society dealt with a record number of enquiries during the year – over 7,000 requests for information and advice were handled, many of them complicated and all of them very important to the individuals concerned. These were all handled thoroughly and professionally, and numerous expressions of thanks were received from grateful members.

The Society's outreach programme grew with 160 briefings delivered to Armed Forces audiences across the United Kingdom and abroad, and attendance at over 20 employment fairs. When this is added to a steady increase in the Society's website visitors (up 22% over the year), a heightened presence on other websites, and the continuing success of *Pennant* magazine and the Society's newsletter, it is clear that the work of the Society is very well known across the whole of the Armed Forces community and beyond.

All of this has led to an increase in reputation which in turn has led to a steady increase in membership for the Society - this grew by about 2,000 members through the year, having taken into account the readjustment of the membership total following the removal from the membership roll of life members who could no longer be contacted.

**The Forces Pension Society
(Limited by Guarantee)**

Report of the Council for the year ended 31 December 2015 (*Continued*)

In summary, it was a very good year for the Society, which moves forward steadily, giving an outstanding service to more people and in more places, and widely respected across the whole of the Armed Forces. As these accounts show, the increase in membership, and therefore in subscription income, meant that this could be done with income exceeding expenditure by about £65k. In addition, the Society's reserves remain healthy – there is about £350k invested via The Forces Pension Society Investment Company Limited, the Society's subsidiary, and early in 2016 the Society will have paid off the mortgage on its offices in Vauxhall, London. All of this suggests that the Society is well placed to grow further in the future.

Members of the Council

The persons who were Council Members during the financial year were:

Air Vice-Marshal A J Burton OBE
Major General A P N Currie CB, CBE
Ms C E Foxley
Warrant Officer 2 P D Harvey
Captain T F W Martin (appointed 10 June 2015)
Warrant Officer 1 E J W Seaborne MBE, MSM (resigned 10 June 2015)
Mrs C V Spencer (resigned 8 October 2015)
Ms F T West (appointed 8 October 2015)
Vice Admiral P J Wilkinson CB, CVO (Chairman)
Commander R E Williams OBE

The Council Members constitute directors of the company.

Retirement and re-election of members

The Society continues to appoint and retire members of its Council in accordance with the Articles of Association. Appointment gives due regard to both the representational role and the broader experience of those members. All current Council Members will submit themselves for re-election at the Society's Annual General Meeting ("AGM") on 8th June 2016, with the exception of WO2 P D Harvey, who retires at the AGM having completed his tenure. A replacement for him, WO1 G Sparke has already been identified and provisionally appointed; this will be confirmed at the AGM. Council membership will number ten after the AGM.

Council members and responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

**The Forces Pension Society
(Limited by Guarantee)**

Report of the Council for the year ended 31 December 2015 (Continued)

Council members and responsibilities (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council Members are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Political and charitable contributions

The company made no political contributions during the year (2014: £nil). The company made no charitable donation during the year (2014: £nil).

Statement of disclosures to auditors

So far as the Council Members are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Council Members have taken all the necessary steps that they ought to have taken as Council Members/directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Berley Chartered Accountants, Statutory Auditors were appointed auditors to the company and in accordance with Section 485 of the Companies Act 2006, a resolution that they be re-appointed will be put at a General Meeting.

On behalf of the Council



**Vice Admiral P J Wilkinson CB, CVO
Director**

Date: 8 June 2016

**The Forces Pension Society
(Limited by Guarantee)**

Independent auditors' report

To the members of The Forces Pension Society

We have audited the financial statements of The Forces Pension Society Group for the year ended 31 December 2015 which comprise the Consolidated Revenue Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet, the Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditors' 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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out in the Report of the Council, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of Council to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015, and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements.

**The Forces Pension Society
(Limited by Guarantee)**

Independent auditors' report (*Continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Mark Levy FCA (Senior Statutory Auditor)

**For and on behalf of
Berley Chartered Accountants, Statutory Auditors**

**76 New Cavendish Street
London
W1G 9TB**

Date: 30 June 2016

The Forces Pension Society
(Limited by Guarantee)

Consolidated revenue account for the year ended 31 December 2015

	Note	Continuing Operations			
		Restricted Funds	Unrestricted Funds	Total funds	
		£	£	2015	2014
		£	£	£	£
Income					
Annual subscriptions		-	781,646	781,646	691,457
Proportion of life members' subscriptions		-	6,786	6,786	7,358
Grants and Donations		-	24,112	24,112	62,291
Income from fixed asset investments	2	-	10,439	10,439	10,933
Interest receivable	3	-	30	30	61
Royalty income		-	574	574	964
Commissions		-	72,863	72,863	65,813
Advertisement revenue		-	34,599	34,599	34,469
FAR Capitation fees		-	22,955	22,955	21,819
Merchandising sales		-	596	596	435
Profit on disposal of investments		-	-	-	8,884
		-	954,600	954,600	904,484
Other Income - Legacies		-	1,015	1,015	-
		-	955,615	955,615	904,484
Costs of merchandising sales		-	800	800	894
Administrative expenses					
Staff costs including pensions	4	4,800	484,027	488,827	472,265
Office costs and maintenance		-	52,295	52,295	49,787
Pennant (including postage)		-	54,789	54,789	54,542
Council meetings		-	1,979	1,979	1,443
Annual General Meeting		-	2,931	2,931	3,893
Bank and other finance charges		-	11,271	11,271	10,302
Audit fees		-	9,984	9,984	9,558
Other consultancy, legal and professional fees		-	3,000	3,000	2,330
Out of Court settlement		-	-	-	3,000
Depreciation		-	3,829	3,829	4,215
Loss on disposal of fixed assets		-	-	-	255
Hire of machinery including maintenance contracts		-	4,093	4,093	10,102
Subscriptions, publications and newspapers		-	2,049	2,049	2,014
Membership servicing costs		-	25,815	25,815	39,134
Marketing and PR costs		900	172,200	173,100	144,178
Justice for Widows campaign		-	3,189	3,189	75,063
Marketing manager costs (excl. salary costs)		1,313	6,373	7,686	10,009
Marketing manager motor leasing and running costs		-	6,460	6,460	7,370
Computer, website and database costs		-	24,341	24,341	14,720
Travel		2,051	6,759	8,810	7,081
Entertainment		-	990	990	1,564
Miscellaneous expenses		-	3,142	3,142	3,980
Mortgage interest		-	747	747	2,150
		9,064	880,263	889,327	928,955
Total costs		9,064	881,063	890,127	929,849
Surplus/(deficit) on ordinary activities before taxation	5	(9,064)	74,552	65,488	(25,365)
Taxation on surplus/(deficit) on ordinary activities	6	-	-	-	-
Surplus/(deficit) for the financial year	15	(9,064)	74,552	65,488	(25,365)

**The Forces Pension Society
(Limited by Guarantee)**

Consolidated statement of total recognised gains and losses for the year ended 31 December 2015

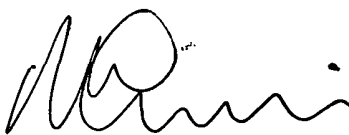
	Note	2015 £	2014 £
Surplus/(deficit) for the financial year after taxation		60,819	(25,365)
Unrealised gain on valuation of investments	10, 15	9,527	15,171
Unrealised gain/(loss) on revaluation of long leasehold property	15	-	-
Total recognised (losses)/gains for the year		70,346	(10,194)

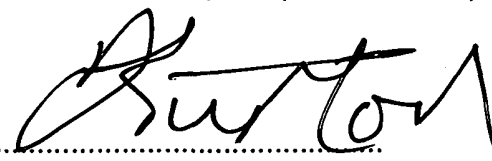
**The Forces Pension Society
(Limited by Guarantee)**

Group Balance Sheet at 31 December 2015

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible Assets	8		560,048		562,387
Other investments	10		348,834		339,307
			<u>908,882</u>		<u>901,694</u>
Current assets					
Stock	11	2,339		3,139	
Debtors	12	47,120		47,672	
Cash at bank and in hand		139,452		108,493	
		<u>188,911</u>		<u>159,304</u>	
Creditors: amounts falling due within one year	13	(414,736)		(430,107)	
			<u>(225,825)</u>		<u>(270,803)</u>
Net current liabilities					
			<u>683,057</u>		<u>630,891</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	14		(21,936)		(44,785)
			<u>661,121</u>		<u>586,106</u>
Net assets					
Reserves	15		<u>661,121</u>		<u>586,106</u>

The financial statements were approved by the Council Members on 8 June 2016.


Major General A P N Currie CB, CBE (Council Member)


Air Vice-Marshal A J Burton OBE (Council Member)

**The Forces Pension Society
(Limited by Guarantee)**

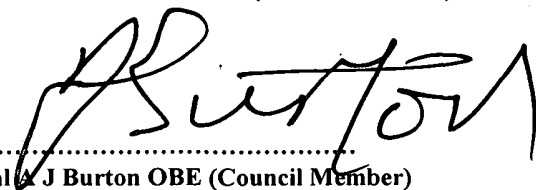
Company Balance Sheet at 31 December 2015

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	8		10,048		12,387
Shares in subsidiary undertaking at cost	9		100		100
			<u>10,148</u>		<u>12,487</u>
Current assets					
Debtors	12	543,553		522,271	
Cash at bank and in hand		41,329		18,456	
		<u>584,882</u>		<u>540,727</u>	
Creditors: amounts falling due within one year	13	(394,756)		(377,307)	
			<u>190,126</u>		<u>163,420</u>
Net current assets					
			<u>200,274</u>		<u>175,907</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	14		(21,936)		(27,999)
			<u>178,338</u>		<u>147,908</u>
Net assets					
			<u>178,338</u>		<u>147,908</u>
Reserves	15		<u>178,338</u>		<u>147,908</u>

The financial statements were approved by the Council Members on 8 June 2016.



Major General A P N Currie CB, CBE (Council Member)



Air Vice-Marshal J Burton OBE (Council Member)

Company registration number: 00418311

**The Forces Pension Society
(Limited by Guarantee)**

Notes forming part of the financial statements for the year ended 31 December 2015

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention modified by the revaluation of investments and long leasehold property.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

Format of revenue account

In view of the nature of the group's activities, the Council Members consider the format adopted for the revenue account to be more appropriate in some respects than that prescribed by the Companies Act 2006.

Basis of consolidation

The consolidated financial statements incorporate the results of The Forces Pension Society and all of its subsidiary and associated undertakings at 31 December 2015 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

Land and buildings

The directors obtained a professional valuation of the leasehold property as at 31 December 2013. The value rose by £200,000 to £550,000 as a result of the valuation, which is still below the original historic cost. The directors consider that this lower than cost valuation is of a temporary nature in the overall life of the leasehold property and consistent with market conditions and, thus, they have not written off the diminution in value to the profit and loss account.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values evenly over their expected useful lives, of all fixed assets, except long leasehold land and buildings. Where residual value exceeds costs, or where the charge arising is not material then no charge is made. Depreciation is calculated at the following rates:

Fixtures, fittings and equipment	-	15% pa reducing balance basis
Computer equipment	-	over 6 or 10 years
Long leasehold buildings	-	over 50 years from 2003

Investments

Investments are shown at market price on the last day of the accounting period. Unrealised gains or losses are adjusted in the revaluation reserve. Any diminution in value which is considered to be permanent is written off in the profit and loss account.

The Forces Pension Society
(Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

1 Accounting policies (*continued*)

Stock

Stock is valued at the lower of cost and net realisable value.

Income

Income represents amounts receivable for members subscriptions, donations, goods and services net of discounts.

Deferred income

Annual life members subscriptions are recognised as income over the periods to which they relate. Lifetime subscriptions are spread over 10, 15 or 20 years depending on the subscriber's status.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Pension costs

The costs of the contributions paid into employees' personal pension schemes are charged to the profit and loss account evenly over the period for which they fall due.

Lease commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2	Income from fixed asset investments	2015	2014
		£	£
	Dividends - Unit trusts	<u>10,439</u>	<u>10,933</u>
3	Interest receivable	2015	2014
		£	£
	Bank interest	<u>30</u>	<u>61</u>

The Forces Pension Society
(Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

4	Employees	2015	2014
		£	£
	Staff costs consist of:		
	Wages and salaries	420,612	398,421
	Social security costs	36,890	41,553
	Other pension costs	31,325	32,291
		<u>488,827</u>	<u>472,265</u>

The average number of employees, excluding Council Members, during the year was 11 (2014: 10).

5	Surplus/(deficit) on ordinary activities before taxation	2015	2014
	Group	£	£
	This has been arrived at after charging:		
	Auditors' remuneration	9,984	9,558
	Auditors' non audit related fees	-	-
	Depreciation	3,829	4,215
	Loss on disposal of fixed assets	<u>-</u>	<u>255</u>

6	Taxation	2015	2014
	Group	£	£
	Domestic current year tax:		
	UK Corporation tax - charge for the year	<u>-</u>	<u>-</u>

7 Directors

No director of the company received any emoluments during the year.

**The Forces Pension Society
(Limited by Guarantee)**

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

8	Tangible assets	Long leasehold land and buildings	Fixtures, fittings and equipment	Total
	Group	£	£	£
	<i>Cost and valuation</i>			
	At 1 January 2015	550,000	62,043	612,043
	Additions	-	1,490	1,490
	At 31 December 2015	<u>550,000</u>	<u>63,533</u>	<u>613,533</u>
	<i>Depreciation</i>			
	At 1 January 2015	-	49,656	49,656
	Charge for the year	-	3,829	3,829
	At 31 December 2015	<u>-</u>	<u>53,485</u>	<u>53,485</u>
	<i>Net book value</i>			
	At 31 December 2015	<u>550,000</u>	<u>10,048</u>	<u>560,048</u>
	At 31 December 2014	<u>550,000</u>	<u>12,387</u>	<u>562,387</u>

The historical cost of the long leasehold property at 31 December 2015 was £570,176 (2014: £570,176). Cumulative depreciation on the historical cost at 31 December 2015 would be £136,840 (2014: £125,436).

	Fixtures, fittings and equipment
Company	£
<i>Cost</i>	
At 1 January 2015	62,043
Additions	1,490
At 31 December 2015	<u>63,533</u>
<i>Depreciation</i>	
At 1 January 2015	49,656
Charge for the year	3,829
At 31 December 2015	<u>53,485</u>
<i>Net book value</i>	
At 31 December 2015	<u>10,048</u>
At 31 December 2014	<u>12,387</u>

The Forces Pension Society
(Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

9	Shares in subsidiary undertakings	2015 £	2014 £
	Company		
	<i>At cost</i>		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

The Forces Pension Society Investment Company Limited is a wholly owned subsidiary of this company. The company is registered in England & Wales. The principal activity of the subsidiary is the holding of property and investments.

The aggregate amount of capital and reserves and the results of subsidiary for the financial year to 31 December 2015 were as follows:

	2015 £	2014 £
Capital and Reserves	<u>482,884</u>	<u>438,299</u>
Profit for the year	<u>35,059</u>	<u>37,490</u>

10 Other investments

Group	£
Unit trusts:	
Valuation at 1 January 2015	339,307
Unrealised gain/(loss) on revaluation of investments:	
Gain on revaluation at year end	9,527
Valuation at 31 December 2015	<u>348,834</u>
Valuation at 31 December 2014	<u>339,307</u>

The unit trusts are valued at market value.

The cost of these investments as at 31 December 2015 was £289,000 (2014: £289,000).

11	Stocks	2015 £	2014 £
	Group		
	Stocks of merchandising goods for resale	<u>2,339</u>	<u>3,139</u>

The Forces Pension Society
(Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

12 Debtors	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	8,619	10,643	8,620	10,643
Amounts owed by subsidiary undertaking	-	-	510,293	475,349
Other debtors	22,345	15,324	9,234	15,324
Prepayments and accrued income	16,156	21,705	15,406	20,955
	47,120	47,672	543,553	522,271

13 Creditors: amounts falling due within one year	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Taxation and social security costs	12,467	15,057	12,468	15,057
Corporation tax	-	-	-	-
Deferred income - unexpired subscriptions	372,269	346,585	372,269	346,585
Creditors and accruals	12,467	18,065	10,019	15,665
Bank loans (secured - see note 14)	17,533	50,400	-	-
	414,736	430,107	394,756	377,307

14 Creditors: amounts falling due after more than one year	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Deferred income - unexpired subscriptions	21,936	27,999	21,936	27,999
Bank loans secured	-	16,786	-	-
	21,936	44,785	21,936	27,999

The bank loan amounted to £245,000 and commenced in October 2003. It is repayable in monthly instalments, including interest. It is secured by a first legal charge over the leasehold property at Suite 6, 68 South Lambeth Road, London. The loan bore interest fixed at 5.7% for 10 years from October 2003. Following the end of the fixed interest term on 31 October 2013, the loan reverted to the Royal Bank of Scotland standard variable rate, which was 1.75% at 31 December 2013. As the monthly instalments have been adjusted to £4,200 per month, the balance of the loan is projected to be repaid before the contractual date for the expiry of the loan.

**The Forces Pension Society
(Limited by Guarantee)**

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

14 Creditors: amounts falling due after more than one year (continued)

Analysis of bank loans	2015 £	2014 £
Wholly repayable within five years	-	67,186
Included in current liabilities	-	(50,400)
	<u>-</u>	<u>16,786</u>
Loan maturity analysis		
In more than one year but not more than two years	-	16,786
In more than two years but no more than five years	-	-
In five years or more	-	-
	<u>-</u>	<u>16,786</u>

15 Reserves

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Unrestricted Funds				
Revenue				
At 1 January	488,578	503,125	116,536	168,572
Retained surplus/(deficit) for the year	74,552	(14,547)	39,494	(52,036)
At 31 December	<u>563,130</u>	<u>488,578</u>	<u>156,030</u>	<u>116,536</u>
Restricted Funds				
Revenue				
At 1 January	31,372	42,191	31,372	42,191
Retained deficit for the year	(9,064)	(10,819)	(9,064)	(10,819)
At 31 December	<u>22,308</u>	<u>31,372</u>	<u>22,308</u>	<u>31,372</u>

The Restricted Fund comprises a legacy left specifically for the promotion of and recruitment of new members to the Society.

Revaluation

At 1 January	66,156	60,217	-	-
Transfer to profit and loss account				
sale of investments	-	(9,232)	-	-
Unrealised gain on				
revaluation of investments	9,527	15,171	-	-
Unrealised gain/(loss) on revaluation				
of long leasehold property	-	-	-	-
At 31 December	<u>75,683</u>	<u>66,156</u>	<u>-</u>	<u>-</u>

Total reserves

661,121	586,106	178,338	147,908
----------------	----------------	----------------	----------------

**The Forces Pension Society
(Limited by Guarantee)**

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

16 Parent company revenue account

No revenue account is presented for the parent company as permitted by S408 of the Companies Act 2006. The surplus for the year dealt with in the financial statements of the company was £30,430 (2014: deficit £66,855).

17 Cash flow statement

The group has used the exemption under Financial Reporting Standard 1 "Cash Flow Statements" not to prepare a cash flow statement as the directors believe the group is "small" under the Companies Act.

18 Reconciliation of movement in members' fund

The members are not entitled to any of the reserves of the company.

In the event of a surplus of funds on the company winding up the surplus shall be distributed to a similar organisation or to a charitable organisation.

19 Capital commitments

There were no capital commitments at 31 December 2015 (2014: £nil).

20 Pension Schemes

The company makes contributions into money purchase personal pension plan arrangements for the benefit of certain individual employees. The assets of the individual plans are held separately in independently administered funds. The charge for pension costs represents the contributions payable by the company to the funds and amounted to £31,325 (2014: £32,291).

21 Related party transactions

During the year, the company received donations totalling £20,000 (2014: £58,000) from The Forces Pension Society Charitable Fund, a charity where the director Warrant Officer 2 P D Harvey is also a trustee.

The company has taken advantage of the exemptions in Financial Reporting Standard 8 not to disclose related party transactions with wholly owned subsidiaries.