

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

Report and Consolidated Financial Statements

Year Ended

31 December 2014

Company number: 00418311

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

Directors

Air Vice-Marshal A J Burton OBE
Major General A P N Currie CB, CBE
Warrant Officer 2 P D Harvey
Warrant Officer 1 E J W Seaborne MBE, MSM
Mrs C V Spencer
Vice Admiral P J Wilkinson CB, CVO (Chairman)
Commander R E Williams OBE
Ms C E Foxley (appointed 4 August 2014)

Secretary and registered office

Major General J D Moore-Bick CBE, DL
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)**

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

Report of the Council for the year ended 31 December 2014

The directors present their report together with the audited financial statements of the company and the group for the year ended 31 December 2014.

Results

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

Principal activities and business review

The principal activities of the Society during the year were to secure equitable and justified conditions in the Armed Forces Pension Scheme for all ranks of all three Services, both 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 been particularly active in the area of seeking greater equality for Armed Forces widows. The Society promotes its aims, in co-operation with other Service and civilian organisations, and lobbies Government, Parliament, the MoD and the Armed Forces leadership responsibly and by all reasonable means to secure improvements. Members are kept informed of the Society's activities through its journal *Pennant*, e-newsletters, website and AGM.

The outstanding achievement of the Society in the last year has been to reach a new settlement for Armed Forces' widows upon cohabitation or remarriage, which will endure for the next 40 years, touching the lives of up to 400,000 current wives, and current and future widows. This was enabled by a clear understanding of the principles and precepts of the Armed Forces Covenant as codified by the present Government. The Prime Minister took the final decision to authorise this change.

In addition to this high profile work, the Society continued to strive for just and proper conditions for, and execution of, the Armed Forces Pension Schemes, and it was especially instrumental in ensuring the refinement of the new scheme which entered service in April 2015. In all of this work the Society operated closely with Government, with the Armed Forces, the Ministry of Defence, 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 routine work of the Society encompassed an outreach programme to 25,000 servicemen and women in briefings, table displays, pension advice and monitoring and commenting on social networking sites. An addition has been the trial to make more use of social networking after taking careful consultant-led advice. The trial in this is still under way.

Last year we reported on the modernisation of the Society over several years and can now report that the full fruits of this are being harvested. Membership is stable and rising, but more slowly than last year as the redundancy wave breaks. Patterns are emerging which can be exploited, which will keep the Society in the forefront of the serving Services' market place. We see no prospect of reduction in demand for what we do.

Returning to the financial health of the Society, our Justice for Widows (JFW) campaign cost us over £70,000 and that is an exceptional expense which contributed to a deficit of £25,000. Without that cost, there would have been a substantial surplus. With a far higher rate of payment of the mortgage, which is due to extinguish later this year, it is highly likely that a reasonable surplus will be the result. This should not deter the Society from making the normal two-yearly increase in subscriptions. Market research shows that membership is valued, if necessary at higher levels than at present. A balanced budget has been set for 2015 and there have been no exceptional events since the balance sheet date which would affect the position of the Society.

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

Report of the Council for the year ended 31 December 2014 (Continued)

Members of the Council

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

Air Vice-Marshal A J Burton OBE
Air Marshal Sir C C Coville KCB (retired 6 June 2014)
Major General A P N Currie CB, CBE
Mrs J M Green OBE (resigned 6 June 2014)
Warrant Officer 2 P D Harvey
Warrant Officer 1 E J W Seaborne MBE, MSM
Mrs C V Spencer
Vice Admiral P J Wilkinson CB, CVO (Chairman)
Commander R E Williams OBE
Ms C E Foxley (appointed 4 August 2014)

The Council Members constitute directors of the company.

Retirement and re-election of members

With one exception, it is intended that all current Council Members will retire as Directors by rotation and submit themselves for re-election at the Society's Annual General Meeting on 10 June 2015. The exception is Warrant Officer 1 E J W Seaborne who retires at the Annual General Meeting. Ms C E Foxley and Captain Tim Martin, already Council Members, will have their appointments confirmed at the Annual General Meeting, and Group Captain Bill Mahon who is not yet a Council member will be both elected and confirmed.

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;
- 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.

**The Forces Pension Society
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Report of the Council for the year ended 31 December 2014 (Continued)

Political and charitable contributions

The company made no political contributions during the year (2013: £nil). The company made no charitable donation during the year (2013: £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: 10 June 2015

**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 2014 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 2014, and of the group's loss 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
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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: 22 June 2015

The Forces Pension Society
(Limited by Guarantee)

Consolidated revenue account for the year ended 31 December 2014

	Note	Continuing Operations			
		Restricted Funds	Unrestricted Funds	Total funds	
		£	£	2014	2013
		£	£	£	£
Income					
Annual subscriptions		-	691,457	691,457	615,081
Proportion of life members' subscriptions		-	7,358	7,358	7,685
Grants and Donations		-	62,291	62,291	63,058
Income from fixed asset investments	2	-	10,933	10,933	10,934
Interest receivable	3	-	61	61	44
Royalty income		-	964	964	935
Commissions		-	65,813	65,813	67,445
Advertisement revenue		-	34,469	34,469	28,123
FAR Capitation fees		-	21,819	21,819	22,634
Merchandising sales		-	435	435	1,417
Profit on disposal of investments		-	8,884	8,884	-
		-	904,484	904,484	817,356
Other Income - Legacies		-	-	-	55,164
		-	904,484	904,484	872,520
Costs of merchandising sales		-	894	894	1,677
Administrative expenses					
Staff costs including pensions	4	5,100	467,165	472,265	401,300
Office costs and maintenance		-	49,787	49,787	47,682
Pennant (including postage)		-	54,542	54,542	58,346
Council meetings		-	1,443	1,443	2,172
Annual General Meeting		-	3,893	3,893	3,552
Area meetings		-	-	-	1,269
Bank and other finance charges		-	10,302	10,302	10,201
Audit fees		-	9,558	9,558	4,750
Other consultancy, legal and professional fees		-	2,330	2,330	3,470
Out of Court settlement		-	3,000	3,000	-
Depreciation		-	4,215	4,215	4,585
Loss on disposal of fixed assets		-	255	255	-
Hire of machinery including maintenance contracts		-	10,102	10,102	8,831
Subscriptions, publications and newspapers		-	2,014	2,014	2,451
Membership servicing costs		-	39,134	39,134	30,047
Marketing and PR costs		1,500	142,678	144,178	126,145
Justice for Widows campaign		-	75,063	75,063	-
Marketing manager costs (excl. salary costs)		2,217	7,792	10,009	4,571
Marketing manager motor leasing and running costs		-	7,370	7,370	6,561
Computer, website and database costs		-	14,720	14,720	9,836
Travel		2,002	5,079	7,081	6,092
Entertainment		-	1,564	1,564	206
Miscellaneous expenses		-	3,981	3,981	1,650
Mortgage interest		-	2,150	2,150	8,592
		10,819	918,137	928,956	742,309
Total costs		10,819	919,031	929,850	743,986
Surplus/(deficit) on ordinary activities before taxation	5	(10,819)	(14,547)	(25,366)	128,534
Taxation on surplus/(deficit) on ordinary activities	6	-	-	-	-
Surplus/(deficit) for the financial year	15	(10,819)	(14,547)	(25,366)	128,534

The Forces Pension Society
(Limited by Guarantee)

Consolidated statement of total recognised gains and losses for the year ended 31 December 2014

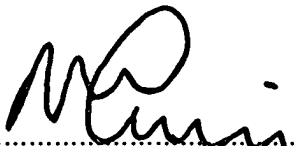
	Note	2014 £	2013 £
Surplus/(deficit) for the financial year after taxation		(25,365)	128,534
Unrealised gain on valuation of investments	10, 15	15,171	32,320
Unrealised gain/(loss) on revaluation of long leasehold property	15	-	200,000
Total recognised (losses)/gains for the year		(10,194)	360,854

**The Forces Pension Society
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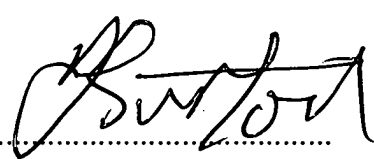
Group Balance Sheet at 31 December 2014

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible Assets	8		562,389		564,781
Other investments	10		339,307		324,681
			<u>901,696</u>		<u>889,462</u>
Current assets					
Stock	11	3,139		4,033	
Debtors	12	47,672		41,342	
Cash at bank and in hand		108,491		182,069	
		<u>159,302</u>		<u>227,444</u>	
Creditors: amounts falling due within one year	13	(430,107)		(333,836)	
			<u>(270,805)</u>		<u>(106,392)</u>
Net current liabilities					
			<u>630,891</u>		<u>783,070</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	14		(44,785)		(177,537)
			<u>586,106</u>		<u>605,533</u>
Net assets					
			<u>586,106</u>		<u>605,533</u>
Reserves	15		586,106		605,533
			<u>586,106</u>		<u>605,533</u>

The financial statements were approved by the Council Members on 10 June 2015.



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



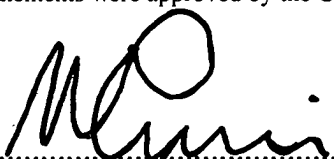
Air Vice-Marshal A J Burton OBE (Council Member)

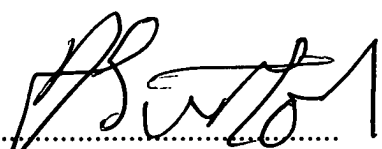
The Forces Pension Society
(Limited by Guarantee)

Company Balance Sheet at 31 December 2014

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	8		12,387		14,524
Shares in subsidiary undertaking at cost	9		100		100
			<u>12,487</u>		<u>14,624</u>
Current assets					
Debtors	12	522,271		459,550	
Cash at bank and in hand		18,456		89,270	
		<u>540,727</u>		<u>548,820</u>	
Creditors: amounts falling due within one year	13	(377,307)		(317,896)	
Net current assets			<u>163,420</u>		<u>230,924</u>
Total assets less current liabilities			<u>175,907</u>		<u>245,548</u>
Creditors: amounts falling due after more than one year	14		(27,999)		(34,785)
Net assets			<u>147,908</u>		<u>210,763</u>
Reserves	15		<u>147,908</u>		<u>210,763</u>

The financial statements were approved by the Council Members on 10 June 2015.


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


.....
Air Vice-Marshal A 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 2014

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 2014 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 2014

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	2014	2013
		£	£
	Dividends - Unit trusts	<u><u>10,933</u></u>	<u><u>10,934</u></u>
3	Interest receivable	2014	2013
		£	£
	Bank interest	<u><u>61</u></u>	<u><u>44</u></u>

The Forces Pension Society
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Notes forming part of the financial statements for the year ended 31 December 2014 (Continued)

4	Employees	2014	2013
		£	£
	Staff costs consist of:		
	Wages and salaries	398,421	324,850
	Social security costs	41,553	35,245
	Other pension costs	32,291	41,205
		<u>472,265</u>	<u>401,300</u>

The average number of employees, excluding Council Members, during the year was 10 (2013: 9).

5	Surplus on ordinary activities before taxation	2014	2013
	Group	£	£
	This has been arrived at after charging:		
	Auditors' remuneration	9,558	4,750
	Auditors' non audit related fees	-	3,470
	Depreciation	4,215	4,585
	Loss on disposal of fixed assets	<u>255</u>	<u>-</u>

6	Taxation	2014	2013
	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
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Notes forming part of the financial statements for the year ended 31 December 2014 (Continued)

8	Tangible assets	Long leasehold land and buildings	Fixtures, fittings and equipment	Total
	Group	£	£	£
	<i>Cost and valuation</i>			
	At 1 January 2014	550,000	68,436	618,436
	Additions	-	2,078	2,078
	Disposals	-	(8,471)	(8,471)
	At 31 December 2014	<u>550,000</u>	<u>62,043</u>	<u>612,043</u>
	<i>Depreciation</i>			
	At 1 January 2014	-	53,655	53,655
	Eliminated on disposal	-	(8,216)	(8,216)
	Charge for the year	-	4,215	4,215
	At 31 December 2014	<u>-</u>	<u>49,654</u>	<u>49,654</u>
	<i>Net book value</i>			
	At 31 December 2014	<u>550,000</u>	<u>12,389</u>	<u>562,389</u>
	At 31 December 2013	<u>550,000</u>	<u>14,781</u>	<u>564,781</u>

The historical cost of the long leasehold property at 31 December 2014 was £570,176 (2013: £570,176).
Cumulative depreciation on the historical cost at 31 December 2014 would be £125,436 (2013: £114,032).

Company	Fixtures, fittings and equipment
	£
<i>Cost</i>	
At 1 January 2014	59,965
Additions	2,078
At 31 December 2014	<u>62,043</u>
<i>Depreciation</i>	
At 1 January 2014	45,441
Charge for the year	4,215
At 31 December 2014	<u>49,656</u>
<i>Net book value</i>	
At 31 December 2014	<u>12,387</u>
At 31 December 2013	<u>14,524</u>

The Forces Pension Society
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Notes forming part of the financial statements for the year ended 31 December 2014 (Continued)

9 Shares in subsidiary undertakings	2014	2013
	£	£
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 2014 were as follows:

	2014	2013
	£	£
Capital and Reserves	<u>438,299</u>	<u>394,867</u>
Profit for the year	<u>37,490</u>	<u>30,382</u>

10 Other investments

Group	£
Unit trusts:	
Valuation at 1 January 2014	324,681
Additions	77,000
Disposals	(77,545)
Unrealised gain/(loss) on revaluation of investments:	
Gain on revaluation at year end	15,171
Valuation at 31 December 2014	<u>339,307</u>
Valuation at 31 December 2013	<u>324,681</u>

The unit trusts are valued at market value.

The cost of these investments as at 31 December 2014 was £289,000 (2013: £280,317).

11 Stocks	2014	2013
Group	£	£
Stocks of merchandising goods for resale	<u>3,139</u>	<u>4,033</u>

The Forces Pension Society
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Notes forming part of the financial statements for the year ended 31 December 2014 (Continued)

12 Debtors	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Trade debtors	10,643	855	10,643	855
Amounts owed by subsidiary undertaking	-	-	475,349	419,308
Other debtors	15,324	15,721	15,324	14,621
Prepayments and accrued income	21,705	24,766	20,955	24,766
	47,672	41,342	522,271	459,550
13 Creditors: amounts falling due within one year	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Taxation and social security costs	15,057	11,561	15,057	11,561
Corporation tax	-	-	-	-
Deferred income - unexpired subscriptions	346,585	293,669	346,585	293,669
Creditors and accruals	18,065	15,606	15,665	12,666
Bank loans (secured - see note 14)	50,400	13,000	-	-
	430,107	333,836	377,307	317,896
14 Creditors: amounts falling due after more than one year	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Deferred income - unexpired subscriptions	27,999	34,785	27,999	34,785
Bank loans secured	16,786	142,752	-	-
	44,785	177,537	27,999	34,785

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 2014 (Continued)

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

Analysis of bank loans	2014	2013
	£	£
Wholly repayable within five years	67,186	155,752
Included in current liabilities	(50,400)	(13,000)
	<u>16,786</u>	<u>142,752</u>
Loan maturity analysis		
In more than one year but not more than two years	16,786	13,000
In more than two years but no more than five years	-	38,000
In five years or more	-	91,752
	<u>16,786</u>	<u>142,752</u>

15 Reserves	Group	Group	Company	Company
	2014	2013	2014	2013
	£	£	£	£
Unrestricted Funds				
Revenue				
At 1 January 2014	503,125	416,782	168,572	112,611
Retained surplus/(deficit) for the year	(14,547)	86,343	(52,036)	55,961
At 31 December 2014	<u>488,578</u>	<u>503,125</u>	<u>116,536</u>	<u>168,572</u>
Restricted Funds				
Revenue				
At 1 January 2014	42,191	-	42,191	-
Retained surplus/(deficit) for the year	(10,819)	42,191	(10,819)	42,191
At 31 December 2014	<u>31,372</u>	<u>42,191</u>	<u>31,372</u>	<u>42,191</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 2014	60,217	(172,103)	-	-
Transfer to profit and loss account				
sale of investments	(9,232)	-	-	-
Unrealised gain on				
revaluation of investments	15,171	32,320	-	-
Unrealised gain/(loss) on revaluation				
of long leasehold property	-	200,000	-	-
At 31 December 2014	<u>66,156</u>	<u>60,217</u>	<u>-</u>	<u>-</u>
Total reserves	<u>586,106</u>	<u>605,533</u>	<u>147,908</u>	<u>210,763</u>

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

Notes forming part of the financial statements for the year ended 31 December 2014 (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 deficit for the year dealt with in the financial statements of the company was £62,855 (2013: surplus £98,152).

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 2014 (2013: £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 £32,291 (2013: £41,205).

21 Related party transactions

During the year, the company received donations totalling £58,000 (2013: £60,000) 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.