

**Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31 December 2022  
for  
THE FORCES PENSION SOCIETY**



**Contents of the Consolidated Financial Statements  
for the Year Ended 31 December 2022**

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# THE FORCES PENSION SOCIETY

Company Information  
for the Year Ended 31 December 2022

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**DIRECTORS:**

G W Berragan  
J C Westbrooke  
D J Marsh  
N A Murdoch  
C Musgrave  
P A Quinn  
L F M Swinyard-Jordan  
P Cope  
R P Stearns  
S R Willis  
N Marshall  
L J Inward  
J E Chalmers

**SECRETARY:**

M P Lowe

**REGISTERED OFFICE:**

68 South Lambeth Road  
Vauxhall  
London  
SW8 1RL

**REGISTERED NUMBER:**

00418311 (England and Wales)

**Report of the Directors  
for the Year Ended 31 December 2022**

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The directors present their report with the financial statements of the company and the group for the year ended 31 December 2022.

**REVIEW OF BUSINESS**

The accounts presented comprise The Forces Pension Society (FPS) and its investment subsidiary, The Forces Pension Society Investment Company Limited - referred to as "Investco". The financial statements that follow incorporate the results of both FPS and Investco together in one consolidated report, in order to give a full picture of the financial health of the whole organisation. During the process of preparing the accounts, any transactions between FPS and Investco have been eliminated on consolidation to avoid any risk of confusion.

2022 represented a period of continued growth and high tempo for the FPS, with the year spent running a hybrid (mixed office and home working) operating model. In June we conducted our first physical AGM since 2019 at the Old Royal Naval College, Greenwich during which our new Articles of Association were adopted. Changes were necessary to: (1) modernise the Society's constitution; (2) more accurately reflect the legal and governance responsibilities and structures of the Society; (3) enable us to bring in Board members who don't qualify to be members of the Society, but have specialist pension and membership expertise, and (4) conduct general meetings by video teleconferencing. No member voting or other rights were lost and there are no ongoing costs resulting from the changes. Throughout the year we continued (and will continue) to work within the objectives set in our Articles of Association which require us to secure equitable and just pensions for all Armed Forces pensioners, and to guide and assist our members with pension enquiries.

The Society continued to exert its influence by holding the MoD and wider Government to account for the effective provision and administration of the Armed Forces Pension Schemes (AFPS). Areas of particular focus through 2022 included: the AFPS 15 Remedy (McCloud) to address the age discrimination error linked to the introduction of AFPS 15 and must be in place by October 2023; providing a constructive challenge function to the MoD commissioned Haythornthwaite Review into Armed Forces Incentivisation due to report in 2023; and continuing to press for changes to pension taxation policy which has a negative effect on Armed Forces personnel commitment and retention. This latter effort bore fruit with the abolition of Lifetime Allowance and an increase in Annual Allowance levels announced in the March 2023 Budget Statement.

2022 saw yet another record number of pension enquiries dealt with by the Society (18,289 in 2022 compared with 17,207 in 2021, 15,321 in 2020 and 14,877 in 2019). The volume and complexity of the questions asked continues to rise, particularly as the AFPS 15 Remedy implementation deadline approaches and uncertainty as to how it will work in practice remains. Due to the Pension Team's continued commitment and professionalism, we achieved our overall performance target of answering enquiries within 10 working days through most of 2022; however, this metric was breached for a total of 14 weeks mainly during Q1/22 but never exceeded 15 days. With two new Pension Consultants completing their training and probationary period towards the end of 2022, the team are now at full strength and capacity for 2023. We continued to invest in our technological enablement, and are increasingly active and influential on social media, evidenced by significantly better than the market average engagement rates. This, combined with improvements to the members' area of the website, resulted in new highs in the number of visits to and use of the website (329,771 visits in 2022 compared with 162,978 in 2018). Use of the exclusive members' area of the website has grown over five-fold across the same period (166,457 visits in 2022 compared with 31,616 in 2018). The number of social media followers has also increased significantly; for example, our LinkedIn community which stood at 5,760 at the end of 2018 had risen to 30,964 by the end of 2022, another five-fold increase. All of this serves to reinforce the need for the Society to be a leading player in the digital environment, while at the same time protecting our USP of providing a personalised service to our members.

2022 saw a return to mainly physical Roadshow briefings combined with a steady rhythm of webinars for those who requested them or are serving overseas; we conducted a total of 271 events including 36 Financial Aspects of Resettlement briefings for the MoD / Career Transition Partnership. This effort reached at least 12,517 attendees - many webinars have multiple participants joining via one device. By raising awareness of the benefits and complexities of the Armed Forces Pension across the military community we are helping empower individuals to make better informed financial choices and, by extension, aid Armed Forces retention. The welcome £20,000 grant from the Forces Pension Society Charitable Fund was used to support the Roadshow programme, which remains our primary charitable effort.

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**Report of the Directors  
for the Year Ended 31 December 2022**

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2022 saw a net increase of 1,491 paying memberships. As at 31 December 2022, the Society had 65,003 members, of whom 41,814 were paying memberships. These figures represent new highs in terms of total members and paying memberships. During 2022 we further developed our Membership Engagement Strategy and Plan as we seek to harness membership organisation best practices (eg providing a wide range of exclusive and attractive member benefits) and deliver the best possible FPS member experience.

Turning to the Society's financial performance, the actual consolidated operating deficit for 2022 was £10k, but once adjusted for income from fixed asset investments of £10k, losses on realised/unrealised investments of £83k and a deferred tax credit of £13k, the deficit for the year stands at £70K. As at 31 Dec the Society's cash at bank holding stood at £330K. A further £681K is invested in securities through Investco. This represents 13.5% growth since its inception in 2019 and a loss of 9.8% during FY 2022. Our short term (cash) and long term (investments) holdings are broadly in line with the requirements set in our defined Financial Reserves Policy. The requirement is calculated against a reasonable set of concurrent scenarios acting as a 'stress test' on our reserves and was re-indexed in line with CPI (10.1%) towards the end of 2022. A plan is in place to make good the modest delta of £34K between the requirement (£1.045M) and our reserve holdings (£1.011M) during 2023.

The Directors are satisfied that this performance represents sound financial management during another demanding period for the Society. Despite some significant economic headwinds and inflationary pressures affecting most businesses and not for profit organisations, the balance sheet remains strong, and the Society remains well positioned to cope with the demands of the AFPS 15 Remedy implementation and an unpredictable strategic context at the global, international, and national level.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

G W Berragan  
J C Westbrooke  
D J Marsh  
N A Murdoch  
C Musgrave  
P A Quinn  
L F M Swinyard-Jordan  
P Cope  
R P Stearns  
S R Willis  
N Marshall

Other changes in directors holding office are as follows:

W H Moore - resigned 9 July 2022  
J K Wheeler - resigned 8 June 2022  
L J Inward - appointed 7 September 2022  
J E Chalmers - appointed 8 September 2022

**Report of the Directors  
for the Year Ended 31 December 2022**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 the group and of the surplus or deficit of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

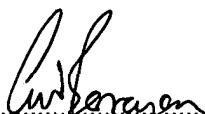
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Knox Cropper LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
G W Berragan - Director

Date: 5/4/23 .....

### **Opinion**

We have audited the financial statements of The Forces Pension Society (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet and 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 group's and of the parent company affairs as at 31 December 2022 and of the group's deficit 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.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors 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 directors determine 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 directors are responsible for assessing the group's and the parent company'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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.



**Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the parent company and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006, and the Corporation Tax Act 2010.
- We understood how the group is complying with those frameworks via communication with those charged with governance, together with the review of the Company's documented policies and procedures.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with Revenue Recognition, Management Override of Controls, and the increased incentive and pressure to commit fraud due to the Covid-19 environment, which were discussed and agreed by the audit team.

Our approach included agreeing the group's recognition of income to the terms of the underlying contract and deferred income calculations, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the group.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
The Forces Pension Society**

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**Use of our report**

This report is made solely to the company'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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Greg Stevenson FCA (Senior Statutory Auditor)  
for and on behalf of Knox Cropper LLP  
Chartered Accountants and Statutory Auditors  
65 Leadenhall Street  
London  
EC3A 2AD

Date: .....5/4/2023.....

**THE FORCES PENSION SOCIETY (REGISTERED NUMBER: 00418311)**

**Consolidated Income Statement  
for the Year Ended 31 December 2022**

	Notes	2022	2021
		£	£
<b>TURNOVER</b>		<b>1,660,187</b>	<b>1,534,137</b>
Cost of sales		<u>92,722</u>	<u>91,265</u>
<b>GROSS SURPLUS</b>		<b>1,567,465</b>	<b>1,442,872</b>
Administrative expenses		<u>1,597,122</u>	<u>1,452,962</u>
		<b>(29,657)</b>	<b>(10,090)</b>
Other operating income		<u>20,016</u>	<u>30,977</u>
<b>OPERATING (DEFICIT)/SURPLUS</b>	4	<b>(9,641)</b>	<b>20,887</b>
Income from fixed asset investments		9,470	7,112
Interest receivable and similar income		<u>226</u>	<u>267</u>
		<b>9,696</b>	<b>7,379</b>
		55	28,266
Gain/loss on revaluation of investments		<u>(83,053)</u>	<u>83,405</u>
<b>(DEFICIT)/SURPLUS BEFORE TAXATION</b>		<b>(82,998)</b>	<b>111,671</b>
Tax on (deficit)/surplus		<u>(12,865)</u>	<u>15,847</u>
<b>(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR</b>		<b><u>(70,133)</u></b>	<b><u>95,824</u></b>
(Deficit)/surplus attributable to: Owners of the parent		<b><u>(70,133)</u></b>	<b><u>95,824</u></b>

The notes form part of these financial statements

**Consolidated Other Comprehensive Income  
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(70,133)</b>	<b>95,824</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Property revaluation		50,000	-
Income tax relating to other comprehensive income		<u>(17,469)</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<b><u>32,531</u></b>	<b><u>-</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>(37,602)</u></b>	<b><u>95,824</u></b>
Total comprehensive income attributable to: Owners of the parent		<b><u>(37,602)</u></b>	<b><u>95,824</u></b>

The notes form part of these financial statements

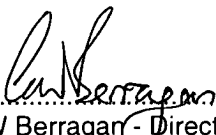
**THE FORCES PENSION SOCIETY (REGISTERED NUMBER: 00418311)**

**Consolidated Balance Sheet  
31 December 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	6	1,053,099	1,010,861
Investments	7	<u>680,865</u>	<u>754,898</u>
		<b>1,733,964</b>	<b>1,765,759</b>
<b>CURRENT ASSETS</b>			
Stocks		1,305	1,720
Debtors	8	70,788	11,463
Cash at bank		<u>330,361</u>	<u>307,842</u>
		<b>402,454</b>	<b>321,025</b>
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>795,466</u>	<u>711,419</u>
<b>NET CURRENT LIABILITIES</b>		<b>(393,012)</b>	<b>(390,394)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,340,952</b>	<b>1,375,365</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	(2,922)	(4,337)
<b>PROVISIONS FOR LIABILITIES</b>		<b>(45,352)</b>	<b>(40,748)</b>
<b>NET ASSETS</b>		<b><u>1,292,678</u></b>	<b><u>1,330,280</u></b>
<b>RESERVES</b>			
Revaluation reserve	11	396,619	364,088
Income and expenditure account		<u>896,059</u>	<u>966,192</u>
		<b><u>1,292,678</u></b>	<b><u>1,330,280</u></b>

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

The financial statements were approved by the Board of Directors and authorised for issue on 5/4/23 and were signed on its behalf by:

  
G W Berragan - Director

The notes form part of these financial statements

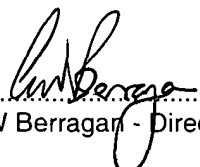
**THE FORCES PENSION SOCIETY (REGISTERED NUMBER: 00418311)**

**Company Balance Sheet**  
**31 December 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	6	53,099	60,861
Investments	7	<u>100</u>	<u>100</u>
		53,199	60,961
<b>CURRENT ASSETS</b>			
Stocks		1,305	1,720
Debtors	8	421,486	380,063
Cash at bank		<u>285,244</u>	<u>281,755</u>
		708,035	663,538
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>792,596</u>	<u>708,689</u>
<b>NET CURRENT LIABILITIES</b>		<u>(84,561)</u>	<u>(45,151)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(31,362)</u>	15,810
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	<u>2,922</u>	<u>4,337</u>
<b>NET (LIABILITIES)/ASSETS</b>		<u>(34,284)</u>	<u>11,473</u>
<b>RESERVES</b>			
Income and expenditure account		<u>(34,284)</u>	<u>11,473</u>
		<u>(34,284)</u>	<u>11,473</u>
Company's loss for the financial year		<u>(45,757)</u>	<u>(18,453)</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 5/4/23 and were signed on its behalf by:

  
G W Berragan - Director

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2022**

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**1. STATUTORY INFORMATION**

The Forces Pension Society is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Basis of consolidation**

The group comprises The Forces Pension Society and its wholly-owned subsidiary, The Forces Pension Society Investment Company Limited. These financial statements incorporate the results of both the company and the subsidiary. In preparing the consolidated financial statements all intra-group transactions and balances have been eliminated.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Critical accounting judgements and key sources of estimation uncertainty**

**- Fair value of tangible fixed assets**

Land and buildings are measured at each reporting date at fair value less accumulated depreciation. The directors assess the fair value based on recent market values and periodically obtain an appraisal from a professionally qualified valuer. In determining fair value on this basis. The valuation remains sensitive to fluctuations in the property market.

**- Depreciation of tangible fixed assets**

Under the terms of the lease, the company is required to contribute to the costs of maintaining the building, which contains its leasehold property, in a good standard of repair. The directors consider that such maintenance of the building's condition means that the residual value of the property is not less than its book value, the appropriateness of which is reviewed annually, and as such no depreciation charge is necessary.

**- Useful life of tangible fixed assets**

The depreciation charge on tangible fixed assets is based on management's estimate of useful life. This is subject to uncertainty and reviewed by management at each reporting date.

**- Life member subscriptions**

Subscriptions for life membership are recognised as income over a period of 20 years, with amounts relating to future years recorded as creditors due in less than and more than one year as appropriate.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2022**

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**2. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Membership subscriptions are recognised on the accruals basis, with amounts received relating to periods after the year end date recorded as deferred income within creditors.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings - 2% on cost and not provided

Plant and machinery etc - at varying rates on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Fixed asset investments**

The group's investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The consolidated income statement includes the net gains and losses arising on the revaluations and disposals throughout the year.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 18 (2021 - 18).

The average number of employees by undertakings that were proportionately consolidated during the year was NIL (2021 - NIL).

**4. OPERATING (DEFICIT)/SURPLUS**

The operating deficit (2021 - operating surplus) is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	<u>17,323</u>	<u>22,096</u>

**5. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2022

6. TANGIBLE FIXED ASSETS

Group

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2022	950,000	140,021	1,090,021
Additions	-	11,020	11,020
Disposals	-	(18,104)	(18,104)
Revaluations	50,000	-	50,000
At 31 December 2022	<u>1,000,000</u>	<u>132,937</u>	<u>1,132,937</u>
<b>DEPRECIATION</b>			
At 1 January 2022	-	79,160	79,160
Charge for year	-	17,323	17,323
Eliminated on disposal	-	(16,645)	(16,645)
At 31 December 2022	<u>-</u>	<u>79,838</u>	<u>79,838</u>
<b>NET BOOK VALUE</b>			
At 31 December 2022	<u>1,000,000</u>	<u>53,099</u>	<u>1,053,099</u>
At 31 December 2021	<u>950,000</u>	<u>60,861</u>	<u>1,010,861</u>

Land and buildings were valued on a fair value basis in January 2023 by Cluttons LLP.

The historical cost of land and buildings at 31 December 2022 was £570,176 (2021 - £570,176).

If land and buildings had not been revalued they would have been included at the following historical cost

	2022 £	2021 £
Cost	570,176	570,176
Accumulated depreciation	-	-
Carrying value	<u>570,176</u>	<u>570,176</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2022

6. TANGIBLE FIXED ASSETS - continued

Company

	Plant and machinery etc £
<b>COST</b>	
At 1 January 2022	140,021
Additions	11,020
Disposals	<u>(18,104)</u>
At 31 December 2022	<u>132,937</u>
<b>DEPRECIATION</b>	
At 1 January 2022	79,160
Charge for year	17,323
Eliminated on disposal	<u>(16,645)</u>
At 31 December 2022	<u>79,838</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>53,099</u>
At 31 December 2021	<u>60,861</u>

7. FIXED ASSET INVESTMENTS

Group

	Other investment £
<b>COST OR VALUATION</b>	
At 1 January 2022	754,898
Disposals	(16,140)
Revaluations	(80,923)
Exchange differences	<u>23,030</u>
At 31 December 2022	<u>680,865</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>680,865</u>
At 31 December 2021	<u>754,898</u>

The historical cost of fixed asset investments at 31 December 2022 was £582,428 (2021: £597,968). Included in the above is cash held by the investment managers of £40,357 (2021: £17,327).

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2022

7. FIXED ASSET INVESTMENTS - continued

Group Company	Shares in group undertakin £
<b>COST</b>	
At 1 January 2022 and 31 December 2022	<u>100</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>100</u>
At 31 December 2021	<u>100</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiary**

**The Forces Pension Society Investment Company Limited**

Registered office: 68 South Lambeth Road, Vauxhall, London, SW8 1RL

Nature of business:

	% holding
Class of shares:	
Ordinary	100.00

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Amounts owed by group undertakings	-	-	380,698	368,600
Other debtors	<u>70,788</u>	<u>11,463</u>	<u>40,788</u>	<u>11,463</u>
	<u>70,788</u>	<u>11,463</u>	<u>421,486</u>	<u>380,063</u>

Amounts owed by group undertakings represents the net amount of funds advanced to the Forces Pension Society Investment Company Ltd to finance its investing activities. The amount is interest free and repayable to the Society on demand.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Other creditors	<u>795,466</u>	<u>711,419</u>	<u>792,596</u>	<u>708,689</u>

Included within Other creditors is £735,356 (2021: (684,011)) of deferred income representing the unused portion of annual subscriptions at the year end date.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2022

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Other creditors	<u>2,922</u>	<u>4,337</u>	<u>2,922</u>	<u>4,337</u>

11. RESERVES

Group	Revaluation reserve
	£
At 1 January 2022	364,088
Revaluation of tangible fixed assets	37,500
Change in tax rate	<u>(4,969)</u>
At 31 December 2022	<u>396,619</u>