



FIGHTING FOR THE FORCES  
AND THEIR FAMILIES

**Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31 December 2020  
for  
THE FORCES PENSION SOCIETY**

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**THE FORCES PENSION SOCIETY**

**Contents of the Consolidated Financial Statements  
for the Year Ended 31 December 2020**

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**THE FORCES PENSION SOCIETY**

**Company Information  
for the Year Ended 31 December 2020**

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**DIRECTORS:**

G W Berragan  
W E Mahon  
W H Moore  
J C Westbrooke  
J K Wheeler  
D J Marsh  
N A Murdoch  
C Musgrave  
P A Quinn  
L F M Swinyard-Jordan

**SECRETARY:**

N Marshall

**REGISTERED OFFICE:**

68 South Lambeth Road  
Vauxhall  
London  
SW8 1RL

**REGISTERED NUMBER:**

00418311 (England and Wales)

## THE FORCES PENSION SOCIETY

### Report of the Directors for the Year Ended 31 December 2020

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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 2020.

#### 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.

2020 represented a period of significant challenge and opportunity for the Forces Pension Society, with over 9 months of the year spent operating during the COVID-19 pandemic. The Society's Business Continuity Plan was activated on 19 March ahead of the Prime Minister's lockdown announcement the following week; the Vauxhall team moved rapidly and effectively to a 'Work from Home' operating model and remained in that posture for the remainder of the year. This, plus the swift rollout of our webinar-based Roadshow and Financial Aspects of Resettlement Briefing capabilities enabled us to deliver 'business as usual' as far as possible for our Members and the wider Armed Forces Community. This also helped reach those areas of the deployed serving military we had previously been unable to reach through physical briefings. We delayed our AGM from June to September which was successfully conducted by Zoom. 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.

Despite the Government's understandable focus on tackling the pandemic, the Society continued to exert its influence in seeking a fair deal for the Armed Forces with the same two key areas dominating as they did in 2019. First, our campaigning efforts to achieve an appropriate remedy to the so called 'McCloud case', where the transitional arrangements applied to the implementation of the 2015 Public Service Pension Schemes were ruled to be discriminatory on the basis of age. The Society successfully lobbied for the remedy solution entitled 'Deferred Choice Underpin' which was announced by the Government on 4 February 2021. Our focus now shifts to carefully tracking the implementation of this significant change programme and guiding and supporting our Members through their decision-making process. Second is maintaining awareness and pressure on the complex and corrosive issue of pension taxation. Despite welcoming the change to the Annual Allowance (AA) Taper rules announced in March 2020 Budget, the AA level of £40,000 remains unchanged and continues to be a source of considerable dissatisfaction for many of our Members - the Chief Executive was invited to present to both the Senior Salaries Review Board (March 2020) and the Armed Forces Pay Review Body (January 2021), with the impact of pension taxation on individual commitment and retention high on the agenda. We will continue to press for change while remaining cognisant of the pressure on the public finances.

2020 saw another record number of pension enquiries dealt with by the Society (15,321 in 2020 compared with 14,877 in 2019 14,600 in 2018 and 10,900 in 2017). The complexity of those enquiries continues to increase, and the additional demand for McCloud related information and guidance required additional capacity to service this demand. As reported last year, complex issues such as Pension Sharing on Divorce, Medical Discharge, AA calculations and questions relating to timing of retirement and pension forecasts, tended to dominate in 2020. Having increased our Pension Team's capacity in early 2020 we managed to keep up with demand and achieve our performance target of answering enquiries within 10 working days; anticipating a sustained increase in demand for our services, we reviewed our internal processes, maximised the use of technology including the Members area of the website to answer frequently asked questions and, with the agreement of Council, reinforced the team with one additional Forces Pensions Consultant in April 2021. Despite a dip in membership inflow during the first 3 months of the pandemic, our efforts to enhance brand awareness and improve engagement bore fruit: 2020 saw 8248 new Members join the Society, with an overall net increase of 2,132 paying memberships. As at 31 December 2020, the Society had 59,937 members, of whom 38,229 were paying memberships. We passed 60,000 Members in early 2021.

## THE FORCES PENSION SOCIETY

### Report of the Directors for the Year Ended 31 December 2020

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After a long period of negotiation, we secured funding from the Office of Veterans Affairs (OVA) enabling us to continue supporting the MoD's Veterans' Gateway project, the one-stop shop for veterans seeking charitable assistance. The grant of £28,000 covers the period 31 May 2020 to 1 September 2021 and should be renewed thereafter, but there is no guarantee. We remain, by some margin, the Referral Partner in greatest demand. Enquiries relating to potentially unclaimed pensions and a host of other issues dipped slightly through 2020; we answered a total of 1,999 questions compared with 2,504 in 2019 and 1,601 in 2018, with many of those resulting in veterans receiving backdated pension payments many were unaware they were entitled to. The welcome £25,000 grant from the Forces Pension Society Charitable Fund was used to support our other charitable efforts such as our education outreach / Roadshow programme.

Having already redesigned our Roadshow programme to better reach those audiences who would benefit the most from our services, we also seized the COVID-19 enforced opportunity to redesign and deliver our Roadshow content. Despite the 'dip' in demand during Q2/2020 we rapidly bounced back and by December 2020 had conducted 165 group briefings either by webinar or in person reaching over 7,100 service personnel. Although much of this had to be conducted without any financial support, careful planning and efficiencies achieved through the year helped to mitigate any in year financial pressures.

The actual consolidated operating deficit for 2020 was £53K, but once adjusted for income from fixed asset investments (+£7.5K), revaluation of assets as at 31 Dec (+£54K) and a deferred tax adjustment (-£10.6K), the deficit for the year stands at £2K. Of note, untaken annual leave carried forward by staff to use in future years amounting to £24,615 resulted in an increase to staff costs and creditors. This 'one off' is due to CV-19 travel restrictions and the authorisation of a carry forward. Had this figure not been included in the annual accounts a consolidated surplus of £22K would have been recorded. As at 31 Dec the Society's cash at bank holding stood at £255K. A further £665K is invested in securities through Investco. Our Fund Manager (Waverton) oversaw an increase in value of our portfolio of 10%; a very positive outcome given the market conditions through 2020.

The Directors are satisfied that this performance represents sound financial management during a demanding period for the Society, with no Government assistance (furlough or otherwise) being sought. The balance sheet remains strong, and the Society is well set to meet the challenges that lie ahead, particularly through the McCloud implementation period that is likely to dominate demand for our services over the next few years.

#### DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

G W Berragan  
W E Mahon  
W H Moore  
J C Westbrooke  
J K Wheeler  
D J Marsh  
N A Murdoch  
P A Quinn

Other changes in directors holding office are as follows:

C E Foxley - resigned 18 November 2020  
G W Spark - resigned 13 March 2020  
C Musgrave - appointed 18 November 2020  
L F M Swinyard-Jordan - appointed 30 September 2020  
A L Wright - resigned 18 November 2020

## THE FORCES PENSION SOCIETY

### Report of the Directors for the Year Ended 31 December 2020

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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: 17/4/21.....

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

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### **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 2020 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 2020 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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 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 Company 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 Company'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.



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

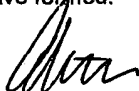
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- Our approach included agreeing the company's recognition of income to the terms of the underlying contract and deferred income calculations, the review of journal entries processed in the accounting records and the investigation of significant and 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 Company.

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.

**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: 21<sup>st</sup> April 2021

**THE FORCES PENSION SOCIETY**

**Consolidated Income Statement  
for the Year Ended 31 December 2020**

	Notes	2020	2019
		£	£
<b>TURNOVER</b>		<b>1,401,774</b>	<b>1,313,827</b>
Cost of sales		<u>89,112</u>	<u>70,972</u>
<b>GROSS SURPLUS</b>		<b>1,312,662</b>	<b>1,242,855</b>
Administrative expenses		<u>1,443,435</u>	<u>1,326,387</u>
		<b>(130,773)</b>	<b>(83,532)</b>
Other operating income		<u>77,588</u>	<u>35,980</u>
<b>OPERATING DEFICIT</b>	4	<b>(53,185)</b>	<b>(47,552)</b>
Income from fixed asset investments		<b>7,208</b>	<b>12,638</b>
Interest receivable and similar income		<u>305</u>	<u>879</u>
		<b>7,513</b>	<b>13,517</b>
		<b>(45,672)</b>	<b>(34,035)</b>
Gain/loss on revaluation of investments		<u>54,066</u>	<u>19,144</u>
<b>SURPLUS/(DEFICIT) BEFORE TAXATION</b>		<b>8,394</b>	<b>(14,891)</b>
Tax on surplus/(deficit)		<u>10,609</u>	<u>4,303</u>
<b>DEFICIT FOR THE FINANCIAL YEAR</b>		<b>(2,215)</b>	<b>(19,194)</b>
Deficit attributable to:			
Owners of the parent		<u><b>(2,215)</b></u>	<u><b>(19,194)</b></u>

The notes form part of these financial statements

**THE FORCES PENSION SOCIETY**

**Consolidated Other Comprehensive Income  
for the Year Ended 31 December 2020**

	Notes	2020 £	2019 £
<b>DEFICIT FOR THE YEAR</b>		<b>(2,215)</b>	<b>(19,194)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Change in deferred tax rate			
Income tax relating to other comprehensive income		<b>(1,657)</b>	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<b><u>(1,657)</u></b>	<b><u>-</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>(3,872)</u></b>	<b><u>(19,194)</u></b>
Total comprehensive income attributable to: Owners of the parent		<b><u>(3,872)</u></b>	<b><u>(19,194)</u></b>

The notes form part of these financial statements

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

**Consolidated Balance Sheet  
31 December 2020**

		2020	2019
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	1,003,609	983,482
Investments	7	<u>664,981</u>	<u>598,806</u>
		1,668,590	1,582,288
<b>CURRENT ASSETS</b>			
Stocks		2,358	3,200
Debtors	8	26,793	122,366
Cash at bank and in hand		<u>255,138</u>	<u>162,479</u>
		284,289	288,045
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>687,702</u>	<u>611,712</u>
<b>NET CURRENT LIABILITIES</b>		<u>(403,413)</u>	<u>(323,667)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,265,177	1,258,621
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	(5,820)	(7,658)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(24,901)</u>	<u>(12,635)</u>
<b>NET ASSETS</b>		<u>1,234,456</u>	<u>1,238,328</u>
<b>RESERVES</b>			
Revaluation reserve	11	364,088	365,745
Income and expenditure account		<u>870,368</u>	<u>872,583</u>
		<u>1,234,456</u>	<u>1,238,328</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 17/4/21 and were signed on its behalf by:

  
G W Berragan - Director

The notes form part of these financial statements

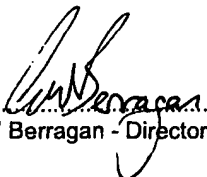
**THE FORCES PENSION SOCIETY (REGISTERED NUMBER: 00418311)**

**Company Balance Sheet  
31 December 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	6	53,609	33,482
Investments	7	<u>100</u>	<u>100</u>
		<b>53,709</b>	<b>33,582</b>
<b>CURRENT ASSETS</b>			
Stocks		2,358	3,200
Debtors	8	467,415	569,321
Cash at bank and in hand		<u>197,366</u>	<u>128,863</u>
		<b>667,139</b>	<b>701,384</b>
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>685,102</u>	<u>609,186</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(17,963)</b>	<b>92,198</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>35,746</b>	<b>125,780</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	<u>5,820</u>	<u>7,658</u>
<b>NET ASSETS</b>		<b><u>29,926</u></b>	<b><u>118,122</u></b>
<b>RESERVES</b>			
Income and expenditure account		<u>29,926</u>	<u>118,122</u>
		<b><u>29,926</u></b>	<b><u>118,122</u></b>
Company's loss for the financial year		<b><u>(88,196)</u></b>	<b><u>(100,924)</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 14/11/21 and were signed on its behalf by:

  
G W Berragan - Director

The notes form part of these financial statements

## THE FORCES PENSION SOCIETY

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2020

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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.

## THE FORCES PENSION SOCIETY

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31 December 2020

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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
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.

#### 3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 18 (2019 - 16).

The average number of employees by undertakings that were proportionately consolidated during the year was NIL (2019 - NIL).

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

The operating surplus (2019 - operating deficit) is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	<u>16,020</u>	<u>10,756</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.

**THE FORCES PENSION SOCIETY**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020**

**6. TANGIBLE FIXED ASSETS**

**Group**

	<b>Land and buildings £</b>	<b>Plant and machinery etc £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 January 2020	950,000	74,526	1,024,526
Additions	-	36,147	36,147
At 31 December 2020	950,000	110,673	1,060,673
<b>DEPRECIATION</b>			
At 1 January 2020	-	41,044	41,044
Charge for year	-	16,020	16,020
At 31 December 2020	-	57,064	57,064
<b>NET BOOK VALUE</b>			
At 31 December 2020	950,000	53,609	1,003,609
At 31 December 2019	950,000	33,482	983,482

Land and buildings were valued on a fair value basis on 13th January 2018 by Cluttons LLP.

The historical cost of land and buildings at 31 December 2020 was £570,176 (2019 - £570,176).

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

	<b>2020 £</b>	<b>2019 £</b>
Cost	570,176	570,176
Accumulated depreciation	-	-
Carrying value	570,176	570,176



**THE FORCES PENSION SOCIETY**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020**

**6. TANGIBLE FIXED ASSETS - continued**

**Company**

	<b>Plant and machinery etc £</b>
<b>COST</b>	
At 1 January 2020	<b>74,526</b>
Additions	<b><u>36,147</u></b>
At 31 December 2020	<b><u>110,673</u></b>
<b>DEPRECIATION</b>	
At 1 January 2020	<b>41,044</b>
Charge for year	<b><u>16,020</u></b>
At 31 December 2020	<b><u>57,064</u></b>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<b><u>53,609</u></b>
At 31 December 2019	<b><u>33,482</u></b>

**7. FIXED ASSET INVESTMENTS**

	<b>Group</b>		<b>Company</b>	
	<b>2020 £</b>	<b>2019 £</b>	<b>2020 £</b>	<b>2019 £</b>
Shares in group undertakings	-	-	<b>100</b>	<b>100</b>
Other investments not loans	<b><u>664,981</u></b>	<b><u>598,806</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
	<b><u>664,981</u></b>	<b><u>598,806</u></b>	<b><u>100</u></b>	<b><u>100</u></b>

Additional information is as follows:

**Group**

	<b>Other investments £</b>
<b>COST OR VALUATION</b>	
At 1 January 2020	<b>598,806</b>
Additions	<b>51,800</b>
Disposals	<b>(49,808)</b>
Revaluations	<b><u>53,368</u></b>
At 31 December 2020	<b><u>654,166</u></b>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<b><u>654,166</u></b>
At 31 December 2019	<b><u>598,806</u></b>

# THE FORCES PENSION SOCIETY

## Notes to the Consolidated Financial Statements - continued for the Year Ended 31 December 2020

### 7. FIXED ASSET INVESTMENTS - continued

#### Group

The historical cost of fixed asset investments at 31 December 2020 was £597,968 (2019: £596,376).

Investments (neither listed nor unlisted) were as follows:

	2020 £	2019 £
Cash pending investment	<u>10,815</u>	<u>-</u>

#### Company

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	<u>100</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>100</u>
At 31 December 2019	<u>100</u>

### 8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	-	12,277	-	7,257
Amounts owed by group undertakings	-	-	440,622	486,353
Other debtors	<u>26,793</u>	<u>110,089</u>	<u>26,793</u>	<u>75,711</u>
	<u>26,793</u>	<u>122,366</u>	<u>467,415</u>	<u>569,321</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	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	-	2,692	-	2,692
Other creditors	<u>687,702</u>	<u>609,020</u>	<u>685,102</u>	<u>606,494</u>
	<u>687,702</u>	<u>611,712</u>	<u>685,102</u>	<u>609,186</u>

Included within Other creditors is £633,346 (2019: £576,960) of deferred income representing the unused portion of annual subscriptions at the year end date.

**THE FORCES PENSION SOCIETY**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020**

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

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other creditors	<u><b>5,820</b></u>	<u><b>7,658</b></u>	<u><b>5,820</b></u>	<u><b>7,658</b></u>

**11. RESERVES**

**Group**

	<b>Revaluation reserve £</b>
At 1 January 2020	<b>365,745</b>
Change in tax rate	<u><b>(1,657)</b></u>
At 31 December 2020	<u><b>364,088</b></u>

**THE FORCES PENSION SOCIETY**

**Consolidated Detailed Income and Expenditure Account  
for the Year Ended 31 December 2020**

	2020		2019	
	£	£	£	£
<b>Turnover</b>				
Annual subscriptions	1,321,762		1,196,449	
Life member subscriptions	2,350		3,145	
Advertisement income	24,842		31,975	
FAR capitation fees	13,024		23,701	
Commissions receivable	38,713		57,050	
Merchandise sales	1,083		1,507	
		1,401,774		1,313,827
<b>Cost of sales</b>				
Opening stock	3,200		2,260	
Purchases	1,636		2,205	
Pennant	85,342		62,872	
FAR travel costs	1,292		6,835	
	91,470		74,172	
Closing stock	(2,358)		(3,200)	
		89,112		70,972
<b>GROSS SURPLUS</b>		1,312,662		1,242,855
<b>Other income</b>				
Sundry receipts	-		22	
Donations, legacies and grants	76,865		35,076	
Royalties	723		882	
Dividends receivable	7,208		12,638	
Deposit account interest	305		879	
		85,101		49,497
		1,397,763		1,292,352
<b>Expenditure</b>				
Staff costs	1,067,794		885,721	
Professional fees	72,914		94,350	
Marketing & advertising	106,122		110,862	
Office costs	20,653		45,979	
Building costs	60,433		47,221	
Roadshow costs	3,687		10,523	
Office IT & website	67,031		77,835	
Governance, travel & entertainment	5,735		19,878	
Financial & bank charges	13,746		14,112	
Auditors' remuneration	9,300		9,150	
Depreciation of tangible fixed assets				
Fixtures and fittings	3,326		2,924	
Motor vehicles	4,938		-	
Computer equipment	7,756		7,832	
		1,443,435		1,326,387
Carried forward		(45,672)		(34,035)

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**THE FORCES PENSION SOCIETY**

**Consolidated Detailed Income and Expenditure Account  
for the Year Ended 31 December 2020**

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	2020	2019
	£	£
Brought forward	(45,672)	(34,035)
Gain/loss on revaluation of assets		
Gain/loss on revaluation of investments	<u>54,066</u>	<u>19,144</u>
<b>NET SURPLUS/(DEFICIT)</b>	<u><b>8,394</b></u>	<u><b>(14,891)</b></u>

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