

Company Registration No. 00892077 (England and Wales)

**THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2015**



**BERLEY**  
**CHARTERED ACCOUNTANTS**  
**76 NEW CAVENDISH STREET**  
**LONDON W1G 9TB**

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr M P Morrissey Vice Admiral P J Wilkinson CB, CVO Mr E D J Goodchild Mr J S Pitt-Brooke	(Appointed 10 June 2015)
<b>Secretary</b>	Mr S P Hermelin	
<b>Company number</b>	00892077	
<b>Registered office</b>	68 South Lambeth Road London SW8 1RL	
<b>Auditors</b>	Berley Chartered Accountants, Statutory Auditors 76 New Cavendish Street London W1G 9TB	

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# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

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# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their report and financial statements for the year ended 31 December 2015.

### Principal activity, review of business and future developments

The principal activity of the company continued to be the holding of investments and property.

A revaluation review of the long leasehold property, which was last professionally valued during 2013, was not undertaken in the year. The current valuation is still less than historic cost. The directors consider that this represents only a short-term setback in value in the life of the property, which will not affect the company as a going concern.

There have been no events since the balance sheet date which materially affect the position of the company.

### Results and dividends

The revenue account is set out on page 5 and shows the results for the year. The company's profit for the year amount to £35,059 (2014: £37,490).

The directors do not recommend the payment of a dividend.

### Directors

The following directors have held office since 1 January 2015:

Major General J D Moore-Bick CBE, DL (Resigned 10 June 2015)

Mr M P Morrissey

Vice Admiral P J Wilkinson CB, CVO

Mr E D J Goodchild

Mr J S Pitt-Brooke (Appointed 10 June 2015)

The directors have no beneficial interest in the shares of the company.

### Auditors

In accordance with the company's articles, a resolution proposing that Berley Chartered Accountants, Statutory Auditors be reappointed as auditors of the company will be put at a General Meeting.

### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 of the profit or loss of the company 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as 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.

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

On behalf of the board



Vice Admiral P J Wilkinson CB, CVO

**Director**

16 May 2016

# **THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED**

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We have audited the financial statements of The Forces Pension Society Investment Company Limited for the year ended 31 December 2015 set out on pages 5 to 13. 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 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 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 company and the company'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 on pages 1 - 2, 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 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 Annual Report 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 company's affairs as at 31 December 2015 and of its profit 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

# **THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED**

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#### **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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

**Mark Levy (Senior Statutory Auditor)**  
**76 New Cavendish Street, London, W1G 9TB**

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

**23 May 2016**

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover		84,451	78,747
Cost of sales		(800)	(894)
<b>Gross profit</b>		<u>83,651</u>	<u>77,853</u>
Administrative expenses		(47,845)	(47,097)
<b>Operating profit</b>	<b>2</b>	<u>35,806</u>	<u>30,756</u>
Investment income	<b>3</b>	-	8,884
Interest payable and similar charges	<b>4</b>	(747)	(2,150)
<b>Profit on ordinary activities before taxation</b>		<u>35,059</u>	<u>37,490</u>
Tax on profit on ordinary activities	<b>5</b>	-	-
<b>Profit for the year</b>	<b>13</b>	<u><u>35,059</u></u>	<u><u>37,490</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.



# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2015

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	2015 £	2014 £
Profit for the financial year	35,059	37,490
Unrealised surplus on trade investment	9,526	15,171
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	44,585	52,661
	<hr/>	<hr/>

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	6		550,000		550,000
Investments	7		348,833		339,307
			<u>898,833</u>		<u>889,307</u>
<b>Current assets</b>					
Stocks	8	2,339		3,139	
Debtors	9	13,860		750	
Cash at bank and in hand		98,126		90,038	
		<u>114,325</u>		<u>93,927</u>	
<b>Creditors: amounts falling due within one year</b>	10	(530,274)		(528,149)	
<b>Net current liabilities</b>			<u>(415,949)</u>		<u>(434,222)</u>
<b>Total assets less current liabilities</b>			<u>482,884</u>		<u>455,085</u>
<b>Creditors: amounts falling due after more than one year</b>	11		-		(16,786)
			<u>482,884</u>		<u>438,299</u>
<b>Capital and reserves</b>					
Called up share capital	12		100		100
Revaluation reserve	13		75,685		66,159
Profit and loss account	13		407,099		372,040
<b>Shareholders' funds</b>	14		<u>482,884</u>		<u>438,299</u>

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

Approved by the Board and authorised for issue on 16 May 2016

*Edward Goodchild*

Mr E D J Goodchild  
Director

*JS*

Mr J S Pitt-Brooke  
Director

Company Registration No. 00892077

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

#### 1.2 Compliance with accounting standards

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

#### 1.3 Turnover

Income represents amounts receivable for goods and services net of discounts.

#### 1.4 Tangible fixed assets and 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 cost, or where the charge arising is not material, then no charge is made. Depreciation is calculated at the following rates:

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

#### 1.5 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.

#### 1.6 Stock

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

#### 1.7 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. The deferred tax balance has not been discounted.

### 2 Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Loss on disposal of tangible assets	-	255
Auditors' remuneration (including expenses and benefits in kind)	2,496	2,400
Directors' remuneration	4,460	3,700
	<u>          </u>	<u>          </u>

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

<b>3</b>	<b>Investment income</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Income from sale of fixed asset investments	-	8,884
	Dividend income from unit trusts totalled £10,439 (2014: £10,933). This amount has been included within turnover.		
<b>4</b>	<b>Interest payable</b>		
	Interest totalling £747 (2014: £2,150) was charged in relation to the historic bank loan taken out by the company.		
<b>5</b>	<b>Taxation</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	-
	<b>Total current tax</b>	-	-
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	35,059	37,490
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 20.00%)	7,012	7,498
	Effects of:		
	Other tax adjustments	(7,012)	(7,498)
	<b>Current tax charge for the year</b>	-	-

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 6 Tangible fixed assets

	Land and buildings £
<b>Cost or valuation</b>	
At 1 January 2015 & at 31 December 2015	550,000
<b>Depreciation</b>	
At 1 January 2015 & at 31 December 2015	-
<b>Net book value</b>	
At 31 December 2015	550,000
At 31 December 2014	550,000

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

### 7 Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2015	339,307
Revaluation	9,526
At 31 December 2015	348,833
<b>Net book value</b>	
At 31 December 2015	348,833
At 31 December 2014	339,307

The unit trusts are valued at market value.

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

8 Stocks	2015 £	2014 £
Stocks	2,339	3,139

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

<b>9 Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Other debtors	13,860	750
	<u>          </u>	<u>          </u>
<b>10 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	17,533	50,400
Amounts owed to group undertakings and undertakings in which the company has a participating interest	510,293	475,349
Other creditors	2,448	2,400
	<u>          </u>	<u>          </u>
	<u>530,274</u>	<u>528,149</u>
<b>11 Creditors: amounts falling due after more than one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loans	-	16,786
	<u>          </u>	<u>          </u>
<b>Analysis of loans</b>		
Wholly repayable within five years	17,533	67,186
Included in current liabilities	(17,533)	(50,400)
	<u>          </u>	<u>          </u>
	<u>-</u>	<u>16,786</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	-	16,786
	<u>          </u>	<u>          </u>
<p>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.</p>		
<b>12 Share capital</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid		
100 Ordinary of £1 each	100	100
	<u>          </u>	<u>          </u>

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 13 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2015	66,159	372,040
Profit for the year	-	35,059
Revaluation during the year	9,526	-
Balance at 31 December 2015	<u>75,685</u>	<u>407,099</u>

### 14 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial year	35,059	37,490
Other recognised gains and losses	9,526	15,171
Net addition to shareholders' funds	<u>44,585</u>	<u>52,661</u>
Opening Shareholders' funds	438,299	385,638
Closing Shareholders' funds	<u>482,884</u>	<u>438,299</u>

### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Office and management	<u>2</u>	<u>2</u>

#### Employment costs

	2015 £	2014 £
Wages and salaries	<u>29,017</u>	<u>26,190</u>

The employees were not directly employed by The Forces Pension Society Investment Company Limited. This is purely an apportionment of a percentage of the individual's salaries from The Forces Pension Society that represents the time spent on business for The Forces Pension Society Investment Company Limited.

# **THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2015***

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### **16 Control**

The Forces Pension Society, a company limited by guarantee registered in England and Wales, is the ultimate parent company. The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up is the Forces Pensions Society. The group financial statements are available to the public on payment of the appropriate fee from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CR4 3UZ.

### **17 Related party relationships and transactions**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent company, The Forces Pension Society.