

**THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2014**

WEDNESDAY



\*A4H0SX80\*

A17

30/09/2015

#191

COMPANIES HOUSE

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

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## COMPANY INFORMATION

---

**Directors** Major General J D Moore-Bick CBE, DL  
Mr N J Gartside, CFA  
Mr M P Morrissey  
Vice Admiral P J Wilkinson CB, CVO  
Mr E D J Goodchild (Appointed 6 January 2014)

**Secretary** Mr S P Hermelin

**Company number** 00892077

**Registered office** 68 South Lambeth Road  
London  
SW8 1RL

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

---

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## CONTENTS

---

	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 13

---

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

The directors present their report and financial statements for the year ended 31 December 2014.

### **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 £37,490 (2013: £30,382).

The directors do not recommend the payment of a dividend.

### **Directors**

The following directors have held office since 1 January 2014:

Major General J D Moore-Bick CBE, DL	
Air Marshal Sir C C Coville KCB (Chairman)	(Retired 4 June 2014)
Brigadier D A Cranston CBE	(Retired 4 June 2014)
Mr N J Gartside, CFA	
Mr M P Morrissey	
Vice Admiral P J Wilkinson CB, CVO	
Mr E D J Goodchild	(Appointed 6 January 2014)

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

### **Auditors**

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

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

### **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.

### **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**

13 April 2015

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

## **INDEPENDENT AUDITORS' REPORT**

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

---

We have audited the financial statements of The Forces Pension Society Investment Company Limited for the year ended 31 December 2014 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 2014 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)

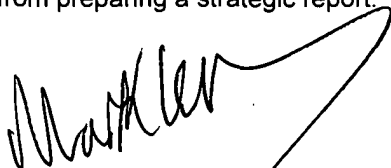
### TO THE MEMBERS OF THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

---

#### 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 April 2015

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
Turnover		75,255	85,854
Cost of sales		(894)	(1,677)
<b>Gross profit</b>		<u>74,361</u>	<u>84,177</u>
Administrative expenses		(43,605)	(45,203)
<b>Operating profit</b>	<b>2</b>	<u>30,756</u>	<u>38,974</u>
Investment income	<b>3</b>	8,884	-
Interest payable and similar charges	<b>4</b>	(2,150)	(8,592)
<b>Profit on ordinary activities before taxation</b>		<u>37,490</u>	<u>30,382</u>
Tax on profit on ordinary activities	<b>5</b>	-	-
<b>Profit for the year</b>	<b>13</b>	<u><u>37,490</u></u>	<u><u>30,382</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 2014**

---

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Profit for the financial year</b>	37,490	30,382
Unrealised surplus on revaluation of property	-	200,000
Unrealised surplus on trade investment	15,171	32,320
	<hr/>	<hr/>
<b>Total recognised gains and losses relating to the year</b>	<b>52,661</b>	<b>262,702</b>
	<hr/>	<hr/>

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

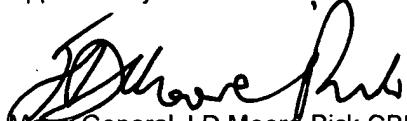
## BALANCE SHEET

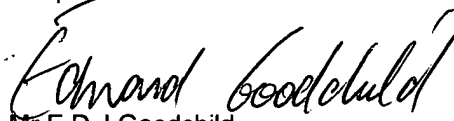
AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	6		550,000		550,255
Investments	7		339,307		324,681
			<u>889,307</u>		<u>874,936</u>
<b>Current assets</b>					
Stocks	8	3,139		4,033	
Debtors	9	750		1,100	
Cash at bank and in hand		90,038		92,798	
		<u>93,927</u>		<u>97,931</u>	
<b>Creditors: amounts falling due within one year</b>	10	(528,149)		(435,248)	
<b>Net current liabilities</b>			(434,222)		(337,317)
<b>Total assets less current liabilities</b>			<u>455,085</u>		<u>537,619</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(16,786)		(142,752)
			<u>438,299</u>		<u>394,867</u>
<b>Capital and reserves</b>					
Called up share capital	12		100		100
Revaluation reserve	13		66,159		60,217
Profit and loss account	13		372,040		334,550
<b>Shareholders' funds</b>	14		<u>438,299</u>		<u>394,867</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 13 April 2015

  
Major General J D Moore-Bick CBE, DL  
Director

  
Mr E D J Goodchild  
Director

Company Registration No. 00892077

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

### 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

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	-	70
Loss on disposal of tangible assets	255	-
Auditors' remuneration (including expenses and benefits in kind)	2,400	1,540
Directors' remuneration	3,700	3,438
	<u>      </u>	<u>      </u>

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

<b>3</b>	<b>Investment income</b>	<b>2014 £</b>	<b>2013 £</b>
	Income from sale of fixed asset investments	<u>8,884</u>	<u>-</u>

Dividend income from unit trusts totalled £10,933 (2013: £10,934). This amount has been included within turnover.

### **4 Interest payable**

Interest totalling £2,150 (2013: £8,592) was charged in relation to the historic bank loan taken out by the company.

<b>5</b>	<b>Taxation</b>	<b>2014 £</b>	<b>2013 £</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	<u>-</u>	<u>-</u>
	<b>Total current tax</b>	<u>-</u>	<u>-</u>

### **Factors affecting the tax charge for the year**

Profit on ordinary activities before taxation	<u>37,490</u>	<u>30,382</u>
---	---------------	---------------

Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 20.00%)	<u>7,498</u>	<u>6,076</u>
---	--------------	--------------

Effects of:

Other tax adjustments	<u>(7,498)</u>	<u>(6,076)</u>
	<u>(7,498)</u>	<u>(6,076)</u>

<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>
--	----------	----------

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

### 6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2014	550,000	8,471	558,471
Disposals	-	(8,471)	(8,471)
At 31 December 2014	550,000	-	550,000
<b>Depreciation</b>			
At 1 January 2014	-	8,216	8,216
On disposals	-	(8,216)	(8,216)
At 31 December 2014	-	-	-
<b>Net book value</b>			
At 31 December 2014	550,000	-	550,000
At 31 December 2013	550,000	255	550,255

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

### 7 Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2014	324,681
Additions	77,000
Revaluation	15,171
Disposals	(77,545)
At 31 December 2014	339,307
<b>Net book value</b>	
At 31 December 2014	339,307
At 31 December 2013	324,681

The unit trusts are valued at market value.

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

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

<b>8</b>	<b>Stocks</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Stocks	3,139	4,033
<b>9</b>	<b>Debtors</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Other debtors	750	1,100
<b>10</b>	<b>Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	50,400	13,000
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	475,349	419,308
	Other creditors	2,400	2,940
		528,149	435,248
<b>11</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Bank loans	16,786	142,752
	<b>Analysis of loans</b>		
	Wholly repayable within five years	67,186	155,752
	Included in current liabilities	(50,400)	(13,000)
		16,786	142,752
	<b>Loan maturity analysis</b>		
	In more than one year but not more than two years	16,786	13,000
	In more than two years but not more than five years	-	38,000
	In more than five years	-	91,752

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

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2014

<b>12</b>	<b>Share capital</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Allotted, called up and fully paid		
	100 Ordinary of £1 each	100	100
		<u>          </u>	<u>          </u>
<b>13</b>	<b>Statement of movements on reserves</b>		
		<b>Revaluation reserve</b>	<b>Profit and loss account</b>
		<b>£</b>	<b>£</b>
	Balance at 1 January 2014	60,217	334,550
	Profit for the year	-	37,490
	Transfer from revaluation reserve to profit and loss account	(9,229)	-
	Revaluation during the year	15,171	-
		<u>          </u>	<u>          </u>
	Balance at 31 December 2014	66,159	372,040
		<u>          </u>	<u>          </u>
<b>14</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Profit for the financial year	37,490	30,382
	Other recognised gains and losses	15,171	232,320
		<u>          </u>	<u>          </u>
	Net addition to shareholders' funds	52,661	262,702
	Opening shareholders' funds	394,867	132,165
		<u>          </u>	<u>          </u>
	Closing shareholders' funds	438,299	394,867
		<u>          </u>	<u>          </u>

# THE FORCES PENSION SOCIETY INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2014**

### 15 Employees

#### Number of employees

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

	2014 Number	2013 Number
Office and management	2	2
Employment costs	2014 £	2013 £
Wages and salaries	26,190	26,164

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.

### 16 Control

The Forces Pension Society, a company 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.