

Charity registration number: 264524

Forces Pension Society Charitable Fund

Annual Report and Financial Statements

for the Year Ended 31 December 2023

Forces Pension Society Charitable Fund

Contents (continued)

Reference and Administrative Details	1
Trustees' Report	2 to 4
Statement of Trustees' Responsibilities	5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 15

Forces Pension Society Charitable Fund

Reference and Administrative Details

Trustees

Group Captain JK Wheeler OBE, Chairman
Colonel PBG Cummings, Resigned on 29th November 2023
Lieutenant Colonel IA Vere Nicoll MBE, Hon. Treasurer
Ms Mary Moreland MBE
Air Commodore P Nash OBE
Brigadier B R P Stearns
Mr C D R Morgan, Appointed 30th May 2023
Mr I M McGregor, Appointed 30th May 2023

Charity Registration Number

264524

Principal Office

68 South Lambeth Road
Vauxhall
London
SW8 1RL

Independent Examiner

Beresfords
Chartered Certified Accountants
1-2 Rhodium Point
Spindle Close
Hawkinge
Folkestone
Kent
CT18 7TQ

Forces Pension Society Charitable Fund

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2023.

Objectives and activities

Objects and aims

The objects of the charity are:

- 1) The relief of widows, widowers, surviving qualifying cohabitants, surviving civil partners and surviving dependant relatives of members of the Forces Pension Society or of persons who served in the Armed Forces of the Crown (whether or not they were members of the Forces Pension Society) who are in need by virtue of financial hardship, sickness, disability or the effects of old age;
- 2) Such other charitable purposes as the trustees may from time to time decide.

Fundraising disclosures

The Trustees take a strong view that fundraising must be legal, open, honest and respectful. No funds are raised through commercial fundraisers and any fundraising conforms to recognised standards. Whilst donations are received, they are not directly solicited other than by advertising via the FPS website, FPS Magazine and Amazon Smile. Any complaints are investigated by the Secretary. Trustees monitor anyone raising funds for the FPSCF to ensure protection of the public, including vulnerable people for unreasonably intrusive or persistent fundraising approaches and any undue pressure to donate.

Public benefit

The primary purpose of the FPSCF is to assist those in need who fulfil the criteria of the objects. Inextricably linked with this purpose is the aim of contributing to the public good by service to His Majesty, the Country and all its citizens. The Charity aims to contribute public benefit to the local and national veterans' community by relieving need, in whatever form it takes, where it can, and assisting in other charitable causes. The relief of such need maximises the likelihood of its recipients maintaining their place as valuable members of the community as self-sufficient citizens who can make a positive contribution to society.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Grant making policies

Whilst continued income from legacies and appeals is anticipated, the charity's future grant giving policy is to be kept under continuous review.

In 2023 the FPSCF gave a grant to the Forces Pension Society of £40,000, which was a combination of their requested grant of £20,000 from 2022 and their bid for £20,000 for 2023.

Forces Pension Society Charitable Fund

Trustees' Report (continued)

Financial review

Policy on reserves

The Trustee's policy is to maintain a sufficient level of reserves, within the investment portfolio, to provide a stable base for the Charity's continuing activities, sufficient funds to cover routine management and administrative costs and in addition to consider any additional requests for charitable grants from the Forces Pension Society, the four Service Widows Associations and any other appropriate charity which may arise from time to time. The reserves, in the form of investments and cash, are judged sufficient by the Trustees to meet the current requirements. The Trustees recognise that they have no long-term mandated liability for grants so they can reduce expenditure to match income in times of reduced income. The Trustees therefore wish to maintain a minimum of £100,000 equivalent of a reserve of two years in unrestricted funds to be liable to meet any demands on the Charity's resources at any given time.

Investment policy and objectives

The Trustees have given discretionary powers to the fund manager to manage the portfolio within an agreed risk profile and benchmarks. The aim is to receive income whilst also seeing the portfolio at least maintain its worth from inflation.

Social Investments

The Charity does not currently pursue a policy of social investments and does not have an ethical investment policy.

Structure, governance and management

Nature of governing document

The charity was originally governed by a Trust deed created and adopted on 12 July 1972 and subsequently superseded and replaced by the Scheme dated 10 July 2008, and amended in 2020. The charity was formerly known as The Officers' Pension Society Widows Fund and changed its name to the Forces Pension Society Charitable Fund on 10 July 2008. The charity is constituted under the above scheme.

Recruitment and appointment of trustees

The Trustees are appointed by the Trustees based on their skills and abilities. One of whom may be from The Forces Pension Society's Council. There is a minimum of 3 and a maximum of 7 trustees elected for four years with the option of being extended by another three years. All the trustees served for the whole of 2023 unless as shown above.

Induction and training of trustees

The Board takes trustee responsibilities and necessary training very seriously. All new Trustees are briefed by the Secretary on their roles and responsibilities, and are given the Charity Commission's website for reference as to their duties as Trustee, as well as a copy of the Scheme and a set of the previous accounts as part of their induction. Opportunities exist for Trustee governance briefings and investment briefings, including opportunities for external training. Appropriate policy documents are also provided.

Arrangements for setting key management personnel remuneration

All trustees give their time voluntarily and receive no remuneration or other benefits other than travel and subsistence costs. Trustees are required to disclose all relevant interests and to withdraw from discussions where a conflict of interest may arise.

Forces Pension Society Charitable Fund

Trustees' Report (continued)

Organisational structure

The Trustees take note of the Charity Governance code. The Trustees meet regularly and agree the board strategy and areas of activity for the Charitable Fund. Policies, which are agreed by the Trustees, are in place to ensure smooth and effective running of the charity as well as good governance. For specific items detailed briefs are sent to the Trustees so they can have considered issues in depth before meetings, and regular reports on the value and movement of the fund's portfolio are also sent to Trustees. The Chairman of the Trustees and the Secretary identify issues as they arise before briefing Trustees. The day-to-day administration and the processing and handling of applications is done by the Secretary. The finances are controlled by the Hon Treasurer.

Major risks and management of those risks

Risk Management

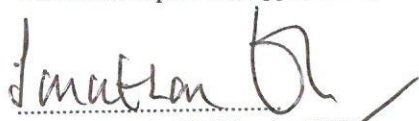
The Trustees have continuous regard for the principal areas of the Fund's operations and the major risks that may arise in these areas. In their opinion the Charity has established resources and risk management review systems that, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day-to-day operations. A Risk Management Plan is produced and approved by Trustees each year and managed actively by the Trustees. The main risks are:

- Insufficient income to meet the need. This is managed by careful budgeting, an investment strategy, controlling the amount given to beneficiaries.
- Fraud. This is guarded against by having regular checks, and the authorisation of allocation of funds.
- Conflict of interest amongst Trustees. A register of Trustees interests is kept and updated annually and at the start of the Trustee Meetings, Trustees are reminded to declare any conflict on any topic as it arises so appropriate actions can be taken.

Employee involvement

The FPSCF does not employ any staff.

The annual report was approved by the trustees of the charity on and signed on its behalf by:



Group Captain JK Wheeler OBE
Trustee

Forces Pension Society Charitable Fund

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 23rd April 2024 and signed on its behalf by:


Group Captain JK Wheeler OBE

Trustee

Forces Pension Society Charitable Fund

Independent Examiner's Report to the trustees of Forces Pension Society Charitable Fund

I report to the trustees on my examination of the accounts of Forces Pension Society Charitable Fund for the year ended 31 December 2023.

Responsibilities and basis of report

As the charity trustees of Forces Pension Society Charitable Fund you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

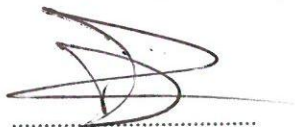
I report in respect of my examination of the Forces Pension Society Charitable Fund's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Forces Pension Society Charitable Fund as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



D Payne FCCA
Beresfords
Chartered Certified Accountants
1-2 Rhodium Point
Spindle Close
Hawkinge
Folkestone
Kent
CT18 7TQ

Date: 23/4/24

Forces Pension Society Charitable Fund

Statement of Financial Activities for the Year Ended 31 December 2023

	Note	Unrestricted funds £	Total 2023 £	Total 2022 £
Income and Endowments from:				
Donations and legacies	2	53,832	53,832	74,269
Investment income	3	<u>17,260</u>	<u>17,260</u>	<u>14,615</u>
Total income		<u>71,092</u>	<u>71,092</u>	<u>88,884</u>
Expenditure on:				
Charitable activities	4	<u>(2,419)</u>	<u>(2,419)</u>	<u>(42,144)</u>
Total expenditure		<u>(2,419)</u>	<u>(2,419)</u>	<u>(42,144)</u>
Gains/losses on investment assets		<u>(6,564)</u>	<u>(6,564)</u>	<u>(36,820)</u>
Net income		<u>62,109</u>	<u>62,109</u>	<u>9,920</u>
Net movement in funds		62,109	62,109	9,920
Reconciliation of funds				
Total funds brought forward		<u>408,725</u>	<u>408,725</u>	<u>398,806</u>
Total funds carried forward	12	<u><u>470,834</u></u>	<u><u>470,834</u></u>	<u><u>408,726</u></u>

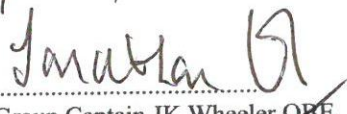
All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2022 is shown in note 12.

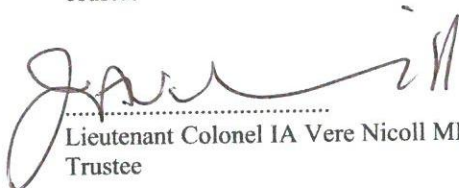
Forces Pension Society Charitable Fund

(Registration number: 264524)
Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	9	347,149	353,713
Current assets			
Debtors	10	5,748	3,672
Cash at bank and in hand		<u>118,657</u>	<u>92,061</u>
		124,405	95,733
Creditors: Amounts falling due within one year	11	<u>(720)</u>	<u>(40,720)</u>
Net current assets		<u>123,685</u>	<u>55,013</u>
Net assets		<u>470,834</u>	<u>408,726</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>470,834</u>	<u>408,726</u>
Total funds	12	<u>470,834</u>	<u>408,726</u>

The financial statements on pages 7 to 15 were approved by the trustees, and authorised for issue on 23 April 2024 and signed on their behalf by:


Group Captain JK Wheeler OBE
Trustee


Lieutenant Colonel IA Vere Nicoll MBE
Trustee

Forces Pension Society Charitable Fund

Notes to the Financial Statements for the Year Ended 31 December 2023

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Forces Pension Society Charitable Fund meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Forces Pension Society Charitable Fund

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Forces Pension Society Charitable Fund

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Forces Pension Society Charitable Fund

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations from individuals	1,077	1,077	1,519
Legacies	52,755	52,755	72,750
	<u>53,832</u>	<u>53,832</u>	<u>74,269</u>

3 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Income from dividends;			
Dividends receivable from other listed investments	17,260	17,260	14,615

4 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total 2023 £	Total 2022 £
Grant funding of activities		-	-	40,000
Allocated support costs		1,699	1,699	1,424
Governance costs	5	720	720	720
		<u>2,419</u>	<u>2,419</u>	<u>42,144</u>

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Independent examiner fees			
Examination of the financial statements	720	720	720
	<u>720</u>	<u>720</u>	<u>720</u>

Forces Pension Society Charitable Fund

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

6 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

Trustees were reimbursed expenses amounting to £1,085 (2022 - £605) were paid during the year.

7 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	<u>720</u>	<u>720</u>

8 Taxation

The charity is a registered charity and is therefore exempt from taxation.

9 Fixed asset investments

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2023	353,713	353,713
Revaluation	<u>(6,564)</u>	<u>(6,564)</u>
At 31 December 2023	<u>347,149</u>	<u>347,149</u>
Net book value		
At 31 December 2023	<u>347,149</u>	<u>347,149</u>
At 31 December 2022	<u>353,713</u>	<u>353,713</u>

Forces Pension Society Charitable Fund

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

10 Debtors

	2023 £	2022 £
Accrued income	<u>5,748</u>	<u>3,672</u>

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	<u>720</u>	<u>40,720</u>

12 Funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2023 £
Unrestricted funds					
General	<u>408,725</u>	<u>71,092</u>	<u>(2,419)</u>	<u>(6,564)</u>	<u>470,834</u>

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2022 £
Unrestricted funds					
General	<u>398,806</u>	<u>88,884</u>	<u>(42,144)</u>	<u>(36,820)</u>	<u>408,726</u>

13 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 December 2023 £
Fixed asset investments	347,149	347,149
Current assets	124,405	124,405
Current liabilities	<u>(720)</u>	<u>(720)</u>
Total net assets	<u>470,834</u>	<u>470,834</u>

Forces Pension Society Charitable Fund

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

	Unrestricted funds General £	Total funds at 31 December 2022 £
Fixed asset investments	353,713	353,713
Current assets	95,733	95,733
Current liabilities	<u>(40,720)</u>	<u>(40,720)</u>
Total net assets	<u>408,726</u>	<u>408,726</u>

