

The PENSIONS Advisory Service

Annual Report and Accounts
for the year ending 31 March 2019

HC 2210

The Pensions Advisory Service
(A company limited by guarantee)
Registered no. 02459671

Annual Report and Accounts for the year ending 31 March 2019

Presented to Parliament pursuant to Article 6 of the
Government Resources and Accounts Act 2000
(Audit of Non-profit-making Companies) Order
2009.

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Company Information

Registered Name The Pensions Advisory Service

Registered number 02459671

Directors	Chair	Ann Harris OBE ¹	
	Chief Executive and Accounting Officer	Michelle Cracknell	Up to 31 December 2018
	Non-Executive Directors	Baroness Drake CBE	Resigned 31 December 2018
		Alan Woods	Resigned 31 December 2018
		Geoff Shanks	Resigned 31 December 2018
Colleen Keck		Resigned 31 December 2018	
Director	John Govett	Appointed 22 January 2019	
	Caroline Siarkiewicz	Resigned 14 June 2019 Appointed 15 June 2019	

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Victoria
London SW1V 1RB

Auditors Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Banker (Account closed) Lloyds Bank plc
Butler Place Branch
1 Butler Place
Westminster
London SW1H 0PR

¹ Chair up to 31 December 2018, continues as director from that date.

Strategic Report

Overview

The Pensions Advisory Service was founded in 1983 and is a company limited by guarantee. It became an executive Non Departmental Public Body in 2006, sponsored by the Department for Work and Pensions (DWP).

On 1 January 2019 the Single Financial Guidance Body (SFGB), created by the Financial Guidance and Claims Act 2018, replaced the 3 existing providers of government-sponsored financial guidance – the Money Advice Service, The Pensions Advisory Service (TPAS) and Pension Wise – bringing together the provision of debt advice, money guidance and pension guidance for the first time.

The SFGB (Property, Rights and Liabilities) Transfer Scheme 2019 which came into effect on 1 January 2019 enabled the transfer of the property, rights and liabilities of TPAS to the SFGB from the same date.

The operations in this report are therefore for the 9 months to 31 December 2018.

TPAS directors, the Board of SFGB and DWP agreed that the shell company would be retained, at least temporarily, under the control of SFGB.

On 6 April 2019, SFGB was renamed as the Money and Pensions Service (MaPS).

Up to the point of transfer TPAS offered independent and impartial guidance to people who were seeking help with their pensions. The service was offered through a variety of channels including a telephone and web chat helpline, online and written enquiries. Through its website, TPAS provided information on pensions and TPAS used social media platforms to spread messages about pensions.

Performance analysis

TPAS' performance for 9 months to 31 December 2018, split between channels is shown in the table below.

Channel	Contacted us			Helped by us		
	1 Apr to 31 Dec 2018	1 Apr to 31 Dec 2017	2017-2018 Full year	1 Apr to 31 Dec 2018	1 Apr to 31 Dec 2017	2017-2018 Full year
Telephone	91,429	78,402	112,549	72,541	84,716	104,290
Web chat	31,430	20,203	31,398	30,809	19,285	29,996
Enquiries ²	12,597	13,783	21,695	13,163	13,066	20,608
Pension Wise	21,161	14,710	20,863	19,219	12,970	18,548
Total	156,617	127,098	186,505	135,732	130,037	173,442

Performance against key target measures compared with the previous period and year is shown in the table below.

² 2017-2018 figures include enquiries handled by the Dispute Resolution team which was transferred to The Pensions Ombudsman in March 2018.

Standards	1 Apr to 31 Dec 2018	1 Apr to 31 Dec 2017	2017-2018 achieved	Measure
Customer satisfaction	96%	96%	98%	Using exit surveys
Abandonment rate	4.9%	6.6%	7%	The average % of calls/web chats where the customers cancels before we pick it up
Cost per customer	£35	N/A	£36	Our total expenditure ³ over the number of direct customers helped
Including website users	£2.04	N/A	£1.87	As above but includes website users ⁴
Average number of days for a full response to online or written enquiries	5 days	4 days	5 days	The average number of working days that it takes us to respond

Ann Harris

Ann Harris OBE
Director

Caroline Siarkiewicz

Caroline Siarkiewicz
Director

Date: 03 July 2019

³ Total expenditure is £4,736,702 (2017-2018 full year: £6,230,297). That is divided by direct customers helped which was 135,732 (2017-2018 full year: 173,442).

⁴ Website users were 2,181,629 (2017-2018 full year: 3,151,209). The unit cost including website users is higher because 2017-2018 was a full year, benefiting from the increased user numbers which normally take place towards the end of the financial year.

Directors' Report and Governance Statement

Introduction

This report sets out the composition and organisation of our governance structures and how they supported the achievement of our objectives.

On 1 January 2019, the service previously delivered by TPAS, together with all people, assets, liabilities and data were transferred to SFGB, leaving TPAS as a shell company under the control of the SFGB. Therefore, the information in this report mostly refers to the 9 months to 31 December 2018. Further information is provided in the Governance Statement.

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 International Financial Reporting Standards (IFRS) as adopted by the European Union. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRSs as adopted by the European Union; and
- 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Until 31 December 2018 the former Chief Executive was also the appointed Accounting Officer of TPAS, having been designated as such by the Principal Accounting Officer of the DWP. The responsibilities of an Accounting Officer include responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding TPAS's assets, and are set out in 'Managing Public Money', published by H.M. Treasury. From 1 January 2019, TPAS did not have an accounting officer as its assets and liabilities moved to the ownership of SFGB. John Govett was appointed Director of TPAS on 22 January 2019 and resigned on 14 June 2019. Caroline Siarkiewicz was appointed Director of TPAS on 15 June 2019.

The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. As explained in the Governance statement, these steps included the assurances received from the TPAS Accounting Officer from April to December 2018, with additional assurances received by the current MaPS Accounting Officer from the former MaPS Accounting Officer prior to his leaving MaPS on 14 June 2019. As far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

Signed on behalf of the Directors by:



Caroline Siarkiewicz

Director

Date: 03 July 2019

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 March 2019. The list of Directors is shown at the front of this report (page 5).

TPAS was funded by Grant in Aid from the DWP, which recoups it from the General Levy raised on occupational and personal pension schemes by the Secretary of State for Work and Pensions and the Pension Wise levy on financial services organisations levied by the Financial Conduct Authority. The only other form of income was bank interest.

Total cost of administration was £4,736,702 (2017-2018: £6,230,297). This excludes capital expenditure amounting to £40,091 (2017-2018: £41,610) and provisions raised in the year of nil (2017-2018: £536,092). Changes in the level of creditors, fixed and intangible assets simply reflect the level of financial activity during the year and payment timing differences.

TPAS adhered to Government standards for settling accounts. The Company aimed to pay all properly authorised invoices in accordance with the terms of the relevant contract or, in any event, within 10 days of receiving an undisputed invoice. The average creditor payment period at 31 December was 3 days (2017-2018: 3 days).

TPAS held Errors & Omissions insurance for its general pensions guidance. The indemnity limit was £5 million in aggregate, including costs. The DWP undertook to cover this risk in respect of Pension Wise so no commercial insurance was put in place for this service.

On 1 January 2019 TPAS ceased operating following the transfer of staff, property, rights and liabilities to SFGB on that date. From that date onwards TPAS effectively became a dormant company. The financial statements have therefore been prepared on a basis other than going concern.

All the directors of TPAS resigned on 31 December 2018 except Ann Harris who was joined by John Govett as a company director from 22 January 2019. John resigned on 14 June 2019. Caroline Siarkiewicz was appointed on 15 June 2019. The dormant company continued as a shell company under the control of MaPS which will decide how long it continues to exist.

The Government Resources and Accounts Act (Audit of non-profit making companies) Order 2009 appointed the Comptroller and Auditor General to audit the accounts of TPAS. The order applies to accounts prepared for the financial years commencing on or after 1 April 2008 and the Comptroller and Auditor General therefore audited these accounts for the year ended 31 March 2019.

Fees due to the National Audit Office (NAO) are £25,000 (2017-2018: £21,000) for external audit work. Under the Government Resources and Accounts Act 2000 (Audit of non-profit making companies) Order 2009, the accounts must be laid before Parliament by a Minister of the Crown.

Statement of Accounting Officer's responsibilities

The Framework Document between TPAS and the DWP required TPAS to publish an annual report of its activities together with its audited accounts after the end of each financial year.

In preparing the accounts, the Accounting Officer must ensure that they are prepared on an accruals basis and give a true and fair view of the state of affairs of The Pension Advisory Service and of its Statement of comprehensive net expenditure, Statement of Financial Position and cash flows for the financial year. The Accounting Officer is also required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Work and Pensions, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on an appropriate basis.

Up to 31 December 2018, the Principal Accounting Officer of the DWP designated the former Chief Executive as Accounting Officer of TPAS. From 1 January 2019, TPAS no longer had an Accounting Officer as its assets and liabilities have moved to the ownership of SFGB (now MaPS). DWP has received confirmation from the HM Treasury Officer of Accounts that it is sufficient for the MaPS Accounting Officer to sign off the TPAS accounts as the Accounting Officer of the successor organisation.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding TPAS's assets, are set out in *Managing Public Money* issued by HM Treasury.

As the MaPS Accounting Officer I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable. As the Accounting Officer for the successor organisation, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that TPAS' auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



Caroline Siarkiewicz
MAPS Accounting Officer
Date: 03 July 2019

Governance statement

As mentioned in the corporate governance report section above, on 1 January 2019, the service previously delivered by TPAS, together with all people, assets, liabilities and data were transferred to MaPS leaving TPAS as a shell company under the control of MaPS.

As a company limited by guarantee, TPAS was governed in accordance with its Memorandum and Articles of Association. On 18 December 2018, the then directors of TPAS resolved to adopt new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company with effect from 31 December 2018. At that meeting all directors with the exception of Ann Harris agreed to resign as directors and members of TPAS with effect from 31 December 2018. From 1 January 2019, the Single Financial Guidance Body became the “Person With Significant Control” and that event was registered with Companies House. With effect from 22 January 2019, John Govett, Chief Executive of the MaPS, was appointed as company director to join Ann Harris. John resigned on 14 June 2019 and was replaced by Caroline Siarkiewicz on 15 June 2019. They are also the only members of the company.

As the company did not carry out any operations or hold any assets or liabilities from 1 January 2019, the governance arrangements described below refer to the period to 31 December 2018.

The Accounting Officer was responsible for maintaining a sound system of internal control that supported the achievement of objectives and complied with the Framework Document including safeguarding public funds for which TPAS operated in accordance with the responsibilities set out in “Managing Public Money”. The Directors were responsible for the strategic direction and for monitoring the performance of the Chief Executive and the Senior Management Team (SMT). Up to 31 December 2018, the Board comprised four non-executive Directors, the Chair and the Chief Executive.

All Directors were required to complete a register of interests. A register of Board members’ interests is published on the TPAS website at:

<https://www.pensionsadvisoryservice.org.uk/publications/category/corporate-documents>

The Board had two sub-committees:

- the Audit & Risk Management Committee (ARMC), with three non-executive members, reviewed the completeness, reliability and integrity of the risk and assurance framework and advised the Accounting Officer and the Board. The Chief Executive, representatives of the DWP, internal auditors and NAO attended all meetings of the Committee; and
- the Remuneration & Appointments Committee, with two non-executive members, determined pay and related matters, reviewed performance appraisal frameworks and assisted in the recruitment of senior staff, as well as monitoring equality and other staff-related policies.

The Board’s responsibilities were to:

- establish and review, in consultation with the DWP, TPAS strategic direction;
- ensure that the Secretary of State for Work and Pensions is kept informed of changes likely to affect our strategic direction or the attainability of targets;
- ensure that we operate within our legal framework and statutory obligations;
- scrutinise the performance of the Chief Executive;
- monitor performance against targets and take action where necessary;
- contribute personal and professional experience to benefit the organisation;
- represent TPAS externally, when appropriate; and
- add value through mentoring, support and advice – balancing a challenging approach with being supportive to the organisation and its objectives.

The Board met nine times in 2018-2019. The attendance records for the Directors for the 9 months ending 31 December 2018 are set out below:

Board Members	Board	Audit and Risk Management Committee	Remuneration and Appointments Committee
Number of meetings	9	4	2
Ann Harris ⁵	7	2	1
Geoff Shanks	8	4	N/A
Alan Woods	9	N/A	2
Baroness Drake of Shene	9	4	N/A
Colleen Keck	9	3	2
Michelle Cracknell	9	4	2

The Board held additional ad hoc meetings to discuss strategy and the transfer to SFGB.

The Board and the Audit and Risk Management Committee (ARMC) relied on multiple sources of assurance that the organisation was being well managed towards the achievement of its objectives and that appropriate controls were in place and working. These were:

- management reporting and key performance indicators, together with robust enquiry and discussion at Board meetings;
- detailed policies and operating procedures being delivered by capable, well-qualified senior managers;
- regular consideration of the strategic and operational risks which we faced;
- advice from the Audit & Risk Management Committee;
- a programme of Internal Audit; and
- external Audit by NAO.

The independent internal audit contractor's annual report set out their opinion as follows: "On the basis of our internal audit work, we consider that TPAS' governance, risk management and internal control arrangements are generally adequate and effective to manage achievement of its objectives. Certain weaknesses and exceptions were highlighted by our audit work, however none were considered fundamental. These matters have been discussed with management, to whom we have made a number of recommendations. All of these recommendations have been or are in the process of being addressed, as detailed in our individual reports".

Internal audit based their opinion on a combination of work undertaken up to 31 December 2018, TPAS' acceptance of recommendations and acting on them, the effects of any material changes in the organisation's objectives or activities, etc. A number of audits planned for 2018-2019 including: flexible working, mobile and remote devices (IT), core financial systems and strategic planning were cancelled by ARMC on value for money grounds as operations and people were being transferred to a new organisation which was putting in place new systems, processes and procedures. ARMC also anticipated that MaPS would commission its own internal audit work in these areas.

⁵ Ann Harris was an observer and not a member of the Audit & Risk Management Committee. She also attended the Remuneration & Appointments Committee, but not as a member, for specific items such as setting/monitoring the Chief Executive's objectives.

TPAS applied the principles set out in HM Treasury's Orange Book (Management of Risk – Principles and Concepts) as far as possible in putting in place systems for identifying and managing risks and setting a risk appetite. The framework does not set out to eliminate risk but to manage risks to an acceptable level and seize opportunities to deliver our objectives. The Board members considered and decided on the strategic risks. The Chief Executive and Senior Management Team were responsible for assessing, monitoring and mitigating all operational risks, assisted by the ARMC. The strategic risks considered by the Board were grouped under: reputation, regulation and compliance, customers, operations, people, finance and change. Prior to the transfer of operations to MaPS, the key risks were around management of change, ensuring that the service was maintained and employee morale was maintained.

TPAS regularly reviewed its data protection obligations and security measures under the supervision of the Audit and Risk Management Committee. During the year it implemented General Data Protection Regulation (GDPR) and appointed an interim Data Protection Officer (DPO). The Audit and Risk Management Committee and the Board received regular updates on GDPR from the DPO. At its June 2018 meeting, ARMC concluded that TPAS was adequately compliant with GDPR, and that the remaining items to finalise completion were either contingent on resourcing/other events like the IT Infrastructure integration with the SFGB, or were ongoing parts of business as usual. On 3 September 2018 the Information Commissioner confirmed that they had carefully considered the information TPAS provided in respect of two customer files that were lost in transit in March 2018, and had decided that no further action by the ICO was necessary on that occasion.

Prior to the transfer of operations to the SFGB, the SFGB Chair, Chair of ARAC and the Accounting Officer wrote to their equivalent office holders in TPAS to seek assurances on a number of areas including risks and concerns. The TPAS Chair, Chair of ARMC, and the Accounting Officer responded to these requests and provided information and documents to accompany the assurances given.

On 5 February 2019, the SFGB Audit, Risk and Assurance Committee (ARAC) and the then⁶ MaPS Accounting Officer discussed the assurances received from the Accounting Officers of the predecessor bodies, including TPAS, and concluded that they were adequate. The then MaPS Accounting Officer confirmed that he had received sufficient written assurance from the former TPAS Accounting Officer in respect of the period to 31 December 2018. He, in turn provided assurances to the current Accounting Officer prior to his leaving on 14 June 2019.

The MaPS ARAC has provided strategic supervision during the finalisation of the annual report and accounts. The presence of Ann Harris who continues as a TPAS director on the MaPS board and ARAC has also provided continuity of oversight.

Losses and special payments (subject to audit)

There was one special severance payment in 2018/19 set out in Exit Packages in the Remuneration and staff report (2017-18 £23,396 fruitless payment).

Remote Contingent liabilities (subject to audit)

There are no remote contingent liabilities.

Remuneration and staff report (subject to audit)

All appointments were made on merit on the basis of fair and open competition. The TPAS Chair was appointed by DWP Ministers. The Board recommended, following open competition, the appointment of a Chief Executive and other Board members for the Secretary of State's approval. The remuneration of Board members and the Chief Executive were set by DWP Ministers. The following tables provide details of the remuneration and pension interests of TPAS's Chair, Executive Directors and Non-Executive Directors. The information in these tables has been subject to audit.

⁶ John Govett was MaPS Accounting Officer up to 14 June 2019.

Directors' emoluments

The directors' aggregate remuneration in respect of qualifying services was:

(i) Total Directors' Emoluments

	2018-2019	2017-2018
	£	£
Total emoluments for Executive Directors	163,967	105,430
Pension contributions	13,687	18,250
Total for Executive Directors	177,654	123,680
Total emoluments for Non-Executive Directors	51,750	68,200
Total Directors' Emoluments	229,404	191,880

Emoluments for Executive Directors include 3 months' pay in lieu of notice pay (£24,999), Redundancy payment (£55,833) and payment for untaken holidays (£4,231).

Non-Executive Directors were also reimbursed for travel and subsistence costs of £1,174 (2017-2018: £1,687).

(ii) Salary Bands and service terms for Non-Executive Directors

Directors	Date appointed/ Reappointed	2018-2019 Salary £'000	2017-2018 Salary £'000	Contract end date
Ann Harris	1/08/2015	20-25 ⁷	25-30	30 September 2020
Geoff Shanks	1/08/2014	5-10	10-15	Resigned from 31 December 2018
Baroness Drake	1/08/2014	5-10	5-10	Resigned from 31 December 2018
Alan Woods	1/08/2014	5-10	5-10	Resigned from 31 December 2018
Colleen Keck	1/08/2015	5-10	5-10	Resigned from 31 December 2018
John Govett	22/1/2019	Not Remunerated	N/A	Resigned 14 June 2019

Non-executive directors did not receive pension benefits or any benefits in kind. Out of pocket expenses including travel to meetings were reimbursed. The only Executive Director was the Chief Executive, whose targets fell under the remit of the Remuneration and Appointments Committee. Other staff targets were approved by the Chief Executive. The following section provides details of the remuneration, pension interests and notice periods of the Chief Executive. The information in this table has been subject to audit.

⁷ Ann Harris' remuneration as a TPAS Board ended on 31 December 2018, since then her director role is unremunerated.

Chief Executive	Salary banding £'000		Performance Award band £'000		Pension Benefits £'000		Total £'000	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
	Michelle Cracknell	155-160 ⁸	100-105	0-5	0-5	-	-	160-165

Notes:

1. The Executive above was not entitled to any benefits in kind.
2. Performance awards were based on performance levels attained and were made as part of the appraisal process. They relate to the performance in the year in which they become payable to the individual. TPAS performance is covered in the Strategic Report.

The annualised remuneration of the highest-paid director in TPAS in the financial year 2018-19 was £104,000 (2017-2018, £105,430). This was 2.72 times (2017-2018, 2.89) the median remuneration of the workforce, which was £38,200 (2017-2018, £36,500).

No employees received remuneration in excess of the highest-paid director (2017-2018, 0).

Total remuneration includes salary and non-consolidated performance-related pay. It does not include severance pay, employer pension contributions and the cash equivalent transfer value of pensions.

Pension arrangements

Michelle Cracknell was a member of the Principal Civil Service Pension Scheme (PCSPS) stakeholder scheme and hence there is no CETV calculation. Up to 31 December 2018, TPAS contributed £13,688 (2017-2018: £18,250) and she contributed £1,800 (2017-2018: £2,400) to the scheme during 2018-2019.

Employee pension benefits were mainly provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme in which TPAS is unable to identify its share of the underlying assets and liabilities. It comprises four pension arrangements known as Classic, Classic Plus, Premium and Nuvos. Benefits to members accrue at different rates as follows:

Arrangement	Accrual Rate
Classic	1/80th of final salary, plus lump sum of 3/80ths of final salary
Classic Plus	1/80th of final salary, plus lump sum of 3/80ths of final salary (service to 30.09.02) 1/60th of final salary (service from 01.10.02)
Premium	1/60th of final salary
Nuvos	2.3% of each year's pensionable earnings with the total amount adjusted in line with Orders made under the Pensions (Increase) Act 1971

Alpha was introduced on 1 April 2015. It is a career average earnings scheme with an accrual rate of 2.32% of each year's pensionable earnings. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012, remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 are switching into alpha between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

⁸ Total payments including salary and exit payments

Employee contributions were salary-related and ranged between 4.6% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of alpha. Employer contributions ranged from 20% to 24.5% based on salary bands.

Employees could opt to open a partnership pension account, a stakeholder pension with an employer contribution. The employer makes a basic contribution of 14.75% from 1 October 2015 (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement). Further details about the Civil Service pension arrangements can be found at: www.civilservicepensionscheme.org.uk

Staff Report

The following table sets out average full-time equivalent staff numbers and costs by pay band. The costs are actual costs.

Band	Total		Permanent		Secondees		Contractors	
	No.	£000	No.	£000	No.	£000	No.	£000
Corporate Support Officers	7	150	4	102	-	-	3	48
Business Support Officers	5	160	4	117	-	-	1	43
Corporate Service Managers	2	106	2	106	-	-	-	-
Business Managers	9	402	9	402	-	-	-	-
Assistant Technical Specialists	32	686	27	582	-	-	5	104
Technical Specialists	36	1,440	36	1,440	-	-	-	-
Heads of Service	3	238	2	145	1	93	-	-
Total 2018-2019 (9 months)	94	3,182	84	2,894	1	93	9	196
Total 2017-2018	99	4,350	87	4,010	1	112	11	228

The table excludes the Chief Executive and Board members.

The following table sets out the composition of staff headcount as at 31 December 2018 by gender.

Category	Female	Male	Total
Executive Directors	1	-	1
Senior Managers	2	1	3
Staff	17	62	79
Total 2018-2019	20	63	83
Total 2017-2018	19	59	78

Staff Policies

Throughout its recruitment and selection process, TPAS valued diversity in the workplace. It carried out monitoring throughout the full recruitment campaign, and assisted any candidate who requested help.

TPAS supported all staff while they were employed by TPAS. All staff had access to a range of learning and development programmes and initiatives and were expected to maintain high levels of expertise. All staff had access to an employee assistance programme as well as occupational health and workplace assessments where appropriate.

Expenditure on Consultancy

TPAS spent £158,777 (2017-2018: £42,800) on consultancy. The increase in this expenditure was mainly due to the implementation of GDPR and the transition to the SFGB.

Off-payroll Engagements

There were no engagements where a person was paid more than £245 a day for a period of six months or more.

Sickness absence

The average number of days for all sickness per member of staff for the period to 31 December 2018 was 7.3 compared with 5.2 in 2017-2018. This average compares adversely to the 2017/18 levels of staff sickness in the civil service, where the average was 6.9 days but favourably against the rest of the public sector where the rate is around 8.5 days⁹. The increase against 2017-2018 is due to four colleagues on long-term sickness absence.

Exit packages

The table below sets out exit packages for employed staff (subject to audit).

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Less than £10,000						
£10,000 - £25,000	0	0	0	0	0	0
£25,000 - £50,000	0	0	0	0	0	0
£50,000 - £100,000	1	0	0	0	1	0
£100,000 - £150,000	0	0	0	0	0	0
£150,000 - £200,000	0	0	0	0	0	0
Total Number of exit packages	1	0	0	0	1	0
Total resource cost (£000)	80	0	0	0	80	0

Exit costs are accounted for in full in the year of departure.



Caroline Siarkiewicz
MAPS Accounting Officer
Date: 03 July 2019

⁹ Source: <https://www.gov.uk/government/publications/civil-service-sickness-absence> viewed 16/4/2019

The Certificate and Report of the Comptroller and Auditor General to the Members of The Pensions Advisory Service

Opinion on financial statements

I certify that I have audited the financial statements of The Pensions Advisory Service for the year ended 31 March 2019 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and staff report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of The Pensions Advisory Service's affairs as at 31 March 2019 and of the deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and the financial statements have been prepared in accordance with the Companies Act 2006.

Emphasis of Matter

Without modifying my opinion, I draw attention to Note 1.1 of the Financial Statements (p26) concerning the directors' decision to apply a basis other than going concern in the preparation of the financial statements. The directors made this decision as a result of The Financial Guidance and Claims Act, which was enacted in May 2018, to establish a new financial guidance body to make provision about the funding of debt advice in England and to provide debt, money and pensions guidance throughout the UK, which replaced The Pensions Advisory Service on 1 January 2019.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of The Pensions Advisory Service in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Director's Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Pensions Advisory Service's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Pension Advisory Service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion.

My conclusions are based on the audit evidence obtained up to the date of my auditor's report. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Other Information

The Directors and Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Remuneration and staff Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and staff Report to be audited have been properly prepared in accordance with the Government Financial Reporting Manual;
- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I have not identified any material misstatements in the Strategic Report and Remuneration and Staff Report; and
- the information given in the Strategic Report and Remuneration and Staff Report for the financial year for which the financial statements are prepared is consistent with the financial statements and have been prepared in accordance with the applicable legal requirements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies

9 July 2019

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of Comprehensive Net Expenditure

For the Year Ended 31 March 2019

	Note	2018-2019 £	2017-2018 £
Operating Activities			
Administration expenditure	2	(4,736,702)	(6,230,297)
Provision	8	496,092	(536,092)
Operating deficit		(4,240,610)	(6,766,389)
Interest receivable		900	223
Deficit before taxation		(4,239,710)	(6,766,166)
Taxation		(171)	(45)
Deficit on operating activities for the year		(4,239,881)	(6,766,211)
Non-Operating Activities			
Net loss on absorption	(i), 17	(873,173)	-
Net Deficit		(5,113,054)	(6,766,211)

Other Comprehensive Expenditure

There was no other comprehensive expenditure.

Note (i): The net loss on absorption (see note 17) represents net assets transferred to the SFGB on 1 January 2019.

This deficit is funded by Grant in Aid from the DWP of £4,816,829 (2017-2018: £5,900,914) (see note 16). As this contribution is from a controlling party, it is treated as financing.

The notes on pages 26 to 36 form part of these financial statements.

Statement of Financial Position

As at 31 March 2019

	Note	31 March 2019 £	31 March 2018 £
Current assets			
Cash and cash equivalents	6	0	613,348
Trade and other receivables	5	0	383,762
Intangible assets	3	0	62,860
Property, plant and equipment	4	0	147,022
Total assets		<u>0</u>	<u>1,206,992</u>
Current liabilities			
Trade and other payables	7	0	(374,675)
Provisions	8	0	(536,092)
Total liabilities		<u>0</u>	<u>(910,767)</u>
Total assets less total liabilities		<u>0</u>	<u>296,225</u>
Reserves			
General reserve		0	287,973
Revaluation reserve		0	8,252
		<u>0</u>	<u>296,225</u>

The notes on pages 26 to 36 form part of these financial statements.

TPAS ceased operations on the 31 December 2018, and assets and liabilities were transferred to the SFGB on the 1 January 2019. See note 17.

TPAS is exempt from the requirements of part 16 of the Companies Act 2006 under section 482 (non-profit-making companies subject to public sector audit).

The financial statements were approved and authorised for issue by the Directors and signed on its behalf by:



Ann Harris OBE

Director
Date: 03 July 2019



Caroline Siarkiewicz

Director
Date: 03 July 2019

Statement of Cash Flows

For the Year Ended 31 March 2019

	Note	2018-2019 £	2017-2018 £
Cash flows from operating activities			
Operating deficit		(4,240,610)	(6,766,389)
Adjustments for non-cash transactions			
Depreciation	4	13,594	150,041
Amortisation	3	27,050	58,592
Loss on disposal of assets	4	9,811	-
(Increase)/decrease in trade and other receivables		175,402	53,394
Increase/(decrease) in trade and other payables		(18,166)	(13,085)
Provision	8	(496,092)	536,092
Interest received		900	223
Taxation		(171)	(45)
Net cash outflow from operating activities		<u>(4,528,282)</u>	<u>(5,981,177)</u>
Cash flows from investing activities			
Purchase of property, plant, equipment and computer software	3,4	<u>(40,091)</u>	<u>(41,610)</u>
Net cash outflow from investing activities		<u>(40,091)</u>	<u>(41,610)</u>
Cash flows from financing activities			
Grant in Aid received from the DWP	16	4,816,829	5,900,914
Transfer of Cash to SFGB	17	(861,804)	-
Net cash inflow from financing activities		<u>3,955,025</u>	<u>5,900,914</u>
Net increase/(decrease) in cash and cash equivalents during the period			
		(613,348)	(121,873)
Cash and cash equivalents brought forward		613,348	735,221
Cash and cash equivalents carried forward	6	<u>0</u>	<u>613,348</u>

The notes on pages 26 to 36 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

For the Year Ended 31 March 2019

	Note	Revaluation Reserve £	General Reserve £	Total Reserves £
Balance at 31 March 2017		8,252	1,153,270	1,161,522
Changes in taxpayers' equity for 2017-2018				
Deficit for the year		-	(6,766,211)	(6,766,211)
Grant in Aid received from the DWP	16	-	5,900,914	5,900,914
Balance at 31 March 2018		8,252	287,973	296,225
Changes in taxpayers' equity for 2018-2019				
Deficit for the year			(5,113,054)	(5,113,054)
Grant in Aid received from the DWP	16		4,816,829	4,816,829
Transfer to General Fund from Revaluation reserve		(8,252)	8,252	-
Balance at 31 March 2019		0	0	0

The notes on pages 26 to 36 form part of these financial statements.

Notes to the Accounts

For the Year Ended 31 March 2019

1. Statement of Accounting Policies

1.1 Going concern

The Financial Guidance and Claims Act 2018 to establish SFGB, to make provision about the funding of debt advice in England and to provide debt, money and pensions guidance throughout the UK, was enacted in May 2018. On 1 January 2019, the staff, property, rights and liabilities were transferred from TPAS to the new body and TPAS ceased trading. The financial statements have therefore been prepared on a basis other than going concern.

1.2 Basis of preparation

These financial statements have been prepared on a basis other than going concern, in accordance with applicable International Financial Reporting Standards as adopted by the EU, the Companies Act 2006, and the accounting and disclosure requirements given in HM Treasury's "*Financial Reporting Manual 2018-2019*" (FReM) in so far as these are consistent with the requirement of the Companies Act 2006. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the standards permit a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of TPAS for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by TPAS are set out below. They have been applied consistently in dealing with items considered material in relation to the accounts other than where a change is required to reflect that the accounts have been prepared on a basis other than going concern.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in the accounting policies below.

These accounts have been prepared under the historic cost convention.

1.3 International Financial Reporting Standards amendments and interpretations issued but not yet effective

No Amendments or Interpretations that have been issued but are not yet effective, and that are available for early adoption, have been applied by TPAS in these financial statements. There are no Amendments or Interpretations issued, but not yet effective, which are expected to have a material effect on the financial statements in the future. We have reviewed IFRS 16 which applies to leases for reporting periods on or after January 2019 (deferred to 2020 for Government Departments and Arms-Length Bodies with few exceptions). It will have no material effect to the financial statements. We have also reviewed IFRS 17 which applies to insurance contracts. It requires issuers of insurance contracts to use consistent measurement models. As TPAS and its successor don't issue insurance contracts, it will have no impact on the financial statements.

There were no other new or revised Standards and Interpretations adopted in the current year.

1.4 **Intangible assets**

Intangible assets consist of computer software licences held only for the purpose of managing TPAS. All intangible assets are carried at fair value in accordance with the FReM and revalued using the price index numbers for current cost accounting obtained from the Office of National Statistics. Changes are only made if they are significant.

Software licences above the capitalisation threshold of £500 are capitalised in the year of acquisition and consist of assets with indefinite and finite lives of more than one year.

1.5 **Amortisation**

Amortisation is charged on a straight line basis over the estimated useful life being the period of the software licences. Where an indefinite licence period has been granted, the amortisation is matched to the hardware on which the software is installed. Amortisation charges are included in Administration Expenses in the Statement of Comprehensive Net Expenditure.

Amortisation periods and methods are reviewed annually and adjusted if appropriate.

1.6 **Property, plant and equipment**

Property, plant and equipment consist of IT hardware and equipment together with some other furniture and fittings held only for the purpose of managing TPAS. As permitted by the FReM, TPAS has elected to adopt a depreciated historical cost basis as a proxy for fair value of its property, plant and equipment, as these are assets that have short useful economic lives or low values (or both).

TPAS rented office space under operating leases, and did not own any land or buildings.

Non-current assets are recognised where the original cost of the item is in excess of £500 and has an expected useful life of more than one year.

1.7 **Depreciation**

Depreciation is charged on property, plant and equipment using the following rates and bases to write off the depreciable amounts of property, plant and equipment over their estimated useful lives.

Information Technology	33% reducing balance
Furniture & Fittings	20% reducing balance
Leasehold Improvements	to 31 December 2018

The assets' residual values and useful lives were reviewed, and adjusted where appropriate.

As mentioned in the Directors' report, these financial statements have been prepared on a basis other than going concern. Assets whose continued use in SFGB is in doubt had their useful economic lives capped to 31 December 2018. Other assets were transferred to the new body at net book value on the transfer date or disposed of as appropriate.

1.8 **Grant in Aid**

Grant in Aid was received during the year from the DWP to fund the company's service. Grant in Aid received from the DWP is regarded as a contribution from a controlling party, giving rise to a financial interest in the residual interest of the company and hence is accounted for as financing i.e. credited directly to the general reserve.

The DWP recoups the Grant in Aid via the general levy.

1.9 **Financial instruments**

The only financial instruments included in the accounts are trade and other receivables, cash and cash equivalents and trade and other payables (notes 5, 6 and 7).

Receivables are recognised at carrying value, reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to a known amount of cash and which are subject to insignificant changes in value.

Trade creditors are short term and are stated at carrying value in recognition that the liabilities fall due within one year.

1.10 **Operating leases**

Rentals payable under operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the relevant lease.

1.11 **Pension costs**

The pension charge represents the contributions made by the company to pension plans during the year. This includes any charges made to make up the company's share of deficits in schemes that TPAS has participated in. Further details of the various plans are given in the Remuneration Report (page 16).

1.12 **Interest income**

Interest income is recognised on an accruals basis.

1.13 **Significant judgements**

In application of the company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

The only areas of critical judgement used in applying the accounting policies are around the non-application of the going concern basis and the reversal of the provision for onerous leases following the transfer of assets and liabilities to the SFGB.

1.14 **General reserve**

The general reserve is an accumulation of surplus Grant in Aid funding. There are no rights, preferences or restrictions attached to the general reserve.

1.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

1.16 VAT

Expenditure in the Statement of Comprehensive Net Expenditure Account and costs for capitalised non-current assets are shown inclusive of VAT, which is irrecoverable.

1.17 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that there will be requirement to settle the obligation, and a reliable estimate can be made. No provisions have been made.

1.18 Contingent liabilities

Contingent liabilities are recognised when there is a present obligation, legal or constructive, as a result of a past event which is uncertain in timing and amount. A contingent liability is disclosed but not accrued, however disclosure is not required if the likelihood of payment is remote. Contingent liabilities are set out in note 9.

2. Operating Deficit

The deficit on ordinary activities before interest and taxation is stated after charging:

	Note	2018-2019 £	2017-2018
Wages and Salaries		2,693,026	3,561,985
Pension Costs		425,662	612,047
Social Security Costs		242,640	342,968
Total staff costs		3,361,328	4,517,000
Office costs		522,404	675,578
Accommodation costs		442,158	465,897
Legal and professional fees		214,026	167,951
Depreciation	4	13,594	150,041
Amortisation	3	27,050	58,592
Training and recruitment		44,085	53,142
Professional Subscriptions		40,551	49,054
Other		20,562	42,909
Travel costs		25,525	28,418
Auditors' remuneration		25,000	21,000
Bank charges		419	715
Administration Expense		4,736,702	6,230,297

3. Intangible Assets

	Software Licenses £
Cost or valuation	
As at 1 April 2018	417,507
Additions in year	24,020
Disposals in year	(76,452)
Transfer to SFGB	(365,075)
As at 31 March 2019	<u>0</u>
Amortisation	
As at 1 April 2018	354,647
Charge for the year	27,050
Disposals in year	(76,452)
Transfer to SFGB	(305,245)
As at 31 March 2019	<u>0</u>
Net Book Value	
As at 31 March 2019	<u>0</u>
As at 31 March 2018	<u>62,860</u>

	Software Licenses £
Cost or valuation	
As at 1 April 2017	401,018
Additions in year	16,489
As at 31 March 2018	<u>417,507</u>
Amortisation	
As at 1 April 2017	296,055
Charge for the year	58,592
As at 31 March 2018	<u>354,647</u>
Net Book Value	
As at 31 March 2018	<u>62,860</u>
As at 31 March 2017	<u>104,963</u>

4. Property, Plant and Equipment

	Leasehold Improvements	Information Technology	Furniture & Fittings	Total
	£	£	£	£
Cost				
As at 1 April 2018	25,872	788,621	228,376	1,042,869
Additions in year	-	15,117	954	16,071
Reclassifications	-	5,682	(5,682)	-
Disposals	(25,872)	(287,342)	(132,822)	(446,036)
Transfer to SFGB	-	(522,078)	(90,826)	(612,904)
As at 31 March 2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Depreciation				
As at 1 April 2018	18,896	668,268	208,684	895,848
Charge for the year	(873)	18,542	(4,075)	13,594
Reclassifications	-	3,481	(3,481)	-
Disposals	(18,023)	(285,903)	(132,299)	(436,225)
Transfer to SFGB	-	(404,388)	(68,829)	(473,217)
As at 31 March 2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Book Value				
As at 31 March 2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
As at 31 March 2018	<u>6,977</u>	<u>120,353</u>	<u>19,692</u>	<u>147,022</u>

	Leasehold Improvements	Information Technology	Furniture & Fittings	Total
	£	£	£	£
Cost				
As at 1 April 2017	25,872	763,500	228,376	1,017,748
Additions in year	-	25,121	-	25,121
As at 31 March 2018	<u>25,872</u>	<u>788,621</u>	<u>228,376</u>	<u>1,042,869</u>
Depreciation				
As at 1 April 2017	11,627	540,791	193,388	745,806
Charge for the year	7,268	127,477	15,296	150,041
As at 31 March 2018	<u>18,895</u>	<u>668,268</u>	<u>208,684</u>	<u>895,847</u>
Net Book Value				
As at 31 March 2018	<u>6,977</u>	<u>120,353</u>	<u>19,692</u>	<u>147,022</u>
As at 31 March 2017	<u>14,245</u>	<u>222,709</u>	<u>34,988</u>	<u>271,942</u>

5. **Trade and other receivables**

	31 March 2019 £	31 March 2018 £
Amounts falling due within one year:		
Receivables	0	23,148
Prepayments and accrued income	0	303,974
Other receivables	0	56,640
	0	383,762

6. **Cash and cash equivalents**

	2018-2019 £	2017-2018 £
Balance at 1 April 2018	613,348	735,221
Net change in cash and cash equivalent balances	(613,348)	(121,873)
Balance at 31/12/18	0	613,348
The following balances were held at:	31 March 2019 £	31 March 2018 £
Commercial banks and cash in hand	0	613,348
	0	613,348

7. **Trade and other payables**

	31 March 2019 £	31 March 2018 £
Amounts falling due within one year:		
Trade payables	0	56,585
Taxation	0	45
Accruals and deferred income	0	317,645
Other payables	0	400
	0	374,675

There are no payables falling due after more than one year (2017-2018: £nil)

8. **Provisions**

	31 March 2019 £	31 March 2018 £
Balance at 1 April 2018	536,092	-
Provided for in the year	-	-
Onerous Lease (see note below)	(496,092)	496,092
Dilapidations	-	40,000
Transfer to SFGB	(40,000)	-
Balance at 31 March 2019	0	536,092

The provision for onerous lease in respect of the 6th floor on Belgrave Road has been reversed. The provision had been made to reflect a commitment to pay rent, rates and service charges on the 6th floor of 11 Belgrave Road to the end of the lease in March 2021. This obligation was transferred to MaPS on 1 January 2019 and it is expected that the space will be used for MaPS' operations. It is therefore no longer an onerous lease to TPAS.

9. **Contingent Liabilities**

There are no contingent liabilities.

10. **Pension commitments**

The majority of past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme and is unfunded and contributory, except in respect of dependents' benefits. TPAS recognised the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' service by payment to the PCSPS of amounts calculated on an accruing basis. Liability for the payment of future benefits is a charge on the PCSPS. As described more fully in the Remuneration and Staff report, certain employees can opt for a stakeholder pension. TPAS staff were transferred to SFGB under TUPE and therefore the cost for pensions has transferred as well,

11. **Liabilities of members**

The company is limited by guarantee and has no issued share capital. Article 6.1 of the Articles of Association states that the liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he or she is a Member or within one year after he ceases to be a Member.

12. **Operating lease commitments**

Operating lease commitments were transferred to MaPS on 1 January 2019.

13. **Related-Party transactions**

TPAS was a Non-Departmental Public Body sponsored by DWP. DWP was regarded as the ultimate controlling related party. The company submitted quarterly Grant in Aid bids to DWP. Once DWP approved the quarterly bid, the agreed amount was released to the company. During the 9 months to 31 December 2018, the company received Grant in Aid amounting to £4,816,829 (2017-2018: £5,900,914) from DWP.

The company's 5th floor accommodation and basement storage space at Belgrave Road was provided by HM Revenue & Customs (HMRC) under a Memorandum of Terms of Occupation (MOTO) arrangement.

During the period to 31 December 2018, the company paid rent and service charges to HMRC amounting to £216,576 (2017-2018: £285,192). At 31 March 2019 no amounts were outstanding (2017-2018: £nil).

All transactions with directors are disclosed in the Directors' Emoluments section of the remuneration and staff report. No Directors had any other transactions with TPAS during the year.

14. Financial instruments and associated risks

TPAS's policy was that no trading in financial instruments were undertaken.

TPAS did not face the degree of exposure to financial risk that commercial businesses do. In addition, financial assets and liabilities generated by day-to-day operational activities were not held in order to change the risks facing TPAS in undertaking its activities. TPAS relied upon DWP for its cash requirements, having no power itself to borrow or invest surplus funds. The short-term liquidity and interest rate risks were therefore slight. TPAS does not have and has not had an exposure to foreign currency risk.

The fair values of TPAS's financial assets and liabilities for both the current period and comparative year do not differ materially from their carrying values.

15. Events after the reporting date

The Annual Report and Accounts were authorised by the MaPS Accounting Officer for issue on the date of the Comptroller and Auditor General's audit certificate.

16. Grant in Aid from the Department for Work and Pensions

The total Grant in Aid received from the DWP in 2018-2019 was £4,816,829 (2017-2018: £5,900,914). Of that £40,091 (2017-2018: £41,610) was applied to capital expenditure.

17. Transfers under absorption accounting

In accordance with the FReM, transfers of assets and liabilities were accounted for using the absorption method.

Under absorption accounting, balances are transferred at the carrying value on the date of transfer. The total gain or loss on absorption, which reflects the net assets or liabilities being transferred, is recognised as a non-operating cost in the SoCNE.

The total assets and liabilities transferred from TPAS to the SFGB on 1 January 2019 were:

Assets and Liabilities transferred	Note	£
Property, plant and equipment	4	(139,687)
Intangible Assets	3	(59,830)
Receivables		(208,360)
Cash		(861,804)
Current Liabilities		396,508
Total Transfers		(873,173)
Net loss on absorption	SoCNE	873,173

On the 31/12/2018 the amount of £861,757 in cash was transferred to the Single Financial Guidance Body. The remaining £46.91 was left on the bank account. The bank accounts were subsequently closed by MaPS in April 2019.

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