



**the Money  
Advice Service**

**Annual Report and Accounts  
for the year ending 31 March 2019**



# The Money Advice Service Annual Report and Accounts for the year ended 31 March 2019

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Presented to Parliament pursuant to paragraph 9A (3) of Schedule 1A of the Financial Services and Markets Act 2000.

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## Company information

<b>Registered address:</b>	5th Floor 120 Holborn London EC1N 2TD
<b>Company number:</b>	07172704
<b>Country of incorporation:</b>	United Kingdom
<b>Organisation type:</b>	Company limited by guarantee
<b>Bank (closed March 2019):</b>	HSBC 45 Bank Street Jubilee Place London E14 5NY
<b>External Auditors:</b>	Comptroller and Auditor General National Audit Office 157–197 Buckingham Palace Road London SW1W 9SP
<b>Internal Auditors:</b>	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD United Kingdom
<b>Solicitors:</b>	Browne Jacobson LLP 15th Floor 6 Bevis Marks London EC3A 7BA

## Strategic Report

### Overview

The Money Advice Service (MAS) was created to give consumers the help they need to manage their money well and ensure that they are informed, empowered, independent and resilient through the provision of free, impartial consumer advice and education on financial matters.

At the heart of its corporate strategy were five strategic aims that focused on who needed money guidance and debt advice, and how it could be delivered to them in the most cost-effective manner.

The five strategic aims were:

Aim 1: Delivering through others;

Aim 2: Earlier and wider access to debt advice;

Aim 3: More people budgeting and saving;

Aim 4: Better access to guidance and advice; and

Aim 5: Widening and improving financial education.

MAS' primary source of income for its Money Guidance and Debt Advice work was from levies from authorised firms, payments institutions and electronic money issuers. These levies were raised and collected by the Financial Conduct Authority (FCA).

On 1 January 2019 the Single Financial Guidance Body (SFGB), created by the Financial Guidance and Claims Act 2018, replaced the three existing providers of government-sponsored financial guidance – the Money Advice Service, The Pensions Advisory Service (TPAS) and Pension Wise (PW) – 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 MAS to SFGB (in respect of debt advice: to SFGB in respect of England and to the other nations) from the same date.

The Financial Guidance and Claims Act (Staff) Transfer Scheme 2019 effected the transfer of all staff from MAS to SFGB on 1 January 2019. MAS ceased trading on 1 January 2019, thus the operations in this report are for the 9 months to 31 December 2018.

MAS directors, the Board of SFGB and Department of Work and Pensions (DWP) agreed that the shell company would be retained, at least temporarily, under the control of SFGB.

On 8 April 2019, SFGB was renamed as the Money and Pensions Service (MaPS).

## Overview of Performance to 31 March 2019

MAS ceased trading on 1 January 2019, therefore the table below sets out MAS' key performance indicators and the progress made at 31 December 2018. The operations in this report are for the 9 months to 31 December 2018:

Commitments, and measures of efficiency and effectiveness		As at 31 March 2019	
		Status	Comments
1	We will publish for consultation a commissioning plan focused on the needs of working-age people aged 18–54 primarily in the 'financially struggling' and 'financially squeezed' segments, to help them plan through active budgeting, managing credit and building savings	Achieved	The MAS Board approved the final publishable Working Age Adults Commissioning Plan and recommended to SFGB to consider it as part of their business planning process.
2	We will consult on and publish a commissioning plan addressing the financial capability needs of children and young people at home, in school, and in community settings.	Achieved	The MAS Board approved the final publishable Children and Young People Commissioning Plan and recommended SFGB consider it as part of their business planning process.
3	We will maintain staff engagement above 83%.	Achieved	This KPI is set up to be measured by the MAS staff pulse survey that took place in June and July 2018. MAS achieved an employee engagement score of 88%.
4	We will aim for staff turnover not to exceed one in five people up to the point of transition (bearing in mind a recognised industry norm is one in six).	Achieved	Between April to December 2018, staff turnover rate at MAS was 14.6%.
5	We will establish the baselines for all the long-term impact measures, as well as setting a target for the amount of change we think is achievable; and we will propose the medium-term indicators of change.	Partially achieved	Baselines were completed, and achievable amount of changes were proposed for all measures except measure B - where a baseline for need for debt advice was established, but the amount of debt advice funding that might be available is subject to SFGB strategy and therefore cannot be predicted at this point in time. Medium-term indicators of change are dependent on SFGB strategy and agreement of targets therefore MAS have made proposals.
6	We will review the progress to date of the Financial Capability Strategy for the UK and update it based on the latest evidence and plans.	On track	MAS agreed with SFGB to publish a lessons-learned and recommendations document for the Financial Capability Strategy in Spring 2019, as part of the listening phase of the new National Strategy.
7	We will share evidence about what works to improve people's financial capability by bringing together a wide range of evidence including everything learned from the What Works Fund and publicise it through a nationally co-ordinated programme of communications to funders, practitioners and policymakers.	On track	In October 2018, the launch of the What Works Fund findings was attended by over 200 stakeholders from across the financial capability sector. Results were also shared with a cohort of ten funders through the Funders Forum, with funders, practitioners and policymakers via the Working Age Adults and Children and Young People Commissioning Plans and internationally with the OECD. Between April to December 2018, a wide range of evidence continued to be shared on the Evidence Hub. In addition, MAS was invited to join the What Works Network in recognition of their contribution to knowledge about what works to improve people's financial capability.

Commitments, and measures of efficiency and effectiveness		As at 31 March 2019	
		Status	Comments
8	We will provide funding that will help at least 530,000 people access debt advice.	On track	After the KPI was set, the Financial Guidance and Claims Act devolved commissioning responsibility from January 2019 and the annual target was adjusted to 512,283 to reflect this. Between April to December 2018, MAS funding delivered debt advice to 396,132 people across the UK, exceeding forecasts for the period. Of these 357,005 were in England, where SFGB took over commissioning responsibility from January 2019. The projected UK outturn is expected to be 537,339, exceeding the adjusted annual target of 512,283.
9	We will complete a tendering process for funding new debt advice agreements in London and the North-West of England embodying the six commissioning intentions of our debt commissioning strategy.	On track	Between April to December 2018, MAS progressed the tendering process to plan.
10	We will directly provide money guidance to 10.8m people, of which 3.9m will be from the 'financially struggling' and 'financially squeezed' segments.	On track	Between April to December 2018, money guidance was directly provided to 8.6 million people, of which 3.1 million were from the financially struggling and squeezed segments, exceeding forecasts for the period.
11	We work with others in order for them to act on the evidence from the 'Right Place, Right Time' research, which highlights gaps in guidance.	On track	Over 100 organisations are expected to have been engaged and supported by the end of 2018/19 to improve the financial capability of their customers and employees. Over 30 organisations are expected to have delivered guidance to support key life events such as pensions and retirement planning, homebuying, career changes and redundancy, family money issues, saving and borrowing for unexpected events and debt support.
12	We will ensure that 70% of peer assessments of our funded debt advice sessions are graded in the top two grades of the four-point quality scale.	Not applicable	After the KPI was set MAS significantly altered the processes used to assess quality of debt advice, resulting in measurement of improvements being incompatible with measurements against the baseline. In the period to December 2018, resources were refocused towards quality improvements and amendments to agreements to ensure continued progress towards sector quality improvement.
13	Across the whole debt advice sector, 90% of clients receiving debt advice will access it through organisations that use the Standard Financial Statement.	Not on track	As at the end of 2018/19, across the whole debt advice sector 81% of clients receiving debt advice are expected to access it through organisations that use the Standard Financial Statement. This represents a significant increase from 56% as at the end of 2017/18 and the target of 90% is expected to be met in 2019/20.



Commitments, and measures of efficiency and effectiveness		As at 31 March 2019	
		Status	Comments
14	We will maintain at or above 85% the percentage of customers who say they received the information they required when they used our telephone and digital services.	Not on track	Between April to December 2018, 84% of customers said they received the information they required when they used MAS-branded telephone and digital services. Analysis identified the small variance was driven by lower scores for digital content associated with negative life events and complex issues such as benefits, care and disability, and work and redundancy where customer sentiments are expected to be less positive and providing the correct guidance for their circumstances alone were unlikely to directly resolve their issues.
15	We will reduce the ratio of MAS back-office costs to front-office delivery to below 9%:91%.	Not on track	Between April to December 2018, the ratio of MAS back-office costs to front-office delivery was 10%:90%. This includes exceptional HR spend and recharge to Pension Wise. If removed, the ratio would fall within target.

## Use of Reserves in the period to 31 December 2018

MAS started the financial year with reserves of £4.5m (Money Guidance £1.8m, UK Debt Advice £1.3m and Special Reserve £1.4m). MAS previously held the Debt Advice Special Reserve to cover the cost of potential redundancies of debt advisors. The in-year surplus income over expenditure was £3.1m. The balance at 31 December 2018 of £7.6m included Money Guidance £2.8m, UK Debt Advice £3.7m and Special Reserve £1.1m. The transfer scheme required the assets, liabilities and reserves of MAS to transfer to SFGB on 1 January 2019. SFGB cannot hold reserves because it is an arm's length body of the DWP. The DWP, HMT and FCA have agreed that the total MAS reserves including the Debt Advice Special Reserve will be used to reduce SFGB funding request for 2019/20.

Using the MAS reserves to fund SFGB operations will effectively result in funds being returned to levy payers.

## Going concern

On 1 January 2019 MAS ceased operating. The staff, property, rights and liabilities were transferred over to the new body). The financial statements have therefore been prepared on a basis other than going concern (see page 6).



**Mike Dailly**  
Director



**Caroline Siarkiewicz**  
Director



**Peter Schofield CB**  
DWP Accounting Officer

Date: 16 July 2019

## Directors' report for the year ended 31 March 2019

The Directors of MAS present their report, together with the audited financial statements on pages 25 to 28 and associated notes on the pages 29 to 45 for the year ended 31 March 2019.

### Principal Activities

MAS (company number 07172704) is a Company limited by guarantee. The members of the Company have agreed to contribute £1 each to the assets of the Company in the event of it being wound up.

The Company was launched as the Consumer Financial Education Body in April 2010, an independent organisation set up under the Financial Services Act 2010, and it became the Money Advice Service on 4 April 2011. Until 31 December 2018, MAS was categorised as an arm's length body (ALB), but not a Non-Departmental Public Body.

As explained above, MAS ceased trading on 1 January 2019, thus the operations in this report are therefore for the 9 months to 31 December 2018. On 1 January 2019, Departmental responsibility moved from HM Treasury (HMT) to DWP. MAS directors, the Board of SFGB and DWP agreed that the dormant company would be retained, at least temporarily, under the control of SFGB.

### Political donations and expenditure

The Company has not made any political donations for the year ended 31 March 2019.

## Directors

Until 31 December 2018, MAS Board members were appointed by FCA, with the appointment of the Chair and Chief Executive also requiring HMT approval. The MAS Articles of Association were amended on the 31 December 2018, and appointments are now made by the directors.

The Directors of the Company, who served during the year, together with their dates of appointment to the Board are as shown below:

Non-Executives	Appointed	End of current term
Andy Briscoe (Chairman)	27 September 2013	31 December 2018
Nicola Bruce	1 April 2015	31 December 2018
Mike Dailly	1 April 2015	
Caroline Fawcett	1 April 2015	31 December 2018
Chris Morson	1 September 2015	31 December 2018
Robert Skinner	1 February 2012	31 December 2018
Executives		
Charles Counsell (CEO)	5 June 2017	31 December 2018
John Penberthy-Smith	1 June 2015	31 December 2018
Sheila Wheeler	1 July 2015	30 June 2018
John Govett	1 January 2019	14 June 2019
Caroline Siarkiewicz	25 June 2019	

Further details of MAS' Directors are included in the governance statement for the year ended 31 March 2019 (see page 13).

### Directors' insurance

The Company maintained an appropriate level of Directors' and Officers' liability insurance which was reviewed annually. Based on assurances provided by DWP, the remaining directors and officers of MAS are now covered by the Government's self-insurance arrangements.

### Disclosure of information to the auditor

Each of the Directors in office, at the date the Strategic and Directors' Reports are approved, confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware
- it is expected that the Director has taken all the steps that he ought to have taken as a Director in order to make him aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### External auditors

Under the Financial Services Act 2012 the Comptroller and Auditor General (C&AG) was appointed the statutory auditor of MAS.

### Internal auditors

The Audit and Risk Committee and Board agreed in March 2018 to retender the internal audit service and Mazars were appointed from 1 April 2018.

## Statement of Directors' and Accounting Officer's Responsibilities

**The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable laws 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 Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the accounts direction issued by HM Treasury in accordance with section 5(2) of the Government Resources and Accounts Act 2000; and
- make judgements and accounting estimates that are reasonable and prudent.

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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Accounting Officer of HM Treasury designated Charles Counsell, the Chief Executive, as Accounting Officer of MAS up to 31 December 2018, and he was responsible for ensuring resources were used in a proper and regular manner, in accordance with the provisions of the Financial Services and Markets Act 2000, Companies Act 2006 and all other applicable law.

The Accounting Officer was required to confirm that the annual report and accounts as a whole were fair, balanced and understandable and that he took personal responsibility for the annual report and accounts and the judgments required for determining that they are fair, balanced and understandable.

Following the transfer of MAS' operations to SFGB on 1 January 2019, no one was designated Accounting Officer, so the responsibility reverted to the DWP Permanent Secretary as the Principal Accounting Officer of the parent body.

The Directors' Report was approved by the Board on 16 July 2019 and signed below by order of the Board.

By Order of the Board



**Michelle Clewer**  
Company Secretary

## Governance Statement

### Overview

MAS was set up as an independent body to enhance public understanding of financial matters. It was initially known as the Consumer Financial Education Body, the name used in the Financial Services Act 2010.

Its statutory objectives, as set out in the Financial Services Act 2012, are:

- Improving people's understanding and knowledge of financial matters.
- Improving people's ability to manage their own financial affairs.
- Assisting members of the public with management of debt with a view to improving the availability, quality and consistency of debt advice services across the UK.

MAS was independent of HM Treasury and the FCA in carrying out its statutory function. However, the FCA ensured that the service was at all times capable of exercising its function. The FCA and MAS communicated regularly through half yearly meetings with MAS' Chair and quarterly meetings at senior management level.

Government Departmental responsibility for the Money Advice Service was transferred from HM Treasury to DWP on 1 January 2019 via a Machinery of Government change. A Machinery of Government change is where responsibility for a function transfers from one government department to another. From the point that the Machinery of Government change takes effect, the Accounting Officer in the receiving department takes on full responsibility for the transferred function, not only for future actions but for the history also.

Having reviewed the evidence provided from risk management and from the internal auditors' opinions, Directors are satisfied that MAS maintained a sound system of internal control during the financial year 2018/19, operating effectively across the organisation.

### Scope of responsibility

As mentioned in the Directors' report on 1 January 2019, the service previously delivered by MAS, together with all people, assets, liabilities and data were transferred to SFGB leaving MAS as a shell company under the control of SFGB. The company did not carry out any operations or hold any assets or liabilities from 1 January 2019 and the number of directors was reduced to two directors who will ensure that the shell company complies with Company House requirements from that date.

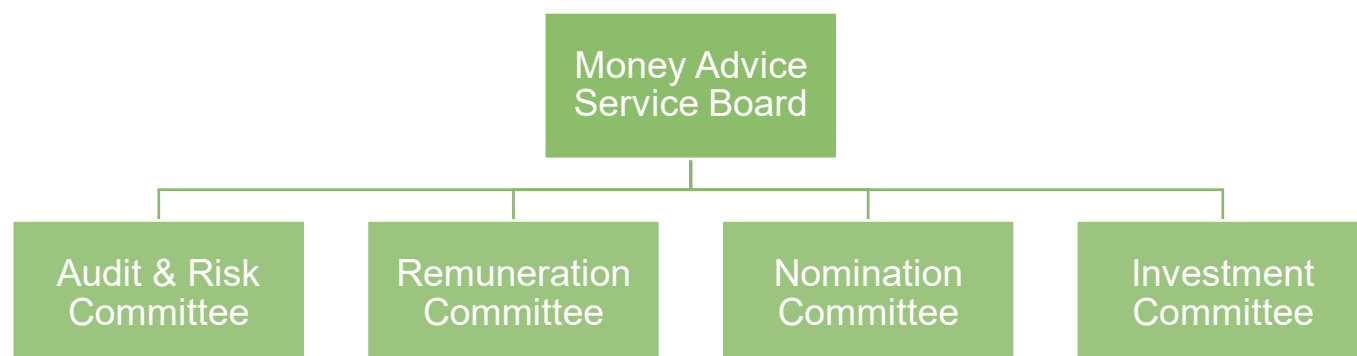
Prior to the transfer, SFGB sought assurances from the outgoing MAS Accounting Officer, the Chair of the MAS Board and Chair of the MAS Audit and Risk Committee. Having received confirmation from the SFGB Accounting Officer that the assurances received were sufficient, SFGB's Audit and Risk Assurance Committee (ARAC) concluded that the assurances received were satisfactory. Based on those assurances and further due diligence by the Chief Financial Officer of SFGB, Directors confirm to the best of their knowledge and belief, and having made the appropriate enquiries that:

- all transactions undertaken have been properly reflected and recorded in the financial statements, and all material liabilities, both actual and contingent, and all material guarantees have been properly recorded or disclosed; and
- all significant assumptions used in making accounting estimates, including those surrounding measurement at fair value and review of impairments, are reasonable.

The Directors' assurance is also based on the ongoing programme of work carried out by MAS' and SFGB internal audit function. Directors also have the added comfort of the work carried out by external auditors on the MAS financial statements, whose work includes an assessment of the reasonableness of significant accounting estimates made by the Directors.

## Governance Framework of the Money Advice Service

### Governance structure



Up to 31 December 2018, MAS was governed by a Board, which was responsible under company law for ensuring that the statutory objectives were carried out and that MAS was run in an appropriate and legal manner. Along with the Board, MAS also had a number of sub-committees which supervised the running of the organisation as follows: Audit & Risk Committee, Remuneration Committee, Nominations Committee and Investment Committee.

### Board duties/responsibilities

The role of the Board and directors was to take responsibility for the development and delivery of MAS' strategic vision, business plan, policies and services. It also monitored performance and held the organisation to account. The Board also had the responsibility for setting and supporting the organisational values and ensuring that these values embodied the Company's commitment to conduct business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. Further details on the Board's key responsibilities are available in its Terms of Reference.

## Board Sub-Committees

### The Audit and Risk Committee

The Audit and Risk Committee was chaired by Caroline Fawcett. The Committee was responsible for reviewing and providing assurance to the Board on matters including the effectiveness of internal controls and risk management systems, the integrity of financial statements and for oversight of the external audit process. The Committee comprised four Non-Executive Directors appointed by the Board. The Chief Executive, Head of Corporate Services and other Executive Directors (as appropriate) and at least one representative of the external auditors and internal auditors attended all meetings of the Committee.

### Remuneration Committee

The Remuneration Committee was chaired by Mike Dailly. The Committee was responsible for ensuring that MAS had in place a comprehensive, effective and value for money total reward and performance framework that enabled the organisation to attract, retain and motivate a high calibre workforce to deliver its objectives. It comprised three Non-Executive Board members (excluding the Chair of the Board). To ensure independence, the Chair of the Audit and Risk Committee was not a member of the Remuneration Committee.

## Nominations Committee

The Nominations Committee was chaired by Andy Briscoe. The Committee was responsible for leading the process for Board appointments and for making recommendations to the Board, subject to the approval of the FCA. The Committee was made up of five Directors, comprising the Chair of the Board, three Non-Executive Directors and the Chief Executive.

## Investment Committee

The Investment Committee was chaired by Nicola Bruce. The Committee facilitated timely approval of investment decisions which were above the Executive level delegated authority limits. The Committee comprised four Non-Executive Board members appointed by the Board and met monthly, and whenever approval for an investment decision was necessary.

## Internal Audit

The independent internal audit contractor's annual report set out their opinion as follows: "On the basis of our audit work, we consider that MAS' governance, risk management and internal control arrangements were generally adequate and effective to manage achievement of its objectives. Certain weaknesses and exceptions were highlighted by our audit work including four Priority 1 recommendations, across our review of Payments and GDPR. These and other matters have been discussed with management, to whom we have made a number of recommendations. All of these have been, or are in the process of being addressed, as detailed in our individual reports."

## Board and Committees details for the period ended 31 December 2018

The membership and terms of office of the MAS Executives and Non-Executives are outlined in the table below.

Board Membership and terms of office	Appointment date on the Board	Renewal date	End of current term
<b>Executives</b>			
Charles Counsell	05/06/2017	30/06/2019	31/12/2018
John Penberthy-Smith	01/06/2015	30/06/2019	31/12/2018
Sheila Wheeler	01/07/2016	31/03/2018	30/06/2018
David Haigh	01/06/2015		03/04/2018
John Govett	01/01/2019		14/06/2019
Caroline Siarkiewicz	25/06/2019		
<b>Non-Executives</b>			
Andy Briscoe	27/09/2013	30/06/2019	31/12/2018
Nicola Bruce	01/04/2015	30/06/2019	31/12/2018
Mike Dailly	01/04/2015	30/06/2019	30/09/2020
Caroline Fawcett	01/04/2015	30/06/2019	31/12/2018
Christopher Morson	01/09/2015	30/06/2019	31/12/2018
Robert Skinner	01/02/2012	30/06/2019	31/12/2018

## Committee membership as at 31 December 2018

Name	Board	Audit & Risk	Nomination	Remuneration	Investment
Andy Briscoe	C		C	Ex-Officio	
Nicola Bruce	✓	✓		✓	C
Mike Dailly	✓	✓	✓	C	
Caroline Fawcett	✓	C			✓
Chris Morson	✓	✓	✓	✓	
Robert Skinner <sup>†</sup>	✓		✓		✓

C denotes Chair      † Senior Independent Director

The Board and Board Committees met regularly up to 31 December 2018 and details of the number of meetings held and attendance at those meetings are set out below. There were no Board or Committee meetings from 1 January to 31 March 2019.

Name	Board	Audit & Risk Committee	Nomination Committee	Remuneration Committee	Investment Committee
	6	6	1	3	9
<b>Executive Directors</b>					
Charles Counsell	6/6	6/6	1/1	3/3	
John Penberthy-Smith	6/6				
Sheila Wheeler	0/2				
John Govett	0/0				
Caroline Siarkiewicz	0/0				
<b>Non-Executive Directors</b>					
Andy Briscoe	6/6 C		1/1 C	3/3	
Nicola Bruce	5/6	6/6			9/9 C
Mike Dailly	6/6	5/6	1/1	3/3 C	
Caroline Fawcett	5/6	5/6 C			9/9
Chris Morson	5/6	5/6	1/1		
Robert Skinner <sup>†</sup>	6/6		1/1		9/9

C Chair      † Senior Independent Director

This governance statement is signed on 16 July 2019, by the DWP Permanent Secretary as the Principal Accounting Officer of the parent Department based on the consideration of controls in place for the first 9 months which were scrutinised by the ARAC on 5 February 2019 and further assurance given to him by MaPS' Chief Executive.



**Caroline Siarkiewicz**  
Acting Chief Executive Officer



**Peter Schofield CB**  
DWP Accounting Officer

*John Govett left as Chief Executive Officer of the Money and Pensions Service on 14 June 2019, and Caroline Siarkiewicz was appointed as Acting Chief Executive Officer on 14 June 2019.*



## Remuneration report

### Remuneration Committee

The Remuneration Committee was a sub-committee of the Board and was chaired by an independent Non-Executive Director. Its principal activities were detailed in the Remuneration Committee's Terms of Reference. During the year the Remuneration Committee met twice. The members of the Remuneration Committee were Non-Executive Board members and appointed to the Committee by the Board. MAS' Chair attended the Remuneration Committee but was not a member.

Year Ended 31 March 2019	
Chair	Mike Dailly
Member	Chris Morson
Member	Nicola Bruce
Ex-officio	Andy Briscoe

No member of the Committee or other individual was involved in any decision about their own remuneration. Accordingly, any Committee member would withdraw from that part of any meeting where their remuneration was likely to be discussed or affected.

Other MAS staff and Board members attended the meetings of the Committee at the request of the Committee chair as and when considered appropriate by the Committee.

### Remuneration strategy

The Remuneration Committee was responsible for ensuring MAS had a comprehensive and effective total reward strategy and framework that enables the organisation to attract, retain and motivate a high-calibre workforce to deliver the organisation's objectives.

### 2018/19 Remuneration review

The total remuneration package, which was common to all employees, comprised:

- basic pensionable salary;
- eligibility for a performance related bonus;
- pension contribution; and
- other benefits.

The Remuneration Committee, within the terms of the agreed framework, and in consultation with the Chief Executive or Chair as appropriate, considered and approved proposals for the remuneration and performance-related pay for senior Executives (including the Chief Executive). In addition, the Chief Executive's remuneration and performance-related pay was approved by the Board. In determining such packages and arrangements including arrangements on termination, the Committee gave sufficient and appropriate regard to relevant legal requirements, and other relevant guidance including the UK Corporate Governance Code.

Director remuneration levels were approved by the FCA and there were no additional payments for chairing sub-committees of the Board.

The Remuneration Committee was also responsible for approving the annual performance objectives of the MAS Chief Executive and senior Executives. Board members provided feedback on performance of the Chief Executive and senior Executives to feed into the annual appraisal process.

### Basic pensionable salary

Salaries were reviewed by the Remuneration Committee annually in line with the overall policy.

### Performance-related bonuses

The Executive Directors and the Chief Executive, like other employees, were eligible to be considered for a discretionary performance-related bonus, which for 2018/19 was up to a maximum of 15% of average base pensionable salary applying during the previous year.

The Chair and other Non-Executive members of the Board were not eligible to be considered for a discretionary performance-related bonus.

### Other benefits

On 31 May 2012 MAS ended the flexible benefits system which was originally offered by the FCA and carried over to MAS. For a small organisation it was considered overly complex and expensive to administer. From 1 June 2012 a simpler alternative offering to all staff of private medical insurance, life insurance and a contributory pension plan up to a maximum of 10% employer contribution was put in place. Those in post prior to the introduction of the new arrangements received an allowance made up of the monetary value difference between the new and old arrangements.

A summary of benefits received by Executives is included in the remuneration table below.

### Pensions

MAS was a member of the defined contribution section of the FCA Pension Plan until 31 May 2012. From 1 June 2012 MAS set up a group personal pension scheme (GPP) which was a defined contribution scheme through Aviva. Pension contributions made to the Executives have been disclosed in the remuneration table. The MAS pension scheme closed in December 2018 and eligible employees transferred into the SFGB pension scheme from 1 January 2019.

## Remuneration Statement

### a. Summary of Executive and Non-Executive Remuneration

	Year Ended 31 March 2019					Year Ended 31 March 2018	
		Board Fee	Basic Salary	Other emoluments and benefits*	Pension	Total	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Andy Briscoe	1	55.5	-	-	-	55.5	74
<b>Non - Executive Directors</b>							
Nicola Bruce	1	18.4	-	-	-	18.4	25
Mike Dailly	1,3	18.4	-	-	-	18.4	25
Caroline Fawcett	1	18.4	-	-	-	18.4	25
Christopher Morson	1	18.4	-	-	-	18.4	25
Robert Skinner	1	18.4	-	-	-	18.4	25
Jonathan Douglas	2	-	-	-	-	-	19
Richard Hughes	2	-	-	-	-	-	19
Stephen Locke	2	-	-	-	-	-	6
John Govett	1,3	-	-	-	-	-	-
Caroline Siarkiewicz	1,3	-	-	-	-	-	-
<b>Total Non-Executive Directors</b>		<b>147.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147.5</b>	<b>243</b>
<b>Executive Directors</b>							
Charles Counsell	1,4	-	134	106	-	240	159
David Haigh	1,5	-	0	0	0	0	169
John Penberthy-Smith	1,6	-	113	150	12	275	186
Sheila Wheeler	1,7	-	33.5	112	-	145.5	153
Caroline Rookes	2	-	-	-	-	-	32
<b>Total Executive Directors</b>		<b>-</b>	<b>280.5</b>	<b>368</b>	<b>12</b>	<b>660.5</b>	<b>699</b>
<b>Total</b>		<b>147.5</b>	<b>280.5</b>	<b>368</b>	<b>12</b>	<b>808</b>	<b>942</b>

#### Notes:

1. See Board and Committees details for the period ended 31 December 2018 table in the Governance Statement for details.
2. Jonathan Douglas and Richard Hughes left on 3 January 2018, Stephen Locke left on 2 July 2017 and Caroline Rookes left on 2 June 2017.
3. Mike Dailly and Caroline Siarkiewicz are the current directors of MAS and are not remunerated for this by SFGB (Mike Dailly was remunerated by MAS up to 31 December 2018). John Govett left on 14 June 2019, was not remunerated for this role during his period as director.
4. Charles Counsell left on 31 December 2018 (2017/18 FYE Basic Salary £175,000). Other emoluments and benefits include accrued holidays, pay in lieu of notice and a redundancy payment.
5. David Haigh's term as Executive director ended on 03 April 2018.
6. John Penberthy-Smith left on 31 December 2018 (2017/18 FYE Basic Salary £148,000). Other emoluments and benefits include accrued holidays, pay in lieu of notice and a redundancy payment.
7. Sheila Wheeler left the organisation on 30 June 2018 (2017/18 FYE Basic Salary £131,000). Other emoluments and benefits include accrued holidays, pay in lieu of notice and a redundancy payment.

#### \* Other emoluments and benefits

This figure comprises any performance-related award (see second table below), pay in lieu of employer pension contribution and private medical insurance (for the employee only). Where employees elect to insure family members they are responsible for covering the contribution from net salary contributions.

## Pension

As part of employee reward arrangements, MAS had a contributory group personal pension plan. Employer pension contributions were on a matching basis as follows:

Employee Contribution %	Employer Contribution %
3	6
4	8
5	10
>5	10

## Performance Related Award

Below are details of the discretionary performance related awards made to Executive Directors for the period ended 31 December 2018. Awards agreed for the period have been paid and have been included in the emoluments and benefits figures in the table above.

	Year Ended 31 March 19 £'000	Year Ended 31 March 18 £'000
Charles Counsell	-	-
David Haigh	-	14
John Penberthy-Smith	-	22
Sheila Wheeler	-	-
<b>Total</b>	<b>0</b>	<b>36</b>

## b. Hutton Fair Pay Review Disclosure

	Year Ended 31 March 19 £'000	Year Ended 31 March 18 £'000
Highest paid Director's total remuneration <sup>1</sup>	179	177
Median remuneration of MAS' total staff	58	61
Ratio	3.1	2.9


<sup>1</sup> The figures in the table are annualised

The Chief Executive Officer was the highest-paid member of staff for the year ended 31 March 2019 based on annualised pay levels.

Directors' total remuneration includes performance-related payments and benefits in kind but does not include severance payments. It also excludes employer pension contributions and cash equivalent transfers.

The median remuneration of MAS' total staff is based on full-time equivalent remuneration for the period ended 31 March 2019. The figures exclude the highest paid Director.

The Remuneration Statement was signed on 16 July 2019 by:



**Mike Dailly**  
Director



**Caroline Siarkiewicz**  
Director

Date: 16 July 2019

## THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

### Opinion on financial statements

I certify that I have audited the financial statements of the Money Advice Service for the year ended 31 March 2019 under the Financial Services and Markets Act 2000. The financial statements comprise: the Statements of Comprehensive Income, Financial Position, Cash Flows, Changes in Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

In my opinion:

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

### Emphasis of Matter

Without modifying my opinion, I draw attention to Note 2a of the Financial Statements (p30) concerning the Directors' decision to prepare the financial statements on a basis other than going concern. The Directors made this decision as a result of The Financial Guidance and Claims Act, which was given Royal Assent in May 2018. In accordance with this legislation, on 1st January 2019, the staff, property, rights and liabilities of the Money Advice Service were transferred to the Single Financial Guidance Body (or devolved nations where relevant) and the Money Advice Service ceased trading.

### 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 Money Advice 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 Accounting Officer for the financial statements

As explained more fully in the Statement of Directors' and Accounting Officer's Responsibilities, the Accounting Officer is 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 applicable law and the International Standards on Auditing (ISAs) (UK).

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 Money Advice 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 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 Money Advice 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. However, future events or conditions may cause the entity to cease to continue as a going concern.

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.

### Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the Annual Report, other than the parts of the Remuneration 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 Report to be audited have been properly prepared in accordance with the Companies Act 2006 and HM Treasury directions;
- in the light of the knowledge and understanding of the Money Advice Service's and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

**17 July 2019**



## Statement of comprehensive income

Year ended 31 March 2019

		Year Ended 31 Mar 2019	Year Ended 31 Mar 2018
	Notes	£'000	£'000
<b>Income</b>			
Fee revenue - Money Advice		20,417	28,541
Grant revenue - Money Advice		19	73
Interest on bank deposits		103	82
Fee revenue - UK Debt Advice		42,000	49,165
Fee revenue - Transition		375	-
Return of funds to fee payers	(a)	(335)	(7,898)
<b>Total Income</b>	<b>3</b>	<b>62,579</b>	<b>69,963</b>
<b>Operating costs</b>			
Cost of services - Money Advice		(18,464)	(28,000)
Cost of services - UK Debt Advice		(39,942)	(50,766)
Cost of services - Transition		(306)	-
Bad debt provision		-	1
Depreciation and amortisation		(395)	(443)
Write-down of current assets	(b)	(398)	-
<b>Total operating costs</b>	<b>4</b>	<b>(59,505)</b>	<b>(79,208)</b>
<b>(Deficit) / surplus before tax</b>		<b>3,074</b>	<b>(9,245)</b>
Taxation		(19)	(16)
<b>(Deficit) / surplus on operations:</b>	<b>(a)</b>	<b>3,055</b>	<b>(9,261)</b>
<b>Non-operating activities:</b>			
Net surplus/(deficit) on absorption	21, (c)	(7,598)	-
<b>Net deficit</b>		<b>(4,543)</b>	<b>-</b>

Note (a): MAS made an underlying operating surplus of £3.1m. The net loss on absorption represents the net assets transferred to SFGB on 1 January 2019.

Note (b): The write-offs relate to leasehold improvements that will be lost in the building refurbishment and software licences coming to the end their lives.

Note (c): The net surplus/(deficit) on absorption reflects the carrying value of net assets/liabilities transferred from MAS to SFGB. MAS ceased operations on 31 December 2018 when activities, staff, assets and liabilities transferred to SFGB.

The notes on pages 29 to 45 form part of these financial statements.

## Statement of financial position

As at 31 March 2019

	Notes	As at 31 Mar 2019 £'000	As at 31 Mar 2018 £'000
<b>Non-current assets</b>			
Intangible assets	6	-	-
Property, plant & equipment	7	-	-
<b>Total non-current assets</b>		-	-
<b>Current assets</b>			
Intangible assets	6	-	238
Property, plant & equipment	7	-	708
Inventories	8	-	46
Trade and other receivables	8	-	1,373
Cash and cash equivalents	8	-	37,759
<b>Total current assets</b>		-	<b>40,124</b>
<b>Total assets</b>		-	<b>40,124</b>
<b>Current liabilities</b>			
Trade and other payables	10	-	(35,419)
Current tax liabilities	10	-	(16)
Provisions	11	-	(146)
<b>Total current liabilities</b>		-	<b>(35,581)</b>
<b>Total assets less current liabilities</b>		-	<b>4,543</b>
<b>Non-current liabilities</b>			
<b>Total non-current liabilities</b>		-	-
<b>Net assets</b>		-	<b>4,543</b>
<b>Equity</b>			
Money Advice accumulated surplus		-	1,797
UK Debt Advice accumulated surplus		-	1,288
UK Debt Advice special reserve		-	1,458
<b>Total equity</b>		-	<b>4,543</b>

The notes on pages 29 to 45 form part of these financial statements.

MAS ceased operations on the 31 December 2018, when assets and liabilities were transferred to SFGB. The values of assets and liabilities transferred by absorption are set out in note 21.

These financial statements are exempt from the requirements of Part 16 of the Companies Act 2006 by virtue of section 482 (non-profitmaking companies subject to public sector audit) of that Act."

The financial statements were approved by the Directors on and were signed on 16 July 2019.



**Peter Schofield CB**

DWP Accounting Officer

## Statement of changes in equity

### Year ended 31 March 2019

	Money Advice £'000	Debt Advice £'000	Debt Advice Special Reserve £'000	Total Equity £'000
<b>At 1 Apr 2017</b>	9,459	2,518	1,827	13,804
Surplus / (deficit) income over expenditure for the year	(7,662)	(1,230)	(369)	(9,261)
<b>At 1 Apr 2018</b>	<b>1,797</b>	<b>1,288</b>	<b>1,458</b>	<b>4,543</b>
Surplus (deficit) income over expenditure for the year	957	2,387	(289)	3,055
<b>Total equity at 31 Dec 2018</b>	<b>2,754</b>	<b>3,675</b>	<b>1,169</b>	<b>7,598</b>
Transfer to SFGB	(2,754)	(3,675)	(1,169)	(7,598)
<b>Total equity at 31 Mar 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The notes on pages 29 to 45 form part of these financial statements.

## Statement of cash flows

Year ended 31 March 2019

	Notes	Year Ended 31 Mar 2019 £'000	Year Ended 31 Mar 2018 £'000
<b>Net cash generated from operating activities</b>	<b>12</b>	(15,518)	(671)
<b>Cash flows from investing activities</b>			
Interest received on bank deposits	<b>3</b>	103	82
Corporation taxes paid		(16)	(30)
Payments to acquire intangible assets	<b>6</b>	(238)	(339)
Payments to acquire property, plant & equipment	<b>7</b>	(136)	(55)
<b>Net cash outflow from investing activities</b>		<b>(287)</b>	<b>(342)</b>
Transfer to SFGB		(21,954)	-
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(37,759)</b>	<b>(1,013)</b>
Cash and cash equivalents at the start of the year	<b>8</b>	37,759	38,772
Cash and cash equivalents at the end of the year	<b>8</b>	-	37,759
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(37,759)</b>	<b>(1,013)</b>

The notes on pages 29 to 45 form part of these financial statements.

## Notes to the financial statements

### 1. General information

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which MAS operates.

The financial statements are prepared in accordance with EU adopted International Financial Reporting Standards. The financial statements are presented in compliance with International Accounting Standards and the Accounts Direction issued by Her Majesty's Treasury. The Accounts Direction requires MAS to have regard for HM Treasury's "Financial Reporting Manual 2018-2019" (FReM) to the extent that it clarifies or builds on the Companies Act.

#### New accounting standards

##### *IFRS 9 Financial Instruments*

IFRS 9 requires an entity to recognise a financial asset or a financial liability in its statement of financial position (SOFP) when it becomes party to contractual provisions of a financial instrument. It is effective for annual periods beginning on or after 1 January 2018. MAS does not hold instruments such as long-term loans, equity investments, or any non-vanilla financial assets. It holds cash and cash equivalents, trade receivables, trade payables which are already recognised in its SOFP. IFRS 9 therefore has no material impact on the financial statements.

##### *IFRS 15 Revenue from Contracts with Customers*

IFRS 15, effective for reporting periods on or after 1 January 2018, establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer. MAS is levy and grant funded with receivables being measured at fair value and representing income to which MAS is entitled in respect of the financial year. IFRS 15 therefore has no material impact on the financial statements.

IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' states that, in the absence of a standard or an interpretation that specifically applies to a transaction, other event or condition, management must use its judgement in developing and applying an accounting policy that results in information that is relevant and reliable. Management has chosen to continue to apply the existing accounting policies for levies as these policies have been developed by considering the fundamental principles in the International Accounting Standards Board (IASB) Conceptual Framework and meet the core principle of IFRS 15.

##### *IFRS 16 Leases*

The standard as adapted and interpreted by FReM will be effective from April 2020 for organisations such as MAS. It will therefore not be applicable to MAS as all lease commitments were transferred to SFGB on 1 January 2019.

##### *IFRS 17 Insurance Contracts*

The standard comes into effect for periods commencing 1 January 2021 onwards. It will therefore not be applicable to MAS as all lease commitments were transferred to SFGB on 1 January 2019.

### 2. Significant accounting policies

The financial statements have been prepared on a historical cost basis, except for financial assets which are held at fair value and subsequently measured at amortised cost using the effective interest method. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Accounts Direction issued by HM Treasury. The principal accounting policies adopted are set out below:

### a. Going concern basis of accounting

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 MAS to SFGB and MAS ceased trading.

The Directors of the Company have therefore assessed that the going concern assumption is no longer appropriate for MAS and the accounts will be prepared on a basis other than going concern.

Applying a basis other than that of a going concern has no material impact on MAS' financial statements as all operations, people, assets and liabilities were transferred out of MAS at carrying value under absorption accounting leaving MAS as a shell company.

### b. Statement of comprehensive income

The format of the statement of comprehensive income on page 25 has been designed to show operating costs and fees levied to cover these costs. It is considered that this format best represents the nature of the activities of MAS, which involve carrying out statutory functions and the use of levied fees to meet the net cost of those functions. MAS has provided an analysis of the expenditure by delivery channel. This analysis has also been provided in the MAS business plan which allows users to easily compare budget to actual expenditure.

### c. Revenue recognition

MAS has two primary work streams: Money Guidance and Debt Advice. Both are funded by the levy on regulated firms. The Financial Conduct Authority (FCA) raises and collects this levy on behalf of MAS.

All levy revenue receivables under the Financial Services and Markets Act 2000 (FSMA) are measured at fair value, and represent the levies to which MAS was entitled in respect of the financial year. As MAS ceased operations before the end of the financial year when levy income is normally reconciled, 9 twelfth of the budget was used as the proxy for the 9 months of MAS' operations.

Revenue was also received from the Big Lottery during the year; this revenue has been treated on the same basis as levy income.

MAS has established that IFRS 15 is not applicable to it, therefore there is no impact on its revenue recognition policy. The definitions provided by the standard for Customer and Contract means that services provided by MAS and the levy it receives are not within the scope of the standard.

### d. Financial instruments

(i) *Trade receivables*: Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying value and the estimated future cash flows deriving from the continued use of that asset, discounted if the effect is material.

(ii) *Bad debt provision*: MAS' revenue recognition accounting policy is to recognise income when the FCA issues an invoice. It is therefore prudent to provide for bad debts, based on the historic average FCA bad debt collection fee rate, which has been assessed to be 0.2% (based on the last three years).

Under IFRS 9 the assessment for the bad debt provision will also take into account any reasonable and supportable future expectations. No material change is expected as a result of this standard.

*(iii) Trade payables:* Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

*(iv) Cash and cash equivalents:* Cash and cash equivalents comprise cash in hand, demand deposits and other short term liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value.

Throughout the year funds were placed with a number of financial institutions. MAS maintains a balance between readily available funds to meet cash flow requirements and flexibility by placing deposits for fixed periods.

#### e. Partnership funding

MAS commissions services to deliver its statutory objectives. MAS does this through contracts and grant agreements. Working with the provider, MAS establish the most appropriate mechanism to deliver the services. Funding is given to external partner organisations to carry out frontline services for debt advice and for the What Works Fund.

*(i) Debt advice:* MAS commissions debt advice services from our partners through grant agreements. MAS typically provide funding on a three-year basis.

*(ii) What Works Fund:* In 2016 MAS launched an evaluation fund to find out what interventions are most effective in helping people manage their money better. The aim is to build evidence by testing and piloting potential financial capability solutions to find out what works, for who and why. Since its launch in 2016, the What Works Fund has awarded grants to 58 project evaluations totalling £10.6m. These will come to an end by August 2018. In 2017, MAS launched seven more projects totalling £1.2m. These came to an end in February 2019.

The grants have been issued to partners based on an agreed evaluation plan. Milestones have been identified and funds are transferred based on the delivery of the defined milestones.

For both streams of funding, a liability is recognised in line with the relevant agreement requirements in place with each partner organisation. The agreements enable us to recognise the funding awarded on an annual only basis. Any termination liabilities are recognised when a decision is made to cease an agreement, and in line with the relevant requirements of the agreement.

These agreements were transferred to SFGB and the transfer of such obligations are covered by the FGC Act, Schedule 2.

#### f. Taxation

The tax expense represents the sum of tax currently payable. MAS is only liable to pay corporation tax on investment income and not on levy income received, therefore no deferred tax effect arises.

#### h. Capitalisation threshold of assets (tangible and intangible)

MAS capitalises assets (tangible and intangible) with a value of £1,000 or more.

### i. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost less estimated residual value on a straight-line basis over the expected useful economic life of the tangible assets.

### Summary of the MAS' depreciation policy of tangible assets

Property, plant and equipment	Useful economic life
Leasehold improvements	Straight line over the period of the lease (10 years)
Furniture & Fittings	Straight line over five years
Computer Hardware	Straight line over three years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

### j. Intangible assets

In accordance with IAS 38: Intangible Assets, costs associated with the development of website infrastructure are capitalised only where: MAS can demonstrate the technical feasibility of completing the infrastructure, it has adequate technical, financial and other resources available to it as well as the intent to complete its development and the ability to use it upon completion. In addition, costs are only capitalised if the asset can be separately identified, it is probable that the asset will generate future economic benefits, and that the development costs of the asset can be measured reliably. Economic benefits of a website remain difficult to measure in the public sector however IAS 38 states that capitalised development costs should provide future economic benefits that are attributable to the asset and will flow to MAS. Providing advice to the public through the MAS websites will ensure MAS meets its statutory objectives, meet its service potential and continue to receive funding from the FCA. Expenditure on research activities, website content and applications such as tools are recognised as expenditure in the year in which it is incurred. This expenditure typically has a useful life of less than a year because MAS is continually improving its content and applications to ensure customers have the best possible experience.

Only costs that are directly attributable to bringing the asset to working condition for its intended use are included in its measurement. These costs include all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in a manner intended by management.

Where no intangible asset can be recognised, development expenditure is charged to the statement of comprehensive income when incurred.



## Summary of MAS' amortisation policy of intangible assets

Intangible asset	Useful economic life
Internally generated website infrastructure	Straight line over five years <sup>1</sup>
Software licences	Amortised over the duration of the licence

### k. Impairment of property, plant and equipment and intangible assets.

At the end of each financial year, MAS reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks to the specific asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

### l. Inventories

Inventories are stated at the lower of cost and net realisable value. Current replacement cost is not considered materially different from historical cost.

### m. Leases

Leases are classified as finance leases when substantially all the risk and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

MAS has no finance leases in place.

MAS has the following operating lease:

Fifth Floor, 120 Holborn (entered into 8 March 2014, expires 7 March 2024). Rentals payable under operating leases are charged to the statement of comprehensive income on a straight line basis over the term of the lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

### n. Provisions

Provisions are recognised when MAS has a present obligation, legal or constructive, as a result of a past event, if it is probable that MAS will be required to settle that obligation and the amount can be reliably estimated. Provisions are measured at the Directors' best estimate at the reporting date of the expenditure required to settle the obligation. Provisions are discounted where the time value of money is material. A historical average inflation rate of 2% has been used to determine the value of the provision to recognise each year (see Note 11).

<sup>1</sup> There was a change of estimation in the depreciation of internally generated website infrastructure from reducing balance over five years to straight line over 5 years as it enables a better spread of costs across the expected life of the assets.

#### o. Contingent liabilities

MAS recognises contingent liabilities 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.

#### p. Reserves

MAS has set a general reserve policy of no more than 5%, which is applied to separate reserves for Money Guidance and Debt Advice levies whilst they remain separate funding streams. Reserve amounts cannot be transferred between Money Guidance and Debt Advice.

#### q. External auditors

The audit fee is VAT exempt as it is required by statute as a result of the Financial Services Act 2012.

#### r. Critical accounting judgements and key sources of estimation uncertainty

Ordinarily the levy funding for the year is recognised based on levy income invoiced by the FCA. It is attributable to the whole year and normally involves a number of reconciliations at year-end. As the transfer to the SFGB took place part-way through the financial year, MAS used three quarters of the budget as the proxy for the income share for the period to 31 December 2018.

### 3. Income

	Note	Year Ended 31 Mar 2019 £'000	Year Ended 31 Mar 2018 £'000
<b>Levy income - Money Advice</b>			
FCA Budget for the period:		20,250	27,000
<i>Income received in 2018/19 for:</i>			
2013/14		-	-
2014/15		0	19
2015/16		28	84
2016/17		9	672
2017/18		130	766
<b>Sub-total</b>		20,417	28,541
Return of funds to levy payers	<b>3 (i)</b>	(335)	(7,898)
<b>Total levy income - Money Advice</b>		20,082	20,643
<b>Levy income - UK Debt Advice</b>			
FCA Budget for the period:		42,000	48,000
<i>Income received in 2018/19 for:</i>			
2015/16		-	61
2016/17		-	4
2017/18		-	1,100
<b>Total levy income - UK Debt Advice</b>		42,000	49,165
<b>Levy income - Transition</b>			
FCA Budget for the period:		375	-
<b>Total levy income - Transition</b>		375	-
<b>Total levy income</b>		62,457	69,808
<b>Grant income - Money Advice</b>	<b>3 (ii)</b>	19	73
<b>Interest Income</b>		103	82
<b>Total Income</b>		62,579	69,963

**Note 3 (i):** The reduction to income represents MAS returning an accumulation of reserves over prior years to fee payers in 2018/19. In 2018/19 MAS requested from the FCA £335k (17/18: £7.9m) less than its budgeted spend and the shortfall was funded from its reserves.

**Note 3 (ii):** Money Guidance co-funded a three year grant with Big Lottery Wales. This expense represents the final payment for Talk, Learn, Do project.

## 4. Expenditure

		Year Ended 31 Mar 2019	Year Ended 31 Mar 2018
Cost of services - Money Advice	Notes	£'000	£'000
Provision of direct money advice		1,473	1,378
Digital service delivery		798	1,116
<b>Total front-line delivery costs</b>		<b>2,271</b>	<b>2,494</b>
What Works Fund		2,775	8,703
Financial capability		666	626
Consumer insight and research		656	742
Consumer engagement		501	279
Staff and associated costs	5	8,767	11,137
IT hosting and support services		584	495
Support services		2,209	3,495
Audit fee		35	29
<b>Total cost of services - Money Advice</b>		<b>18,464</b>	<b>28,000</b>
<b>Cost of services - UK Debt Advice</b>			
Frontline delivery - provision of debt advice		34,127	43,057
Research and evaluation		459	1,108
Staff and associated costs	5	2,515	3,109
Lead organisation redundancy costs		-	369
Support services		2,841	3,123
<b>Total cost of services - UK Debt Advice</b>		<b>39,942</b>	<b>50,766</b>
<b>Cost of services - Transition</b>			
Support services		48	-
Staff and associated costs		247	-
Legal costs		11	-
<b>Total cost of services - Transition</b>		<b>306</b>	<b>-</b>
Bad debt provision		-	(1)
Depreciation and amortisation	6 & 7	395	443
Write-down of current assets		398	-
<b>Total expenditure before tax</b>		<b>59,505</b>	<b>79,208</b>

## 5. Staff costs

The average number of full-time equivalent permanent employees (including executive directors) for the year ended 31 March 2019 was 153 (31 March 2018: 147). The average number of full-time equivalent permanent employees in each function during the current year was as follows:

**Note:** The FTE figures below exclude contract and temporary staff.

	9 Months to 31 Dec 2018	Year Ended 31 Mar 2018
	Average no. of FTE	Average no. of FTE
<b>Directorate</b>		
Customer	62	47
Executive Office	7	9
UK Financial Capability	40	45
Corporate Services	30	27
UK Debt Advice	14	19
Average number of full time equivalent permanent employees	153	147

Employment costs (including executive directors) comprise:

	Notes	9 Months to 31 Dec 2018 £'000	Year Ended 31 Mar 2018 £'000
<b>Money Advice:</b>			
Gross salary and taxable benefits		6,733	8,486
Recharge to Debt for support services staff		(903)	(1,263)
Contract and temporary staff		1,249	2,324
Redundancy costs		414	104
Employer's National Insurance costs		764	858
Defined contribution pension costs		510	628
Total staff costs - Money Advice		8,767	11,137

		9 Months to 31 Dec 2018 £'000	Year Ended 31 Mar 2018 £'000
<b>UK Debt Advice:</b>			
Gross salary and taxable benefits		1,187	1,238
Recharge for support services staff		903	1,263
Contract and temporary staff		104	383
Redundancy costs		104	-
Employer's National Insurance costs		130	139
Defined contribution pension costs		87	86
Total staff costs - UK Debt Advice		2,515	3,109

Transition:	9 Months to	Year Ended
	31 Dec 2018	31 Mar 2018
	£'000	£'000
Total staff costs - Transition	247	-

### Reporting of compensation scheme – All exit packages

There were 5 compulsory redundancies and 4 agreed redundancies in the nine months to 31 December 2018.

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	31 Dec 2018	31 Mar 2018	31 Dec 2018	31 Mar 2018	31 Dec 2018	31 Mar 2018
Less than £10,000	-	-	-	-	-	-
£10,000 - £25,000	-	-	1	-	1	-
£25,000 - £50,000	2	-	2	-	4	-
£50,000 - £100,000	1	-	-	2	1	2
£100,000 - £150,000	2	-	-	-	2	-
£150,000 - £200,000	-	-	-	-	-	-
<b>Total number of exit packages</b>	<b>5</b>	<b>-</b>	<b>3</b>	<b>2</b>	<b>8</b>	<b>2</b>
<b>Total resource cost £'000</b>	<b>435</b>	<b>-</b>	<b>83</b>	<b>104</b>	<b>518</b>	<b>104</b>

Note: This table also includes directors.

## 6. Current Assets – Intangibles

	Software £'000	Website £'000	Total £'000
<b>Cost</b>			
<b>As at 1 Apr 2017</b>	462	-	462
Additions	234	105	339
Disposals / write-offs	(172)	-	(172)
<b>As at 31 Mar 2018</b>	524	105	629
<b>As at 1 Apr 2018</b>	524	105	629
Additions	50	188	238
Disposals / write-offs	(246)	-	(246)
Transfer to SFGB	(328)	(293)	(621)
<b>As at 31 Mar 2019</b>	0	0	0
<b>Accumulated amortisation and impairment</b>			
<b>As at 1 Apr 2017</b>	390	-	390
Charge for year	173	-	173
Disposal amortisation/impairment	(172)	-	(172)
<b>As at 31 Mar 2018</b>	391	-	391
<b>As at 1 Apr 2018</b>	391	-	391
Charge for year	134	15	149
Disposal amortisation/impairment	(234)	-	(234)
Transfer to SFGB	(291)	(15)	(306)
<b>As at 31 Mar 2019</b>	0	0	0
<b>Carrying Amount</b>			
As at 31 Mar 2018	133	105	238
As at 31 Mar 2019 – Note 22	0	0	0

## 7. Current Assets - Property plant and equipment

	Leasehold property improvements	Furniture & fittings	IT equipment	Total
Cost	£'000	£'000	£'000	£'000
<b>As at 1 Apr 2017</b>	781	319	427	1,527
Additions	-	7	48	55
Disposals / write-offs	-	-	(105)	(105)
<b>As at 31 Mar 2018</b>	781	326	370	1,477
<b>As at 1 Apr 2018</b>	781	326	370	1,477
Additions	-	6	130	136
Disposals / write-offs	(781)	-	-	(781)
Transfer to SFGB	-	(332)	(500)	(832)
<b>As at 31 Mar 2019</b>	-	0	0	0
<b>Accumulated depreciation and impairment</b>				
<b>As at 1 Apr 2017</b>	231	182	191	604
Charge for the year	78	65	127	270
<b>Disposal depreciation/ impairment</b>	-	-	(105)	(105)
<b>As at 31 Mar 2018</b>	309	247	213	769
<b>As at 1 Apr 2018</b>	309	247	213	769
Charge for the year	59	49	111	219
Disposal depreciation/impairment	(368)	-	-	(368)
Transfer to SFGB	-	(296)	(324)	(620)
<b>As at 31 Mar 2019</b>	-	0	0	0
<b>Carrying Amount</b>				
As at 31 Mar 2018	472	79	157	708
As at 31 Mar 2019	-	0	0	0



## 8. Other Current assets

Analysis by type		As at 31 Mar 2019	As at 31 Mar 2018
	Note	£'000	£'000
Consumables		-	46
Inventories		-	46
Related parties amounts receivable	(i)	-	54
Prepayments and accrued income		-	1,258
Other debtors		-	61
Trade and other receivables		-	1,373
Cash deposits	21	-	37,759

### Cash and cash equivalents

Cash and cash equivalents comprised cash in hand, deposits and other short-term highly liquid investments that were readily convertible to a known amount of cash and were subject to an insignificant risk of changes in value.

### Prepayments and accrued income

For the What Works Fund, MAS paid an average of 10% at the start of the grant agreement. This was prepaid and will be netted off against the final payment of the grant agreement.

**Note (i)** - MAS recognised income when the FCA issued an invoice to fee payers. This balance relates to levy income invoiced but not paid over to MAS.

## 9. Financial instruments

### a. Credit Risk

MAS' credit risk fell into two main categories:

- (i) the collection of fees from the financial services industry. The FCA collected fees on behalf of MAS and transferred collected fees on a weekly basis. The FCA had a strong record in terms of collecting fees with bad debt experience averaging at less than 0.2% of fees receivable over the last three years; and
- (ii) the placement of those fees as deposits with various counter-parties: MAS only invested with those financial institutions that met its minimum credit rating as assigned by credit rating agencies. MAS also spread its deposits across a number of counter-parties in order to avoid concentration of credit risk.

### b. Interest rate risk

Other than cash held in bank accounts, all of MAS' cash and cash equivalents were fixed-rate fixed term deposits and were not sensitive to variations in interest rates.

### c. Liquidity risk

MAS managed its liquidity by carefully monitoring the projected income and expenditure related to its day-to-day business. MAS also had an overdraft facility with HSBC for £5m to mitigate liquidity risk.

## 10. Trade and other payables

Analysis by type	Note	As at	As at
		31 Mar 2019	31 Mar 2018
		£'000	£'000
Trade payables		-	1,442
Accruals		-	4,398
Deferred Income	10 (i)	-	29,248
Other taxation and social security		-	331
<b>Total trade and other payables</b>	<b>21</b>	<b>-</b>	<b>35,419</b>
<b>Tax liabilities</b>	<b>21</b>	<b>-</b>	<b>16</b>

Trade payables and accruals principally comprised amounts outstanding for trade purchases and on-going costs. The average credit period taken for trade payables was 29 days (2017/18: 34 days).

In accordance with IFRS 7 trade payables and accruals were classified as financial liabilities measured at amortised cost. Directors considered the carrying amount of trade payables approximate to their fair value.

**Note (i)** - MAS recognised revenue when an invoice was issued to fee payers. Deferred income was recognised for levies relating to 2018/19 invoiced by the FCA before 31 December 2018.

## 11. Provisions

Provisions	As at	As at
	31 Mar 2019	31 Mar 2018
	Dilapidation	Total
	£'000	£'000
At 1 April 2018	146	146
Unwinding of discount	3	3
Provision during the year	-	-
Transfer to SFGB	(149)	(149)
<b>Balance at 31 Mar 2019</b>	<b>0</b>	<b>0</b>
<b>Analysis of expected timing of cash flow</b>	<b>Dilapidations</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Not later than one year	149	149
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
Transfer to SFGB	(149)	(149)
<b>Balance at 31 Mar 2019</b>	<b>0</b>	<b>0</b>

## 12. Reconciliation of operating surplus to net cash inflow from operating activities

	Note	Year ended 31 Mar 2019 £'000	Year ended 31 Mar 2018 £'000
<b>Cash flows from operating activities</b>			
(Deficit)/Surplus for the year		3,035	(9,261)
Interest received on bank deposits		(103)	(82)
Corporation tax expense	21	19	16
<b>Adjustments for non-cash items</b>			
Depreciation of property, plant & equipment	7	219	270
Disposal of intangibles	6	12	-
Disposal of tangibles	7	413	-
Amortisation of intangibles	6	149	173
Increase/(decrease) in provisions	11	3	2
<b>Operating cash flows before movements in working capital</b>		3,747	(8,882)
<b>Adjustments for movements in working capital</b>			
(Increase) / decrease in inventories	8	46	(46)
(Increase) / decrease in trade and other receivables falling due within one year	8	(6,740)	3,818
Increase / (decrease) in trade and other payables falling due within one year	10	(12,571)	4,439
<b>Net cash inflows/(outflows) from operating activities</b>		<b>(15,518)</b>	<b>(671)</b>

## 13. Financial commitments

MAS has no other significant financial commitments other than those indicated in notes 15 & 16.

## 14. Operating lease commitments

As at 31 December 2018 MAS had outstanding commitments for the future minimum lease payments under non-cancellable operating leases which fall due as follows:

	Year ended 31 Mar 2019 £'000	Year ended 31 Mar 2018 £'000
Not later than 1 year	764	746
later than 1 year but not later than 5 years	3,198	3,173
later than 5 years	-	789
	<b>3,962</b>	<b>4,708</b>

The above operating lease relates to MAS' office at 120 Holborn. MAS entered into the lease on 8 March 2014 for a 10-year period, ending 7 March 2024 and was granted a 24-month rent free period at the start of the operating lease (March 14 - February 16). In accordance with IAS 17 leases, MAS amortised the rent-free period over the duration of the lease. MAS also received £225,000 from the landlord as contribution towards renovations of the office, has also been amortised over the duration of the lease.

The lease was novated to SFGB as part of the transfer under the Transfer Scheme.

## 15. Contingent liabilities

On 1 April 2012 MAS took on grant agreements previously managed by the Department for Business, Innovation and Skills for the provision of Debt Advice in the UK. This transferred any employee related liabilities accrued at the date of termination of these grant agreements to MAS. This responsibility was transferred to SFGB which reached a settlement with the grant recipients.

## 16. Related party transactions

### a. Remuneration of key management personnel

The remuneration of key management personnel of MAS is set in the remuneration report (page 19). The individuals identified in the remuneration report were the key management personnel as defined by IAS. This included the Chair and Board of Executive and Non-Executive Directors.

### b. Significant transactions with the Financial Conduct Authority (FCA)

Under statute (Financial Services Act 2012) the FCA approved the MAS budget but did not have influence over the operations of MAS. Accordingly, the FCA did not control MAS, but considered it to be a related party. Included in trade and other receivables (note 8) is £1,950,763 which was outstanding as at 31 December 2018 (31 March 2018: £54,000) and related to the FCA. The receivable was levy income invoiced but not paid to MAS. This amount was subsequently paid to SFGB. MAS recognised income as described in the revenue recognition policy disclosed in the notes above.

During the year, the FCA provided an invoicing and fees collection service to MAS. The FCA charged MAS an amount of £130,000 excluding VAT for the provision of this service for the period ended 31 December 2018 (2017/18: £109,000 excluding VAT).

No bad debt provision was recognised in relation to FCA levy income as final reconciliations were not undertaken due to an in-year transfer of that responsibility to the SFGB (2017/18: £108).

## 17. Losses and special payments

There were no losses or special payments during the current period or prior year.

## 18. Special severance payments

There were special severance payments made during period ended 31 December 2018 of £518,000 as shown in Note 5 (31 March 2018 £104,000).

## 19. Sickness absences

For the period ended 31 December 2018 the average absence rate was 1.6% of total staff (Year ended 31 March 2018: 1.4%).

## 20. Events occurring after the reporting period

There were no reportable events after the reporting period.

IAS 10 requires MAS to disclose the date on which the accounts are authorised for issue by the Accounting Officer. The annual report and accounts were authorised by the DWP Accounting Officer for issue on the date of the Comptroller and Auditor General's audit certificate.

## 21. 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 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 MAS to the SFGB by 1 January 2019 were:

	Notes	Year Ended 31 Mar 2019 £'000
Intangible Assets	6	(314)
Property Plant & Equipment	7	(213)
Trade and other receivables	8	(8,120)
Transferred in advance to SFGB	8	(21,447)
Cash and cash equivalents	8	(500)
Trade and other payables	10	22,828
Current tax liabilities	10	19
Provisions	11	149
<b>Total Transfers</b>		<b>(7,598)</b>
<b>Net loss on absorption</b>		<b>(7,598)</b>

## Accounts direction from HM Treasury




HM Treasury  
1 Horseguards Road  
London SW1A 2HQ  
[www.gov.uk/hm-treasury](http://www.gov.uk/hm-treasury)

18 December 2014

### **ACCOUNTS DIRECTION GIVEN BY HM TREASURY IN ACCORDANCE WITH SECTION 5(2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000**

1. This direction applies to Money Advice Service (MAS).
2. MAS shall prepare accounts for the financial year ended 31 March 2015 and future years in compliance with the accounting principles and disclosure requirements of and in accordance with the Companies Act 2006 and International Financial Reporting Standards as adopted by the EU.
3. In addition to compliance with the Companies Act, MAS shall also have regard for the requirements and principles identified in the Government Financial Reporting Manual issued by HM Treasury (“the FReM”) for the financial year for which the accounts are being prepared to the extent that they clarify or build on the requirements of the Companies Act. This includes in the following areas:
  - a) Governance Statement
  - b) Remuneration Report
  - c) Fair Pay Disclosure
  - d) Exit Packages
  - e) Balances with other government bodies
  - f) Losses and Special Payments
  - g) Special Severance Payments
  - h) Sickness absences (for 2014-15 only)
4. The accounts shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs at 31 March 2015, and subsequent financial year-ends, and the result, changes in tax payer’s equity and cash flows for the financial year then ended; and
  - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.



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