
LONDON TRAVELWATCH

The operating name of London Transport Users' Committee

AUDITED FINANCIAL STATEMENTS

◆ *Year ended 31 March 2019* ◆



INVESTORS
IN PEOPLE

Silver
Until 2020

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INFORMATION

| | |
|-----------------|---|
| Chair | Arthur Leathley |
| Chief Executive | Janet Cooke (until 5 April 2019) Joanna Simons (from 15 April 2019) |
| Deputy Chair | John Stewart left 31 December 2018 Alan Benson from 1 January 2019 |
| Board Members | Jackie Ballard Richard Dilks left 31 December 2018 Glyn Kyle left 31 December 2018 Abdi Osman Safia Iman from 1 January 2019 Laura Osborne from 1 January 2019 Karen McArthur from 1 January 2019 |
| Address | Europoint 5-11 Lavington Street London SE1 ONZ |
| Auditors | BDO LLP 150 Aldersgate Street London EC1A 4AB |
| Bankers | The Royal Bank of Scotland plc 4 th Floor 1 Hardman Boulevard Manchester M3 3AQ |

REPORT OF THE BOARD

The Board and Chief Executive present their report and audited financial statements for the year ended 31 March 2019.

Statutory background

London Transport Users' Committee was established as a body corporate on 3 July 2000 under provisions in the Greater London Authority Act 1999 (Commencement No 4 and Adaptation) Order 2000. Under Clause 4 of the London Transport Users' Committee (Transitional Provisions) Order 2000 all property, rights and liabilities of London Regional Passengers' Committee (LRPC) were transferred to the London Transport Users' Committee (LTUC). Clause 5 of the same Order provided for a continuity of functions between LRPC and LTUC, hence the new Committee inherited the full range of activities of LRPC, together with such additional functions as are set out in the relevant provisions of the Greater London Authority Act 1999, as amended by the Transport Act 2000. On 20 October 2005 the Committee adopted the title London TravelWatch as its operating name. From 1 January 2007 London TravelWatch has operated as a Board and its principal subsidiary bodies, legally Sub-Committees under the Greater London Authority Act 1999, have been established as Committees. London TravelWatch is a public benefit entity.

Principal activity

London TravelWatch's function is to represent the interests of the users of transport services provided by, or on behalf of, Transport for London, together with the users of Heathrow Express, and, within defined geographical boundaries, the National Rail network and Eurostar. It fulfils this responsibility by:

- (i) Acting as the appeals body for complaints from, or on behalf of transport users, that have not been dealt with to the complainants' satisfaction by the service provider.
- (ii) Responding to consultation exercises by the service providers, by regulatory bodies, by central and local government and by others on matters to do with services within its remit in particular and transport policy in general.
- (iii) Undertaking research into transport needs in its area.
- (iv) Meeting regularly with transport decision makers, providers and operators to promote improvements for service users and operators.

Finance

London TravelWatch is financed by grants from the Greater London Authority (GLA) as approved by the London Assembly. The Grant-in-aid is primarily of a revenue nature, but occasionally may contain an element relating to capital expenditure, and is credited to the income and expenditure account in the year in which it is received. London TravelWatch recovers from Transport Focus (previously Passenger Focus, the operating name of the Passengers' Council) the costs of rail safety work done on its behalf. During the past two years London TravelWatch has also been reimbursed by the Rail Delivery Group for costs it has incurred in helping to develop the proposed rail passenger ombudsman scheme.

REPORT OF THE BOARD (continued)

Creditors/suppliers payments policy

London TravelWatch has a policy of settling all valid bills according to terms agreed with individual suppliers. In practice, this can vary between 14 and 30 days following the invoice date, although every effort is made to ensure earlier payment where this is possible. There were no claims for interest payment – under the terms of the Late Payment of Commercial Debts (Interest) Act 1998 – in this financial year. At least 99% of the suppliers' invoices not in dispute are paid within 30 days of receipt.

Fixed assets

Details of the movements in the tangible fixed assets are set out in note 13 to the financial statements.

Premises

London TravelWatch's lease with the London Fire Brigade ended in November 2018. We now occupy office space, under a five year lease, within the Europoint building on Lavington Street.

Board and Senior Management

All appointments to the London TravelWatch Board are made by the London Assembly following public advertisement. The current chair Arthur Leathley was appointed from 1 October 2017 for four years. Alan Benson was appointed Deputy Chair for an initial period of 6 months from 1 January 2019.

John Stewart, Richard Dilks and Glyn Kyle terms of office expired on 31 December 2018 (after an extension of two years each). Three new board members were appointed from 1 January 2019, each for a four year term – these are Karen McArthur, Laura Osborne and Safia Iman.

In March 2019 it was agreed that Janet Cooke would leave London TravelWatch. The Board would like to express their thanks for her considerable efforts over the past 12 years. The Board appointed Joanna Simons as the interim Chief Executive, with a permanent appointment expected later in the year.

REPORT OF THE BOARD (continued)

Pay

In April 2006 London TravelWatch introduced a banded pay structure for its staff based on the revised structure implemented by the Greater London Authority the previous year. In 2018/19 we implemented a pay rise for staff and members of between 2% and 3% which mirrored that made by the GLA in respect of City Hall staff and members. Details of our staff costs during the year are included in Note 5 to the financial statements.

Staffing

As at 31 March 2019 the organisation employed 17 staff, 5 of whom were part-time, which equated to 14.2 full time equivalent posts (fte). This is a reduction of 0.9 fte from the same time 12 months ago. Over the course of the year, however, turnover meant that the average number of staff in post was 13.5 fte a reduction of 1.4 fte on the previous year. One member of staff is currently on maternity leave and due to return in the summer of 2019. There are no current vacant posts. The London Fire Brigade continue to provide us with accountancy support under a shared services agreement.

Learning and development

As part of the performance management system, development needs are identified by line managers. Individuals have access to a range of learning and development opportunities during the year. Given the pressure of resources we continue to encourage staff to take responsibility for their own learning, develop networks and relationships and learn from others.

Investors in People

London TravelWatch was first accredited under the Investors in People scheme in 2002 and, following an inspection in 2017, we retained our silver status which will apply until February 2020. The report was particularly complimentary about our organisational values and how these underpin our work. We are working to address recommendations made in the report and will continue to use the Investors in People framework to further develop our organisation.

Cost recovery

We continue to work along side the Rail Delivery Group in the development of the rail passenger ombudsman scheme. We undertook this work on the basis that our costs would be recovered from the Rail Delivery Group. This cost recovery income is recorded under Note 2 to the accounts as other income.

REPORT OF THE BOARD (continued)

Transparency

London TravelWatch aims to be fully transparent in its decision making processes and corporate arrangements. To this end London TravelWatch publishes details of expenditure equal to and above £500 and procurement information for contracts equal to and above £5,000 on its website. It also publishes information on its organisational structure, salary bands and the ‘pay multiple’, as well as details of governance, board and committee reports and decisions, members’ declarations of interest and allowances, financial statements and performance reports. All Board and Policy Committee documents, along with key Governance reports, are published on the website.

General Data Protection Regulations (GDPR)

The organisation is aware of its responsibilities under the GDPR which came into effect in May 2018. It has nominated and trained a Data Protection Officer who continues to audit the information we hold and how it is stored.

Equal opportunities and disability

All employees have equal opportunities for employment and advancement based solely on their ability, qualifications and relevant skills and experience for the work. It is the formal and written policy of London TravelWatch that there shall be no discrimination on any grounds, including gender, racial or national origin, religious beliefs, sexuality, age, disability, marriage/civil partnership, pregnancy or gender reassignment. In furtherance of this aim we regularly monitor the demographic data for recruitment and employment.

Achievements

Key areas of achievement

2018-19 has been another successful year during which we continued to make a real difference for transport users in and around London. We:

- persuaded Network Rail to remove the charges for passengers to use toilets at stations they manage
- improved passenger information at times of service disruption so passenger information would take precedence over commercial adverts at these times
- secured the inclusion of walkable interchanges on the London rail and tube services map
- pushed the Rail Delivery Group (RDG) to carry out a consultation on simplifying the fares and ticketing system
- reduced the impact on bus services of the Crossrail delay ensuring that service changes that directly depended on Crossrail opening on time would be delayed until Crossrail was operational
- secured the retention of 47 London Overground ticket offices targeted for closure
- persuaded Greater Anglia to continue the sale of advance and super off peak tickets at their ticket offices
- improved the visibility of London Underground staff at stations with new Transport for London (TfL) 'Here to help' bright red vests
- secured a more passenger friendly approach to major works at Victoria and Euston stations
- persuaded HS2 and Network Rail to retain a section of line on the approaches to Euston that was due to be removed to ensure more reliable services whilst Euston station is rebuilt and to look to reinstate a turn around set of points at Watford Junction to improve service resilience in time of disruption

REPORT OF THE BOARD (continued)

Statement of London TravelWatch's and the Chief Executive's responsibilities

Under section 251 of the Greater London Authority Act 1999, London TravelWatch is required to prepare a statement of accounts for the financial year on the basis directed by the London Assembly. The accounts are prepared on an accruals basis and, in accordance with FRS 102 and our status as a public benefit entity, they must show a true and fair view of London TravelWatch's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts London TravelWatch is required to:

- Observe the accounts direction issued by the Assembly, including the relevant accounting and disclosure requirements, and apply suitable policies on a consistent basis. The accounts direction is shown as an appendix to the accounts;
- Make judgements and estimates on a reasonable basis; and
- State whether applicable UK accounting standards have been followed and are in accordance with the Companies Act 2006, which replaced Schedule 4, Parts I to III of the Companies Act 1985, and explain any material departures in the financial statements.

London TravelWatch has designated its Chief Executive as the Accounting Officer. Her relevant responsibilities as the Accounting Officer, including her responsibility for the propriety and regularity of public finances and for the keeping of proper records, are set out in the London Transport Users Committee (Transitional Provisions) Order 2000.

Corporate governance: statement of the Accounting Officer on the system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by London TravelWatch.

The system of internal financial control can provide only reasonable not absolute assurance that the assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of financial control is based on administrative procedures including the segregation of duties. In particular this includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the London Assembly;
- Procedures to review and agree budgets; and
- The preparation of regular financial reports, which includes actual expenditure against forecast.

In addition, internal financial control is exercised by a requirement for all payments equal to or over £3,000 to be signed by two authorised signatories, with all expenditure covered by invoice, signed certificate and/or receipt, direct debit mandate or standing order instruction.

I consider these measures, in addition to simple arithmetic checks of invoices, adequate for the size of the organisation. The effectiveness of the system of internal financial control is confirmed by our own management checks, and comments made by the external auditors in their management letters and other reports.

REPORT OF THE BOARD (continued)

Reserves

The Board reviewed the reserves policy in October 2013 and agreed to maintain the reserve at an intended level of £50,000. It continues to reconsider this annually. Our reserves at 31 March 2019 were £45,706 represented by £48,457 of fixed assets and £(2,751) of working capital. The Board is working towards restoring the working capital position in the current financial year.

Risk Statement

The Board of London TravelWatch has a robust system for assessing and managing risk and ensuring business continuity. Both have been the subject of internal audit and given a ‘substantial assurance’ rating.

Memorandum of Understanding

In 2014 London TravelWatch agreed a new Memorandum of Understanding with the London Assembly’s Transport Committee which sets out a clear and transparent basis upon which the two organisations will interact with each other. The revised protocol of accounts and financial procedures which is part of this memorandum is shown on page 24.

Going Concern

London TravelWatch’s funding is provided by means of a grant from the Greater London Assembly (GLA), which is renewed on an annual basis. The GLA has a statutory duty to fund London TravelWatch.

On the basis of London TravelWatch’s budget and business plan for the next financial year, prepared in accordance with the directions from the Greater London Assembly, and accepting the need to substantially reduce our overheads, I have reasonable expectation that London TravelWatch will continue in operational existence in the foreseeable future and accordingly consider that it is appropriate to adopt the going concern basis in preparing accounts.

Joanna Simons CBE
Interim Chief Executive
London TravelWatch

Independent Auditor's Report to the London Assembly

Opinion

We have audited the financial statements of London TravelWatch for the year ended 31 March 2019 which comprise statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of London TravelWatch's affairs as at 31 March 2019 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Accounts Direction issued by the London Assembly.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of London TravelWatch in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- London TravelWatch's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- London TravelWatch has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

London TravelWatch and the Chief Executive are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of London TravelWatch and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board.

We have nothing to report in respect of the following matters where the Accounts Direction issued by the London Assembly requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board members' remuneration and transactions with London TravelWatch specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of London TravelWatch

As explained more fully in the Statement of London TravelWatch's and the Chief Executive's Responsibilities set out on page 7, London TravelWatch is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as London TravelWatch determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, London TravelWatch is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the London Assembly, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Clark, *Senior Statutory Auditor*

For and on behalf of BDO LLP, Statutory Auditor

150 Aldersgate Street, London, EC1A 4AB

Date: 08/07/19

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2019

| | | 2019 | 2018 |
|---|-------|------------------|------------------|
| | Notes | £ | £ |
| GLA Grant Income | 2 | 1,036,000 | 1,036,000 |
| Other Income | 2 | 51,151 | 82,155 |
| Re-imburement of office loss | 2 | 88,200 | - |
| | 2 | 1,175,351 | 1,118,155 |
| Expenditure: | | | |
| Chair's costs | 3 | 21,297 | 17,642 |
| Board's representative on Transport Focus | 4 | 8,004 | 7,335 |
| Employee costs – pay | 5 | 870,181 | 737,439 |
| Employee costs - non pay | 6 | 15,018 | 9,713 |
| Board members' costs | 7 | 31,320 | 32,434 |
| Accommodation costs and move costs | 8 | 152,805 | 160,617 |
| Supplies and services | 11 | 102,495 | 123,366 |
| Depreciation of tangible fixed assets | 13 | 19,989 | 18,249 |
| Impairment of tangible fixed assets | 13 | - | 7,500 |
| Cost of services | | 1,221,109 | 1,114,295 |
| (Deficit)/Surplus on provision of services | | (45,758) | 3,860 |
| Interest received | 12 | 333 | 32 |
| (Deficit)/Surplus for the year | | (45,425) | 3,892 |

London TravelWatch had no recognised gains or losses in the year ended 31 March 2019 other than those noted above and all operations are continuing.

The accounting policies and notes on pages 14 to 23 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2019

| | 2019 | 2018 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Opening balance | 91,131 | 87,239 |
| (Deficit) Surplus for the year | (45,425) | 3,892 |
| Closing balance | 45,706 | 91,131 |

STATEMENT OF FINANCIAL POSITION
at 31 March 2019

| | Note | 2019 | 2018 |
|--|------|----------------|----------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 13 | 48,457 | 17,446 |
| Debtor due after more than one year | 14 | 39,473 | - |
| Current assets | | | |
| Debtors | 15 | 116,739 | 22,142 |
| Cash at bank and in hand | | 11,692 | 114,829 |
| | | 167,904 | 136,971 |
| Creditors: amounts falling due within one year | 16 | (170,655) | (63,286) |
| Net current liabilities | | (2,751) | 73,685 |
| Total assets less current liabilities | | 45,706 | 91,131 |
| Financed by: | | | |
| General reserve | | 45,706 | 91,131 |
| | | 45,706 | 91,131 |

The accounting policies and notes on pages 15 to 23 form part of these financial statements.

The financial statements were approved by the interim Chief Executive on 08/07/2019 and signed on London TravelWatch's behalf by:

Joanna Simons CBE
Interim Chief Executive
London TravelWatch

STATEMENT OF CASH FLOWS
for the year ended 31 March 2019

| | Note | 2019 | 2018 |
|--|------|-----------------|---------------|
| | | £ | £ |
| Net operating (deficit)/ surplus | | (45,758) | 3,860 |
| Adjustments to net operating (deficit)/ surplus for non-cash items | | (6,712) | 50,256 |
| Net cash flows from operating activities | | (52,470) | 54,116 |
| Interest received | | 333 | 32 |
| Investing activities – acquisition of tangible fixed assets | 13 | (51,000) | - |
| Net cash flows from investing activities | | (50,667) | 32 |
| Net increase or decrease in cash and cash equivalents | | (103,137) | 54,148 |
| Cash and cash equivalents at the beginning of the Reporting period | | 114,829 | 60,681 |
| Cash and cash equivalent at the end of the reporting Period | | 11,692 | 114,829 |

Adjustments for non-cash items

| | 2019 | 2018 |
|----------------------------------|----------------|---------------|
| | £ | £ |
| Depreciation | 19,989 | 25,749 |
| Decrease/(increase) in debtors | (134,070) | 27,163 |
| Increase/(decrease) in creditors | 107,369 | (2,656) |
| | (6,712) | 50,256 |

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements have been produced in accordance with the accounts direction given by the London Assembly (Section 251 of the Greater London Act 1999) which is reproduced as an appendix to these accounts and without limiting the information given and meet the disclosure requirements of the Companies Act 2006. The principal accounting policies are set out below. They have been applied consistently in dealing with items considered material in relation to the accounts.

These financial statements have been prepared in accordance with FRS 102, as issued by the Financial Reporting Council. The financial statements are presented in pounds sterling, which is the functional currency and rounded to the nearest pound.

The accounts have been prepared under the historical cost convention.

GLA grants receivable

During the period covered by the accounts, London TravelWatch was funded primarily by grant-in-aid from the Greater London Authority under the provisions of the Greater London Authority Act 1999, as noted on page 2. This was accounted for on a receivable basis and credited to the income and expenditure account. London TravelWatch also recovered the cost from Transport Focus for work done by London TravelWatch's Safety Advisor in respect of rail safety issues, from Transport for London for work on the review of the closure of London Underground ticket offices and from the Rail Delivery Group for work on the development of a new rail passenger redress scheme.

Fixed assets

Expenditure on tangible fixed assets is capitalised for each item, the cost of which exceed £5,000 or, in case of minor computer hardware, group of assets. Items falling below this value are charged as an expense to the income and expenditure account.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its useful life, as follows:

- Short-term leasehold improvements – to the cessation of the current licence.
- Computer equipment and software – 5 years for hardware and software as detailed by IT advisors

Value Added Tax

London TravelWatch is not VAT registered.

Corporation Tax

London TravelWatch has been confirmed by HMRC as dormant for Corporation Tax purposes for any period that ends before 31 May 2019, subject to any change in activities in the period which are taxable.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019 (cont'd)

1. ACCOUNTING POLICIES CONTINUED

Pensions

Retirement Benefits/pension costs has been accounted for under FRS 102. Certain additional disclosures are given as required by FRS 102 (Note 17).

Critical accounting judgements and estimates

In the application of accounting policies, management are required to make judgements, 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 factors that are considered to be relevant. Actual results may differ from estimates. There were no judgements, estimates and assumptions that may cause amounts recognised or disclosed to change in the following reporting period.

NOTES TO THE FINANCIAL STATEMENTS**31 March 2019 (cont'd)**

| | 2019 | 2018 |
|---|-------------------------|-------------------------|
| | £ | £ |
| 2. Income | | |
| Grants received from the Greater London Authority | 1,036,000 | 1,036,000 |
| Other income | 36,000 | 77,982 |
| Transport Focus | 15,151 | 4,173 |
| Re-imburement of cost of loss of office | 88,200 | - |
| | <u>1,175,351</u> | <u>1,118,115</u> |

Income received from Transport Focus was cost recovery in respect of 50% of the cost of employing a one day per week (0.2fte) safety advisor who carries out work for both organisations. Other income was the recovery of ongoing staff costs incurred in the aiding setup of a new redress service for rail passengers, which ended January 2019

| | 2019 | 2018 |
|--|----------------------|----------------------|
| | £ | £ |
| 3. Chair's Costs | | |
| Chair's Salary, National Insurance & Pension Contributions | 19,809 | 17,034 |
| Chair's Travel & Subsistence costs | 1,488 | 608 |
| | <u>21,297</u> | <u>17,642</u> |

The Chair received no benefits in kind and no annual bonus. No incentive schemes were in operation. The Chair is an office holder appointed by the London Assembly.

| | 2019 | 2018 |
|---|---------------------|---------------------|
| | £ | £ |
| 4. Pay of London representative on Transport Focus | <u>8,004</u> | <u>7,335</u> |

The Railway Act 2005 requires London TravelWatch to pay the salary of the Board member of London TravelWatch appointed by the London Assembly to serve on the Board of Transport Focus to represent the interests of London's passengers. The Chair fulfilled this role in 2018-19. National insurance contributions in respect of this role are included in the Chair's costs shown in note 3.

NOTES TO THE FINANCIAL STATEMENTS**31 March 2019 (cont'd)**

| | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| 5. Employee Costs – pay | | |
| Staff salaries (includes agency staff) | 691,658 | 569,218 |
| National Insurance Contributions | 58,675 | 57,492 |
| ASLC (Accruing Superannuation Liability Charge) | 119,848 | 110,729 |
| | 870,181 | 737,439 |

Senior management pay

The CEO was paid the following benefits.

| | 2019 | 2018 |
|---------------------------------|----------------|---------------|
| | £ | £ |
| Salary | 86,996 | 75,340 |
| Employers pension contributions | 21,314 | 18,458 |
| Compensation for loss of office | 87,000 | - |
| | 195,310 | 93,798 |

The average number of persons employed by London TravelWatch this year, not including Board Members of London TravelWatch, was 16.67 (18.33fte) working in the following teams:

| | No. (fte) | No. (fte) |
|--|---------------------|---------------------|
| Senior management | 3.00 (3.00) | 3.00 (2.88) |
| Research, policy development and consultation responses | 3.75 (3.36) | 3.75 (2.96) |
| Casework | 2.17 (1.77) | 4.00 (3.60) |
| Corporate support, website, communications IT, committee services and apprentice | 4.75 (4.02) | 6.08 (4.63) |
| Financial control and human resources | 3.00 (1.35) | 2.00 (0.85) |
| | 16.67(13.2) | 18.33(14.92) |
| At 31 March the full time equivalents staffing establishment was | 14.22 | 13.55 |

The number of employees who received remuneration (fte) in the following bands were:

| | | |
|-------------------|---|---|
| £50,001 to 60,000 | 1 | 1 |
| £60,001 to 70,000 | 1 | - |
| £70,001 to 80,000 | - | - |
| £80,001 to 90,000 | 1 | 1 |

NOTES TO FINANCIAL STATEMENTS**31 March 2019 (cont'd)**

| | 2019 | 2018 |
|---|---------------|--------------|
| 6. Employee costs – non pay | £ | £ |
| Staff transport costs | 1,910 | 1,190 |
| Staff subsistence costs | 679 | 586 |
| Recruitment costs | 7,493 | 5,144 |
| Training & development | 958 | 248 |
| Payroll charges (including members payroll) | 2,827 | 2,401 |
| Investors In People | 930 | 144 |
| Occupational health | 221 | - |
| | 15,018 | 9,713 |

Investors in People is a cost the main expenditure for which is incurred once every three years.

| | 2019 | 2018 |
|--|---------------|---------------|
| 7. Board members' costs | £ | £ |
| Members' salaries & National Insurance contributions | 31,291 | 32,259 |
| Travel and subsistence | 29 | 175 |
| | 31,320 | 32,434 |

No Board member received remuneration above £40,000 either in the 12 months to 31 March 2019 or in the previous year. The remuneration for members is set by the London Assembly and updated by the same mechanism applied to the salaries of the London Assembly members.

NOTES TO FINANCIAL STATEMENTS**31 March 2019 (cont'd)****8. Accommodation costs**

| | 2019 | 2018 |
|-----------------------------------|----------------|----------------|
| | £ | £ |
| Rent and service charges | 124,926 | 159,083 |
| Health & safety | - | 1,534 |
| Electricity Charge | 510 | - |
| Non Domestic Rates | 7,039 | - |
| Cleaning Charges | 881 | - |
| Accommodation move costs (note 9) | 19,449 | - |
| | 152,805 | 160,617 |

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9. Accommodation move costs

| | 2019 | 2018 |
|-----------------------|---------------|-------------|
| | £ | £ |
| Fit out | 3,582 | - |
| IT and Communications | 4,500 | - |
| Professional Fees | 6,735 | - |
| Removal | 4,632 | - |
| | 19,449 | - |

10. Capital expenditure in association with move

| | 2019 | 2018 |
|-----------------------|---------------|-------------|
| | £ | £ |
| Fit out | 26,916 | - |
| Furniture | 16,236 | - |
| IT and Communications | 7,848 | - |
| | 51,000 | - |

NOTES TO FINANCIAL STATEMENTS**31 March 2019 (cont'd)**

| | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| 11. Supplies and Services | | |
| Legal and professional | 8,835 | 13,041 |
| IT software and licenses | 48,230 | 49,575 |
| Research inquiry/publication costs | 3,693 | 18,342 |
| External audit fees | 12,062 | 11,489 |
| Communications, publication/ information, internet and electronic publication | 4,076 | 5,772 |
| Postage and telecommunications | 4,884 | 6,948 |
| Insurance | 6,789 | 7,633 |
| Annual report costs | 1,036 | 1,023 |
| Photocopier hire and document reproduction | 4,512 | 3,944 |
| Books, periodicals, stationery and office supplies | 5,122 | 3,946 |
| Meeting costs | 2,515 | 974 |
| Bank charges | 741 | 679 |
| Total | 102,495 | 123,366 |
| . | | |
| | 2019 | 2018 |
| | £ | £ |
| 12. Interest received | | |
| Received during the year | 333 | 32 |

NOTES TO THE FINANCIAL STATEMENTS**31 March 2019 (cont'd)****13. Fixed Assets**

| | Short-term lease Improvements | Computer Equipment | Total |
|------------------------|--|-------------------------------|----------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2018 | 22,532 | 62,381 | 84,913 |
| Additions | 51,000 | - | 51,000 |
| At 31 March 2019 | <u>73,532</u> | <u>62,381</u> | <u>135,913</u> |
| Depreciation | | | |
| At 1 April 2018 | 17,508 | 49,959 | 67,467 |
| Charge during the year | 9,275 | 10,714 | 19,989 |
| At 31 March 2019 | <u>26,783</u> | <u>60,673</u> | <u>87,456</u> |
| Net book value | | | |
| At 31 March 2019 | <u>46,749</u> | <u>1,708</u> | <u>48,457</u> |
| At 31 March 2018 | <u>5,024</u> | <u>12,422</u> | <u>17,446</u> |

| | 2019 | 2018 |
|--|---------------|-------------|
| 14. Debtors – amounts falling due within one year | | |
| Rent deposit | 39,473 | - |
| | <u>39,473</u> | <u>-</u> |

| | 2019 | 2018 |
|--|----------------|---------------|
| | £ | £ |
| 15. Debtors - amounts falling due within one year | | |
| Other debtors | 15,896 | 6,620 |
| Prepayments and accrued income | 12,643 | 15,522 |
| Re-imbusement of compensation for loss of office | 88,200 | - |
| | <u>116,739</u> | <u>22,142</u> |

Included within 'Other debtors' are season ticket loans of £4,364 made to staff. All outstanding amounts are due within one year and are made with no interest charged to the individual.

| | | |
|-------------------------|--------------|--------------|
| Balance at 1 April | 2,292 | 4,899 |
| Advanced in the year | 4364 | 22,650 |
| Repaid during the year | (4,258) | (25,257) |
| Outstanding at 31 March | <u>2,398</u> | <u>2,292</u> |

NOTES TO THE FINANCIAL STATEMENTS**31 March 2019 (cont'd)**

| 16. Creditors: amounts falling due within one year | 2019 | 2018 |
|---|----------------|---------------|
| | £ | £ |
| Other creditors (includes unpaid salaries and employer NI And pensions contributions at the yearend) | 40,472 | 22,297 |
| Compensation for loss of office | 88,200 | - |
| Accruals and deferred income | 41,983 | 35,989 |
| Provision for dilapidation costs | - | 5,000 |
| | 170,655 | 63,286 |

17 Pensions**Principal Civil Service Pension Scheme**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). This is an unfunded multi-employer defined benefit scheme and it is not practicable for London TravelWatch to identify its share of the underlying assets and liabilities. The scheme actuary most recently valued the scheme as at 31 March 2016. Details of the scheme are available on the civil service pensions scheme website (www.civilservicepensionscheme.org.uk).

For 2018-19, employers' contributions of £122,157 were payable to the PCSPS (2017-18 £110,703) at one of four rates in the range 20.0 to 24.5 per cent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2018-19 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Partnership Pension Account

Employees can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution. Employers' contributions of £1,604 (2017-18 £1,573) were paid to Legal & General, the appointed stakeholders' pension provider. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay with rates set by the PCSPS. Employers also match employee contributions up to 3% of pensionable pay.

London TravelWatch has complied with the requirements for pension Auto-Enrolment.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019 (cont'd)

18. Financial Risk Management

London TravelWatch has exposure to the following risks arising from its operating activities and its use of financial instruments:

- Liquidity risk; and
- Credit risk

The Board has overall responsibility for the establishment and oversight of the London TravelWatch's risk management framework and is responsible for developing and monitoring London TravelWatch's risk management strategy and policies. There have been no changes to the London TravelWatch's exposures to risk or the methods used to measure and manage these risks during the year.

Liquidity Risk

In the management of liquidity risk, London TravelWatch monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance London TravelWatch's operations and mitigate the effects of fluctuations in cash flows.

Credit Risk

Potential material areas of credit risk consist of trade debtors. Trade debtors consist mainly of a widespread customer base, such that London TravelWatch has no significant concentration of credit risk. Where considered appropriate, an allowance would be made for specific bad debts.

ACCOUNTS DIRECTION GIVEN BY THE ASSEMBLY

The London Assembly, in exercise of their powers under section 251 of the Greater London Authority Act 1999, hereby make the following Directions (agreed January 2014);

Accounts

- 1 London TravelWatch will conduct a monthly monitoring and review of its finances, to include forecasts against full-year revenue and capital budgets explanations for variances and any proposed corrective action. The Chief Executive of London TravelWatch will report this quarterly to the GLA's Executive Director of Resources and six monthly to Transport Committee in the format required by the Executive Director of Resources.
- 2 The Chief Executive of London TravelWatch (as Accounting Officer) must ensure that a statement of accounts is prepared for each financial year that gives a true and fair view of London TravelWatch's financial status at the end of that financial year¹.
- 3 The Chief Executive of London TravelWatch must submit, in line with the agreed timetable, financial information required by GLA's Executive Director of Resources for the preparation of the GLA Statement of Accounts.
- 4 Transport Committee may issue guidance as to the preparation of a statement of accounts and, if it does so, London TravelWatch must prepare the statement in compliance with the direction².
- 5 The Statement of Accounts must be audited by an auditor appointed by Transport Committee³. The cost of the audit will be met by London TravelWatch.

Financial procedures

- 6 Where London TravelWatch proposes to make any significant changes or amendments to any of its financial systems and procedures, its proposals must be agreed to by the London TravelWatch Board (or to any body within London TravelWatch to which such functions of the London TravelWatch Board have been properly delegated) and the London TravelWatch Chief Executive and must be submitted in writing to the GLA Liaison Officer, who will determine how to take the matter forward.
- 7 Any such proposals can only be approved by the Transport Committee, in conjunction with the GLA's Executive Director of Resources.

¹ The GLA Act 1999 Schedule 18 paragraph 8 (2)

² The GLA Act 1999 Schedule 18 paragraph 8 (3)

³ The GLA Act 1999 Schedule 18 paragraph 8 (4)