
LONDON TRAVELWATCH

The operating name of London Transport Users' Committee

AUDITED FINANCIAL STATEMENTS

◆ *Year ended 31 March 2017* ◆



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INFORMATION

Chair	Stephen Locke
Chief Executive	Janet Cooke
Deputy Chair	Ruth Thompson (until 10 July 2016) John Stewart (from July 2016)
Board Members	Jackie Ballard (from 1 January 2017) Alan Benson (from 1 January 2017) Chris Brown (until 31 December 2016) Richard Dilks Glyn Kyle Abdi Osman (from 1 January 2017) Abdikafi Rage (until 31 December 2016) John Stewart Ruth Thompson (until 10 July 2016)
Address	169 Union Street London SE1 0LL
Auditors	Moore Stephens LLP 150 Aldersgate Street London EC1 4AB
Bankers	The Royal Bank of Scotland plc St. Paul's Branch 9-13 Paternoster Row London EC4M 7EH

REPORT OF THE BOARD

The Board and Chief Executive present their report and audited financial statements for the year ended 31 March 2017

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 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 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.

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 11 to the financial statements.

IT

During the year we replaced our desk-top computers to enable more efficient working.

Premises

London TravelWatch occupies office space under licence within the London Fire and Emergency Planning Authority (LFEPA) headquarters building. The London Pension Fund Authority (LPFA) also lease premises in the building, which allows us to continue the practice of sharing resources which began when the two organisations were located in their previous premises.

London TravelWatch's licence expired in November 2016, London TravelWatch having been informed in September 2016 that the new licence fee from November would be increased by approximately 30%. This was considerably higher than the inflationary increase we had budgeted for. We agreed a temporary licence with LFEPA, which ran until April 2017 and was on the same terms as the previous licence, to cover the period until our own budget was clearer and to allow us time to negotiate. We have agreed a new two-year licence, to expire in November 2018, with a three-month notice period.

Overheads

This increased premises cost means we need to substantially reduce our overheads. We are exploring all options for doing this, including relocating, subject to there being a clear business case for doing so.

Board

All appointments to the London TravelWatch Board are made by the London Assembly following public advertisement. Stephen Locke was appointed as Chair from 1 December 2012 and his term of office runs until 30 September 2017.

Very sadly, Ruth Thompson, who had been a member of the London TravelWatch board and its Deputy Chair since January 2013, died on 10 July 2016 while still in office. John Stewart was subsequently appointed Deputy Chair by the Transport Committee of the London Assembly.

Two board members – Chris Brown and Abdikafi Rage – left the board on 31 December 2016 at the end of their terms of office. Richard Dilks, John Stewart and Glyn Kyle's terms of office expired on 31 December 2016 and they were each reappointed for two further years. Three new board members were appointed from 1 January 2017, each for four years - these are Jackie Ballard, Alan Benson and Abdi Osman.

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 2016/17 we implemented a pay rise for staff and members of between 1% and 2% which

mirrored that made by the Greater London Authority in respect of City Hall staff and members. Details of our staff costs during the year are included in Note 5 to the accounts.

During the year one member of staff resigned and this post was frozen rather than recruited to as part of the controls on committed expenditure.

Staffing

The average number of staff in post during the 2016-17 was 18, half of whom were part time. This equated to 14.58 full time equivalents, a reduction of 0.91 FTE on the previous year. We supported the Government's apprenticeship scheme by taking on another young person who is working towards a Level 3 Business Administration qualification. We continue our shared services arrangement with LPFA to provide us with accountancy support. The cost of this was decreased during the year in recognition of the additional responsibility now taken by our Finance Officer, which has reduced the amount of professional support she needs.

Cost recovery

We undertook two projects that arose unexpectedly during the year and were not therefore in the original business plan because we could see the clear benefits to passengers in prioritising this work. We were appointed by the Mayor of London to review the impact on passengers of the closure of ticket offices at London Underground stations. We also helped develop a proposed new redress scheme for rail passengers, which would have required us to take on some additional work. We undertook this work on the basis that costs would be recovered from Transport for London and the Rail Delivery Group respectively. This cost recovery income is recorded under Note 2 to the accounts as other income.

Training and development

As part of the performance management system, training needs are identified and training plans established by line managers for their staff. Individuals had access to a range of learning and development opportunities during the year as we continued to provide targeted, strategic, cost-effective learning opportunities for our staff. Given the pressure on resources we will have also encouraged 'social learning' where individuals take responsibility for their own learning, develop networks and relationships and learn with and from others. A good current example is the quarterly extended staff meeting which encourages participation and involvement. The Board continued to widen its awareness and understanding of the issues facing transport users through workshops, policy briefings and site visits.

Investors in People (IiP)

London TravelWatch was first accredited under the IiP scheme in 2002 and following our assessment visit in February this year we were pleased to have retained our silver status. The report was particularly complimentary about our organisational values and how these underpin our work. We will be developing an action plan for further improvements to address recommendations made in the report and will continue to use the IiP framework to further develop our organisation.

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.

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.

Achievements

2016-17 has been a successful year during which we continued to make a real difference for the transport users in and around London.

- Our Casework team dealt with 10,719 enquiries and complaints. We changed our approach during the year to reflect the requirements of the Consumer Rights Act 2015. Where we can demonstrate that an operator has not delivered services with reasonable care and skill we can press harder for compensation, such as in clear cut cases of consequential loss following errors by the train operator.
- Our close monitoring of National Rail services has highlighted the poor performance of the whole GTR franchise, including Southern Rail. We made a comprehensive contribution to the Government-commissioned review of Southern's performance.
- For more than two years we have been highlighting that many London commuters are suffering persistent delays of 15-20 minutes on journeys scheduled to take 20-25 minutes, but were not entitled to compensation. Government and the industry have accepted our case and are now introducing Delay Repay compensation after 15 minutes.
- The Mayor of London commissioned us to carry out a detailed review of TfL's Tube ticket office closures programme from the perspective of passengers. Our December 2016 report identified significant issues that TfL needed to address. The Mayor welcomed our findings and asked TfL to draw up a full action plan to address them.
- We held a consultation on GTR's plans to alter ticket office opening hours at many of its railway stations, which generated over 9,000 responses. After we raised significant concerns, GTR introduced a pilot scheme rather than rolling out the plans all in one go. It also committed that passengers would still be able to buy the same range of tickets.
- TfL responded positively to our response to its consultation on taxis and private hire vehicles, adopting our key proposals. We argued that there should be no more surcharges for passengers paying by card in taxis and that all drivers should be obliged to accept payment by card. We also pressed for an obligation on private hire companies to have a live telephone customer service line, not just a website address.
- The House of Commons Transport Select Committee inquiry on the future of rail drew on our evidence in making its recommendations, including the need for more transparency on operator performance.
- We held several successful events to help influence policy makers, including one about cycling, "Cycling Cities", which we dedicated to the memory of our Board member, Ruth Thompson who died in July 2016.

Our annual review sets out our achievements over the past year in greater detail.

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.

Reserves

The Board reviewed the reserves policy in October 2013 and agreed to maintain the free reserve at an intended level of £50,000. It continues to reconsider this annually and at a meeting on 9 May 2017 the Board reconfirmed this policy. Our reserves at 31 March 2017 of £87,239 comprise £43,195 spent on fixed assets, which are necessary to operate our activities, and £44,044 of working capital including £17,000 earmarked for research continuing into 2017-18 (see page 19).

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 23.

Going Concern

London TravelWatch’s funding is provided by means of a grant from the Greater London Assembly, which is renewed on an annual basis.

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.

Janet Cooke
Chief Executive
London TravelWatch

July 2017

Independent Auditor's Report to the London Assembly

We have audited the financial statements of London Travel Watch for the year ended 31 March 2017 which are set out on pages 11 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the London Assembly, as a body, in accordance with the Accounts Directions given by the London Assembly and attached on page 23. Our audit work has been undertaken so that we might state to the London Assembly 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 London TravelWatch and the London Assembly as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of London TravelWatch and auditor

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 in accordance with the United Kingdom Generally Accepted Accounting Practices and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to London TravelWatch's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of London TravelWatch's affairs as at 31 March 2017 and of its surplus 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

Opinion on other matter prescribed by the Accounts Direction issued by the London Assembly

In our opinion the information given in the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 are not made; or
- we have not received all the information and explanations we require for our audit.

Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

July 2017

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2017

		2017	2016
	Notes	£	£
Income	2	1,036,000	1,056,000
Other income	2	22,963	25,628
		1,058,963	1,081,628
Expenditure:			
Chair's costs	3	(16,048)	(15,919)
Board's representative on Transport Focus	4	(12,000)	(12,000)
Employee costs – pay	5	(723,835)	(769,788)
Employee costs - non pay	6	(11,200)	(11,914)
Board members' costs	7	(27,863)	(32,932)
Accommodation costs	8	(153,450)	(134,520)
Supplies and services	9	(92,971)	(121,994)
Depreciation of tangible fixed assets	11	(18,010)	(14,297)
Cost of services		(1,055,377)	(1,113,364)
Surplus/(Deficit) on provision of services		3,586	(31,736)
Interest received	10	23	35
Profit/(Loss) for the year		3,609	(31,701)

London TravelWatch had no recognised gains or losses in the year ended 31 March 2017 (2016: none) other than those noted above and all operations are continuing.

The accounting policies and notes on pages 14 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

	2017	2016
	£	£
Opening balance	83,630	115,331
Profit/(loss) for the year	3,609	(31,701)
Closing balance	87,239	83,630

BALANCE SHEET
at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	<u>43,195</u>	<u>54,023</u>
Current assets			
Debtors	12	49,305	23,864
Cash at bank and in hand		60,681	49,853
		<u>109,986</u>	<u>73,717</u>
Creditors: amounts falling due within one year	13	(65,942)	(44,110)
Net current assets		<u>44,044</u>	<u>29,607</u>
Total assets less current liabilities		<u>87,239</u>	<u>83,630</u>
Financed by:			
General reserve		87,239	83,630
		<u>87,239</u>	<u>83,630</u>

The accounting policies and notes on pages 14 to 22 form part of these financial statements.
Page 8 refers to reserves.

The financial statements were approved by the Chief Executive on July 2017 and signed
on London TravelWatch's behalf by:

Janet Cooke
Chief Executive
London TravelWatch

CASH FLOW STATEMENT
for the year ended 31 March 2017

	Note	2017	2016
		£	£
Net operating surplus/(deficit)		3,586	(31,736)
Adjustments to net operating surplus/(deficit) for non-cash items		14,401	10,843
Net cash-flows from operating activities		17,987	(20,893)
Interest received		23	35
Investing activities – acquisition of tangible fixed assets	11	(7,182)	-
Net increase or decrease in cash and cash equivalents		10,828	(20,858)
Cash and cash equivalents at the beginning of the reporting period		49,853	70,711
Cash and cash equivalents at the end of the reporting period		60,681	49,853

Adjustments for non-cash items

	2017	2016
	£	£
Depreciation	18,010	14,297
Decrease/(increase) in debtors	(25,442)	11,989
Increase/(decrease) in creditors	21,832	(15,443)
	14,400	10,843

NOTES TO THE FINANCIAL STATEMENTS**31 March 2017****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 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. Before 2015/16 the accounts were produced in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council. There were no changes to the primary financial statements in the year, arising from the transition to FRS 102.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2017 cont'd

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.

ACCOUNTING POLICIES CONTINUED

Pensions

Retirement Benefits/pension costs have been accounted for under FRS 102. Certain additional disclosures are given as required by FRS 102 (Note 14).

Critical accounting judgements

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. The following summarises the judgements, estimates and assumptions that may cause amounts recognised or disclosed to change in following reporting periods:

Premises licence period

London TravelWatch has in place a licence which will run until November 2018, with a three-month notice period. It is possible that the increase in licence fee will lead to a review of accommodation needs and the possibility of moving to new premises at the end of the licence period. Therefore, the licence improvements will be depreciated over the period of this new licence rather than the period of the head lease held by our landlord. See note 11.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017 (cont'd)

	2017	2016
	£	£
2 Income		
Grants received from the Greater London Authority	1,036,000	1,056,000
Transport Focus	4,650	4,680
Other income	18,313	20,948
	<u>1,058,963</u>	<u>1,081,628</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. Approximately three-quarters of the other income was recovery for staff costs incurred in exploring the setup of a new redress service for rail passengers. The balance was recovery of staff costs incurred during the review of the closure of London Underground ticket offices.

3 Chair's Costs

Chair's Salary, National Insurance & Pension Contributions	15,960	15,807
Chair's Travel & Subsistence costs	88	112
	<u>16,048</u>	<u>15,919</u>

The Chair received no benefits in kind and no annual bonus. The current Chair has also waived his pension contribution. No incentive schemes were in operation. The Chair is an office holder appointed by the London Assembly.

4 Pay of London representative on Transport Focus
12,000 **12,000**

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 2016-17. 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 2017 (cont'd)

	2017	2016
	£	£
5 Employee Costs – pay		
Staff salaries	558,718	612,878
National Insurance Contributions	55,511	47,904
ASLC (Accruing Superannuation Liability Charge)	109,605	109,006
	723,834	769,788

Senior management pay

The CEO was paid the following benefits, please note the decrease in salary is due to a reduction in working hours, from 0.9fte to 0.8fte from April 2016.

Salary	67,557	79,430
Employers pension contributions	16,551	19,460
	84,108	98,890

The average number of persons employed by London TravelWatch this year, not including Board Members of London TravelWatch, was 18.0 (14.58fte) working in the following teams:

	No. (fte)	No. (fte)
Senior management	3.00 (2.80)	3.00 (2.95)
Research, policy development and consultation responses	3.25 (3.07)	4.17 (4.02)
Casework	4.00 (3.40)	4.00 (3.40)
Corporate support, stakeholder engagement, website, communications IT, committee services and apprentice	5.75 (4.13)	5.83 (4.19)
Financial control and human resources	2.00 (0.85)	2.00 (0.93)
	18.00 (14.25)	19.00 (15.49)

At 31 March the full time equivalents staffing establishment was

14.58	15.49
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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	-	-
£70,001 to 80,000	-	-
£80,001 to 90,000	1	1

NOTES TO FINANCIAL STATEMENTS
31 March 2017 (cont'd)

	2017	2016
	£	£
6 Employee costs – non pay		
Staff transport costs	1,997	1,731
Staff subsistence costs	37	20
Recruitment costs	-	1,674
Training & development	2,322	4,385
Payroll charges (including members payroll)	2,254	2,652
Investors In People	4,062	120
Occupational health	528	1,332
	11,200	11,914

Investors in People is a cost incurred once every three years.

7 Board members' costs

Members' salaries & National Insurance contributions	27,730	32,804
Travel and subsistence	133	128
	27,863	32,932

No Board member received remuneration above £40,000 either in the 12 months to 31 March 2017 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.

8 Accommodation costs

Rent and service charges	149,281	130,306
Health & safety	4,169	4,214
	153,450	134,520

NOTES TO FINANCIAL STATEMENTS
31 March 2017 (cont'd)

	2017	2016
	£	£
9 Supplies and Services		
Legal and professional	1,705	1,714
IT support and licenses	16,206	15,451
IT Hardware and consumables	31,106	24,263
Research and inquiry/publication costs	705	34,608
External audit fees	12,032	10,698
Communications, publication and information, internet and electronic publication	6,904	9,893
Postage and telecommunications	6,485	6,997
Insurance	7,816	7,798
Annual report costs	1,403	1,428
Photocopier hire and document reproduction	3,776	4,833
Books, periodicals, stationery and office supplies	3,280	2,789
Meeting costs	597	475
Bank charges	956	779
Total	92,971	121,994

Research planned for 2016/17 was delayed, however there is a commitment in place to carry this out in early 2017/18 and so the underspend in this area has been taken to reserves and earmarked for research costs.

	2017	2016
	£	£
10 Interest received		
Received during the year	23	35
	23	35

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017 (cont'd)
11 Fixed Assets

	Short-term lease Improvements £	Computer Equipment £	Total £
Cost			
At 1 April 2016	22,532	55,199	77,731
Additions during the year	-	7,182	7,182
Disposals during the year	-	-	-
At 31 March 2017	<u>22,532</u>	<u>62,381</u>	<u>84,913</u>
Depreciation			
At 1 April 2016	2,436	21,272	23,708
Charged during the year	7,536	10,474	18,010
Disposals	-	-	-
At 31 March 2017	<u>9,972</u>	<u>31,746</u>	<u>41,718</u>
Net book value			
At 31 March 2017	<u>12,560</u>	<u>30,635</u>	<u>43,195</u>
At 31 March 2016	<u>20,096</u>	<u>33,927</u>	<u>54,023</u>

	2017 £	2016 £
12 Debtors - amounts falling due within one year		
Other debtors	4,935	5,551
Prepayments and accrued income	44,370	18,313
	<u>49,305</u>	<u>23,864</u>

Included within 'Other debtors' are season ticket loans made to staff as follows, all outstanding amounts are due within one year and are made with no interest charged to the individual.

Balance at 1 April	5,888	5,888
Advanced in the year	18,418	9,134
Repaid during the year	(19,369)	(9,471)
Outstanding at 31 March	<u>4,937</u>	<u>5,551</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2017 (cont'd)

	2017	2016
13 Creditors: amounts falling due within one year		
	£	£
Other creditors (includes unpaid salaries and employer NI and pensions contributions at year end)	33,601	28,394
Accruals	32,340	15,716
	65,942	44,110

14 Pensions

Principal Civil Service Pension Scheme

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The Scheme 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 2012 and we do not expect any change in rates arising from the 2016 actuarial valuation to be backdated. Details of the scheme are available on the Government Actuary's Department website (www.civilservicepensionscheme.org.uk).

For 2016-17, employers' contributions of £108,114 were payable to the PCSPS (2015-16 £108,684) 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 2016-17 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 £1,491 (2015-16 £1,765) were paid to Scottish Widows, one of the panel of three appointed stakeholders' pension providers. 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 FINANCIAL STATEMENTS
31 March 2017 (cont'd)

15 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 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)