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# LONDON TRAVELWATCH

*The operating name of London Transport Users Committee*

## AUDITED FINANCIAL STATEMENTS

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◆ *Year ended 31 March 2014* ◆

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**INVESTORS  
IN PEOPLE** |

Silver

**INFORMATION**

Chair

Stephen Locke

Chief Executive

Janet Cooke

Deputy Chair

Ruth Thompson

Board Members from 1.1.13

Josephine Channer (resigned 10.9.13)

Glyn Kyle

John Stewart

Abdikafi Rage

Richard Dilks

Board Member from 28.10.13

Chris Brown

Address

Dexter House  
2 Royal Mint Court  
London EC3N 4QN

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 2014

### **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.

### **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 is paid by Passenger Focus (the operating name of the Rail Passengers Council) for consultancy 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 London TravelWatch disposed of its computer servers and moved onto a managed cloud arrangement. Not only has this proved beneficial from a business continuity perspective, it has also resulted in a slight cost saving due to reduced support costs. We also updated our website and in the coming year will upgrade our CRM casework management system to ensure it remains fit for purpose.

### **Premises**

In July 2012 London TravelWatch moved to smaller offices and now shares accommodation with the London Pension Fund Authority (LPFA). The full year budget for accommodation costs reduced from £218,000 for 2010/11 to £97,000 for 2013/14 - a cost that was fixed for two years. LPFA's lease for the premises expires at the end of 2014 and as they do not intend to renew this we will need to move again in October 2014.

At the time of writing we are expecting to rent premises within the London Fire and Emergency Planning Authority's (LFEPA) headquarters building. Negotiations are at an advanced stage and solicitors have been instructed although the arrangement are not yet finalised. LPFA are at a similar stage in negotiating to lease separate premises in the same building. Assuming both moves proceed as expected we will work closely with LPFA to achieve economies of scale in respect of the move.

Our continuing co-location might present opportunities to save further cost in the future as both LPFA and London TravelWatch were designated as part of the GLA family for shared services proposed under the 2011 Localism Act.

### **Board**

Stephen Locke was appointed as Chair from 1 December 2012 and a new Board was appointed from 1 January 2013. All Board appointments are made by the London Assembly following public advertisement and run until 31 December 2016 Josephine Channer resigned during the year and Chris Brown was appointed by the London Assembly to fill the vacancy.

A comprehensive induction programme was given to the new Board to ensure they acquired the necessary knowledge base to undertake their work. Having focused on developing into their new roles in the first year of their appointment, during 2014 they have started to systematically revisit and update London TravelWatch's scheme of policy delegation to ensure staff are properly able to represent their views on key transport policy issues during their day to day work. To help ensure that London TravelWatch as an organisation remains focussed on the needs of consumers despite the reduction in its resources a set of criteria was agreed in 2013 against which to gauge what work is essential. This has been helpful in ensuring we concentrate resources where they are likely to have the maximum impact for transport users.

### **Pay**

On 1 April 2006 London TravelWatch introduced a banded pay structure for its staff based on the revised structure implemented by the Greater London Authority in 2005.

This was continued during the year. We followed the decision made by the London Assembly in respect of City Hall staff and members and implemented a small pay rise for our staff and members which mirrored theirs.

### **Training and development**

As part of the performance management system, training needs are identified and training plans established by line managers for their staff. Individual training is then provided to enhance skills and performance. During the year, particular attention was paid to assisting staff who were taking on new responsibilities with the knowledge they need. A comprehensive induction programme was provided for new Board members.

London TravelWatch has participated in the Network Rail Track & Train paid internship programme from its inception in April 2012, at no financial cost to the organisation. The initiative has a dual benefit of giving unemployed graduates the chance to gain practical experience of the workplace whilst adding value to organisations and increasing the skill base of the rail industry. We continue to participate in the scheme and are currently hosting our eighth Network Rail intern.

### **Investors in People (IiP)**

London TravelWatch was first accredited under the IiP scheme in 2002. Following our assessment visit in January 2014 we became one of fewer than 600 organisations in the country to gain IiP silver award for the way we have transformed business performance through the support and motivation of our staff. The Chair of the London Assembly Transport Committee praised the way the organisation has improved, noting that 2013-14 had been the most productive year she had seen.

### **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. During the year staff and Board members attended a half day diversity training event.

### **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 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;
- 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.

In 2011 we undertook a review of our financial policies and procedures to streamline them whilst still maintaining the level of control necessary for an organisation of our size. These changes were revisited during the year and minor amendments were approved by our Governance Committee in March 2013.

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 forecasts.

In addition, internal financial control is exercised by a requirement for all payments over £3,000 to be signed by two authorised signatories, with all expenditure covered by invoice, signed certificate or utilities bill 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. In my view, the effectiveness of the system of internal financial control is informed 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 general reserve at an average level of £50,000. Our free reserves at 31 March 2014 were much higher than this (£104,000) because they included £40,000 earmarked for IT infrastructure improvements, as well as legal and professional costs relating to the office move in 2014-15.

**Risk Statement**

London TravelWatch has a robust system for assessing and managing risk and ensuring business continuity. Both have been the subject of internal audit by the GLA in recent years and given a 'substantial assurance' rating.

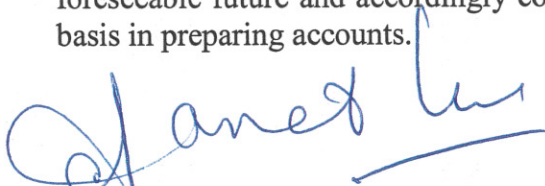
**Memorandum of Understanding**

During the year 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.

**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, 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**

27 Jun 2014

## **Independent Auditor's Report to the London Assembly**

We have audited the financial statements of London Travel Watch for the year ended 31 March 2014 which are set out on pages 9 to 19. 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 20. 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 Statement set out on pages 4 to 5, London TravelWatch are responsible for the preparation of the financial statements 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 2014 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*

Moore Stephens LLP  
150 Aldersgate Street  
London  
EC1A 4AB

26 June 2014

**INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 March 2014**

	Note	2014	2013
		£	£
<b>Income</b>			
Greater London Authority grant received and other income	2	1,111,671	1,212,272
<b>Expenditure</b>			
Chair's costs	3	14,915	19,905
Board's representative on Passenger Focus	4	12,000	16,635
Employee costs – pay	5	761,833	725,489
Employee costs - non pay	6	18,138	17,710
Board members' costs	7	34,848	27,139
Accommodation costs	8	102,091	179,677
Supplies and services	9	118,614	131,092
Depreciation of tangible fixed assets	11	27,411	32,625
		1,089,850	1,150,272
Operating surplus		21,821	62,000
Interest receivable	10	47	77
<b>Surplus for the financial year</b>		<b>21,868</b>	<b>62,077</b>
Retained surplus brought forward		81,861	19,784
Retained surplus carried forward	14	103,729	81,861

London TravelWatch had no recognised gains or losses in the year ended 31 March 2014 other than those noted above and all operations are continuing.

The accounting policies and notes on pages 12 to 19 form part of these financial statements.

**BALANCE SHEET**  
at 31 March 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	11	<u>28,855</u>	<u>45,536</u>
<b>Current assets</b>			
Debtors	12	16,073	17,337
Cash at bank and in hand		<u>147,925</u>	<u>142,009</u>
		<b>163,998</b>	<b>159,346</b>
Creditors: amounts falling due within one year	13	(89,124)	(123,021)
<b>Net current assets</b>		<u><b>74,874</b></u>	<u><b>36,325</b></u>
<b>Total assets less current liabilities</b>		<u><b>103,729</b></u>	<u><b>81,861</b></u>
<b>Financed by:</b>			
General reserve	14	103,729	81,861
		<u><b>103,729</b></u>	<u><b>81,861</b></u>

The accounting policies and notes on pages 12 to 19 form part of these financial statements.

The financial statements were approved by the Chief Executive on 24 June 2014 and signed on London TravelWatch's behalf by:

**Janet Cooke**  
Chief Executive  
London TravelWatch

**CASH FLOW STATEMENT**  
**for the year ended 31 March 2014**

	2014	2013
	£	£
Operating Surplus	21,821	62,000
Depreciation of tangible fixed assets	27,411	32,625
Decrease in debtors	1,264	32,881
Decrease in creditors	(33,897)	(25,901)
<b>Net Inflow from operating activities</b>	<b>16,599</b>	<b>101,605</b>
<b>Return on investment and servicing of finance</b>		
Interest received	47	77
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(10,729)	(9,600)
<b>Increase in cash</b>	<b>5,917</b>	<b>92,082</b>
<b>Statement of capital expenditure for the year ended 31 March 2014</b>	<b>10,729</b>	<b>9,600</b>
Total capital expenditure	10,729	9,600

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2014**

**1. ACCOUNTING CONVENTION**

**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.

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 received income from the Rail Passengers Council (now known as Passenger Focus) for consultancy work done by London TravelWatch's Safety Advisor in respect of rail safety issues.

**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 lease.
- Computer equipment and software      3 years

**Value Added Tax**

London TravelWatch is not VAT registered.

**Pensions**

Retirement Benefits / pension costs have been accounted for under FRS 17. Certain additional disclosures are given as required by FRS 17 (Note 15).

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2014 (cont'd)**

	2014 £	2013 £
<b>2 Income</b>		
Grants received from the Greater London Authority	1,103,000	1,203,000
Passenger Focus	8,671	8,489
Miscellaneous income	-	783
	<u>1,111,671</u>	<u>1,212,272</u>

Income received from Passenger Focus was in respect of consultancy work done by London TravelWatch's Safety advisor on rail safety issues.

**3 Chair's Costs**

Chair's Salary, National Insurance & Pension Contributions	14,875	19,493
Chair's Travel & Subsistence costs	40	412
	<u>14,915</u>	<u>19,905</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 TravelWatch's representative on Passenger Focus including National Insurance contributions**

<u>12,000</u>	<u>16,635</u>
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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 Passenger Focus to represent the interest of London's transport users.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2014 (cont'd)**

	2014	2013
	£	£
<b>5 Employee Costs – pay</b>		
Staff salaries	605,522	570,935
National Insurance Contributions	47,755	44,348
ASLC (Accruing Superannuation Liability Charge)	108,556	110,206
	<u>761,833</u>	<u>725,489</u>

The average number of persons employed by London TravelWatch this year, not including Board Members of London TravelWatch was 19.8 (15.4fte) working in the following teams:

	No.	No.
Senior Management	3.7	3.0
Research, policy development and consultation responses	3.6	4.0
Casework and Public Liaison	4.6	4.9
Corporate management, stakeholder engagement, communications and committee	4.9	4.9
Financial control, personnel and (previously included premises management)	3.0	3.0
	<u>19.8</u>	<u>19.8</u>
	<u>15.4</u>	<u>15.6</u>

At 31 March 2014 the staffing complement was 15.6fte

The number of employees who received remuneration in the following bands were

£40,000 to 50,000	2	-
£50,001 to 60,000	1	1
£60,001 to 70,000	-	1
£70,001 to 80,000	-	1
£80,001 to 90,000	1	-

**6 Employee costs – non pay**

		£
Staff transport costs	2,095	1,808
Staff subsistence costs	225	65
Recruitment costs	2,238	1,593
Training & development	6,523	9,059
Payroll charges (including members payroll)	2,305	3,100
Investors In People	4,095	2,085
Occupational health	657	-
	<u>18,138</u>	<u>17,710</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2014 (cont'd)**

	2014	2013
	£	£
<b>7 Board members' costs</b>		
Members' salaries & National Insurance contributions	34,439	26,665
Travel and subsistence	409	474
	<u>34,848</u>	<u>27,139</u>

No Board member received remuneration above £40,000 in the 12 months to 31 March 2014 nor in the previous year. The higher costs to 31.3.14 reflect the fact that there was an unfilled vacancy previously and an adjustment was made to back date to 1.1.13 an extra day per month payment for additional work carried out by the Deputy Chair and the Chair of the Policy committee. 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	79,385	108,578
Premises repair and maintenance	-	14,620
Non domestic rates	17,490	25,409
Cleaning charges	79	3,095
Electricity charges	-	3,104
Health & safety	4,125	4,567
Premises insurance	-	3,192
Equipment repair and maintenance	1,012	576
Equipment and furniture purchase	-	16,536
	<u>102,091</u>	<u>179,677</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2014 (cont'd)**

	2014	2013
	£	£
<b>9 Supplies and Services</b>		
Legal and professional	3,919	8,589
IT software and consumables	30,329	28,476
Research and inquiry/publication costs	40,526	39,070
External audit fees	10,800	11,400
Communications, publication and information, internet and electronic publication	2,161	8,030
Postage, telephone and fax	9,741	11,445
Insurance	8,265	8,291
Annual report costs	2,808	2,552
Photocopier hire and document reproduction	3,711	5,062
Books, periodicals, stationery and office supplies	4,455	5,687
Meeting costs	1,073	1,747
Bank charges	826	743
<b>Total</b>	<b>118,614</b>	<b>131,092</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2014 (cont'd)**

	2014	2013	
<b>10 Interest received</b>			
	£	£	
Received during the year	47	77	
	<u>47</u>	<u>77</u>	
<b>11 Fixed Assets</b>			
	<b>Short-term lease Improvements</b>	<b>Computer Equipment</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1 April 2013	9,600	263,408	273,008
Additions during the year	-	10,729	10,729
Disposals during the year	-	(42,004)	(42,004)
At 31 March 2014	<u>9,600</u>	<u>232,133</u>	<u>241,733</u>
<b>Depreciation</b>			
At 1 April 2013	3,200	224,271	227,471
Charged during the year	4,267	23,144	27,411
Disposals	-	(42,004)	(42,004)
At 31 March 2014	<u>7,467</u>	<u>205,411</u>	<u>212,878</u>
<b>Net book value</b>			
At 31 March 2014	<u>2,133</u>	<u>26,722</u>	<u>28,855</u>
At 31 March 2013	<u>6,400</u>	<u>39,136</u>	<u>45,536</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2014 (cont'd)**

	2014	2013
	£	£
<b>12 Debtors - amounts falling due within one year</b>		
Other debtors	5,489	5,780
Prepayments and accrued income	10,584	11,557
	<u>16,073</u>	<u>17,337</u>

Included within 'Other debtors' are season ticket loans made to staff as follows:

Balance at 1 April	5,779	4,058
Advanced in the year	11,337	10,617
Repaid during the year	(11,625)	(8,895)
Outstanding at 31 March	<u>5,491</u>	<u>5,780</u>

**13 Creditors: amounts falling due within one year**

Other creditors (includes unpaid salaries and employer NI and pensions contributions at year end)	78,325	108,661
Accruals (audit fee, 2013:audit fee and office service charge)	10,799	14,360
	<u>89,124</u>	<u>123,021</u>

**14 Reserves**

At 1 April 2013	81,861	19,784
Surplus for the year	21,868	62,077
	<u>103,729</u>	<u>81,861</u>

**At 31 March 2014**

The board have earmarked £35,000 of the reserve for IT infrastructure improvements and £5,000 for legal and professional fees in respect of the office move during 2014-15.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2014 (cont'd)

### 15 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 but London TravelWatch is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details are available in the resource accounts of the Cabinet Office Civil Superannuation ([www.civilservice.gov.uk/my-civilservice/pensions](http://www.civilservice.gov.uk/my-civilservice/pensions)).

For 2013-14, employers' contributions of £104,943 were payable to the PCSPS (2012-13 £110,784) at one of four rates in the range 16.7 to 24.3 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 2013-14 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 £3,613 (2012-13 £Nil) were paid to one or more of the panel of three appointed stakeholders' pension providers.

Employer contributions are age-related and range from 3% to 12.5% of pensionable pay.

Employers also match employee contributions up to 3% of pensionable pay.

## ACCOUNTS DIRECTION GIVEN BY THE ASSEMBLY

The Assembly, in exercise of their powers under section 251 of the Greater London Authority Act 1999, hereby make the following Directions:

1. The statements of accounts which is the duty of the Committee (London TravelWatch) to prepare in respect of their financial year ended 31 March 2001 and in each of the subsequent years shall comprise:
  - 1.1 an explanatory introduction
  - 1.2 a statement of accounting policies adopted, drawing attention to any changes in policy which have a significant effects on the results shown by the statement of accounts;
  - 1.3 a statement of income and expenditure;
  - 1.4 a balance sheet;
  - 1.5 a cash flow statement
  - 1.6 a summarised statement of capital expenditure, showing the sources of finance of the total capital expenditure in the period;
  - 1.7 notes to the accounts which include the information referred to in paragraph 1.6.
2. Proper practice shall mean in accordance with schedule 4, Parts I to III, of the Companies Act 1985, in order that a true and fair view of the Committee's (London TravelWatch's) financial status at the end of the accounting year and its income and expenditure for that year shall be given.
3. Capital shall mean expenditure of £5,000 or more on the acquisition, creation or enhancement of an asset, with a useful life of more than one year, which will be used on a continuous basis in the Committee's (London TravelWatch's) activities.
4. Notes required by paragraph 1.7 above shall include the number of employees and Board Members in the year to which the accounts relate whose remuneration fell in brackets of a scale in multiples of £10,000 starting with £40,000.