
LONDON TRAVELWATCH

The operating name of London Transport Users' Committee

AUDITED FINANCIAL STATEMENTS

◆ *Year ended 31 March 2016* ◆



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INFORMATION

Chair Stephen Locke

Chief Executive Janet Cooke

Deputy Chair Ruth Thompson

Board Members
Richard Dilks
Glyn Kyle
Abdikafi Rage
John Stewart
Chris Brown

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REPORT OF THE BOARD

The Board and Chief Executive present their report and audited financial statements for the year ended 31 March 2016

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

In 2014-2015 we upgraded our CRM casework management system to ensure it remains fit for purpose. We also started the procurement process to replace our desktop computers with newer and more powerful models. The new computers will be purchased and installed early in 2016-17.

Premises

Previously London TravelWatch shared accommodation at Dexter House, Royal Mint Court with the London Pension Fund Authority (LPFA) but their lease expired at the end of 2014. In December 2014 a move was carried out to rent premises within the London Fire and Emergency Planning Authority's (LFEPA) headquarters building. LPFA lease separate premises in the same building which allow us to continue to share resources between the two organisations.

Board

Stephen Locke was appointed as Chair from 1 December 2012. A new Board was appointed from 1 January 2013; these appointments were all for four years. All Board appointments are made by the London Assembly following public advertisement. To improve continuity on Board appointments, during the year the London Assembly's Transport Committee agreed to stagger future recruitments. Accordingly Glyn Kyle, John Stewart and Ruth Thompson have had their appointments extended by two years to 31 December 2018. Stephen Locke's as Chair has been extended by one year and now runs to 30 September 2017.

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. Our staff costs during 2015-16 were slightly higher than budgeted because of expenditure on temporary staff who were needed to assist with exceptional levels of incoming work, particularly in respect of the ticket office closures.

Staffing

We continue our shared services arrangement with LPFA to provide us with accountancy support. We made small adjustments to the grading of some of our posts to reflect additional responsibilities that have been taken on and we took on another one year apprentice, this time working towards the higher Level 3 Business Administration qualification.

Sickness Absences

Unfortunately there was a very high level of staff sickness during the year and 297 working days were lost as a result. This equated to an average of 15.1 days per person, more than three times the average in 2014-15 which was 4.7 days. The figures have been skewed by the long term and continuing absence of one person and by two other staff who had serious medical conditions which necessitated several months off work. Removing these three people reduces

the average to 7.2 days. London TravelWatch has a very strict policy on managing sickness absence to ensure the number of days lost is kept to a minimum. This includes meetings with line managers after any absence and referral to an occupational health specialist for cases of intermittent but persistent absence or before return to work from long term sickness.

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 continued to be paid to assisting staff who had taken on new responsibilities to acquire the knowledge they need. The plain English campaign ran a one day course for us to help a range of staff to further improve their written skills. Several staff were given complementary places at external conferences which helped their professional development. The Board continued to widen its awareness and understanding of the issues facing transport users through policy briefings and site visits.

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 the IiP silver award for the way we transformed business performance through the support and motivation of our staff. We continue to use the IiP framework to further develop our skills.

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 detailed 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. In February 2016 the GLA Oversight Committee reviewed transparency across the GLA group and family and a number of helpful recommendations were made. Our practice was judged as generally sound; nevertheless we have made some changes to further improve our practices.

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 we updated our policy and agreed an action plan to ensure we continue to be a healthily diverse organisation.

Achievements

2015-16 has been an impressive year during which we continued to make a real difference for the travelling public in and around London.

- We stood up for rail passengers affected by persistent delays and disruption, challenging the industry to improve and successfully making the case for better compensation arrangements for commuters.
- Several transport operators consulted us on proposals to close or reduce the operating hours of their ticket offices. An unprecedented number of passengers, more than 16,000, contacted us about this. Their feedback helped us to negotiate a better deal for passengers, persuading operators to amend their proposals or to delay implementing the changes until better ticket vending machines were installed and fully operational.
- Our casework team dealt with 7,631 enquires and complaints and investigated 856 appeals from people dissatisfied with how the transport operator had dealt with the original complaint.
- We helped give bus passengers a voice through our growing online bus users' community, encouraging them to respond to consultations about their bus routes. We continued to highlight the worst performing bus routes and lobbied TfL to address the underlying causes. As a result they have now targeted funding to support measures which will give buses greater priority through congested streets.
- Our research into how to improve public transport access to London's five major airports continued to generate debate with both the public and the industry and has directly led to further improvements for passengers.
- In partnership with London Councils and Trust for London we did new research which highlighted the impact of high transport costs for low paid workers living in outer London who have to commute into central London.
- We published a report highlighting the needs of passengers at transport interchanges which will be used to encourage good practice and launched a blog to stimulate debate and promote improvement.
- We also published ten priorities for transport users ahead of the 2016 elections to help influence the new Mayor's transport strategy.

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. As this is the first year of FRS 102 compliance there are a number of statements that have been restated for prior years to allow for year to year comparability, however the previously stated reserves at 31 March 2016 are unchanged.

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 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. 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 intended level of £50,000. At a meeting on 10 May 2016 the Board reconfirmed this policy. Our reserves at 31 March 2016 of £83,000 were higher than this because they included the impact of significant capital expenditure relating to the office move in 2014. This will be depreciated over the period of the head lease.

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.

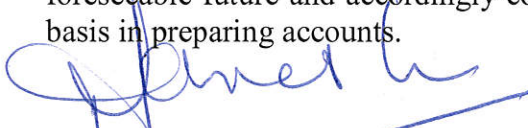
Memorandum of Understanding

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 22.

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

24 May 2016

Independent Auditor's Report to the London Assembly

We have audited the financial statements of London Travel Watch for the year ended 31 March 2015 which are set out on pages 10 to 21. 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 set out on pages 5 to 6, London TravelWatch are 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 2016 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

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
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27 May 2016

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2016

	Notes	2016 £	2015 £
Income	2	1,056,000	1,056,000
Other Income	2	25,628	7,412
		1,081,628	1,063,412
Expenditure:			
Chair's costs	3	(15,919)	(15,350)
Board's representative on Transport Focus	4	(12,000)	(12,000)
Employee costs – pay	5	(769,788)	(729,935)
Employee costs - non pay	6	(11,914)	(13,124)
Board members' costs	7	(32,932)	(32,642)
Accommodation costs	8a	(134,520)	(113,841)
Accommodation move costs	8b	-	(15,191)
Supplies and services	9	(121,994)	(92,260)
Depreciation of tangible fixed assets	11	(14,297)	(27,538)
Cost of services		(1,113,364)	(1,051,881)
(Deficit)/Surplus on provision of services		(31,736)	11,531
Interest received	10	35	71
(Loss)/Profit for the year		(31,701)	11,602

London TravelWatch had no recognised gains or losses in the year ended 31 March 2016 other than those noted above and all operations are continuing.

The accounting policies and notes on pages 13 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	2016 £	2015 £
Opening balance	115,331	103,729
(Loss)/Profit for the year	(31,701)	11,602
Closing balance	83,630	115,331

BALANCE SHEET
at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	<u>54,023</u>	<u>68,320</u>
Current assets			
Debtors	12	23,864	35,853
Cash at bank and in hand		49,853	70,711
		<u>73,717</u>	<u>106,564</u>
Creditors: amounts falling due within one year	13	(44,110)	(59,553)
Net current assets		<u>29,607</u>	<u>47,011</u>
Total assets less current liabilities		<u>83,630</u>	<u>115,331</u>
Financed by:			
General reserve		83,630	115,331
		<u>83,630</u>	<u>115,331</u>

The accounting policies and notes on pages 13 to 21 form part of these financial statements.

The financial statements were approved by the Chief Executive on 24 May 2016 and signed on London TravelWatch's behalf by:

Janet Cooke
Chief Executive
London TravelWatch

CASH FLOW STATEMENT
for the year ended 31 March 2016

	2016	2015
	£	£
Net operating (deficit)/surplus	(31,736)	11,531
Adjustments to net operating surplus/(deficit) for non-cash items	10,843	(21,812)
Net cash-flows from operating activities	<u>(20,893)</u>	<u>(10,281)</u>
Interest received	35	70
Investing activities – acquisition of tangible fixed assets	-	(67,003)
Net increase or decrease in cash and cash equivalents	<u>(20,858)</u>	<u>(77,214)</u>
Cash and cash equivalents at the beginning of the reporting period	70,711	147,925
Cash and cash equivalents at the end of the reporting period	<u><u>49,853</u></u>	<u><u>70,711</u></u>

Adjustments for non-cash items

	2016	2015
	£	£
Depreciation	14,297	27,539
Decrease/(Increase) in debtors	11,989	(19,780)
(Decrease) in creditors	<u>(15,443)</u>	<u>(29,571)</u>
	<u>10,843</u>	<u>(21,812)</u>

Please note the cashflow statement has been presented in a different format for this year, the 2014/15 figures being restated to provide a comparative view.

NOTES TO THE FINANCIAL STATEMENTS**31 March 2016****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 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.

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 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.

ACCOUNTING POLICIES CONTINUED

Pensions

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

- **Allowances for credit losses**

London TravelWatch reviews its individual significant receivables at each reporting date to assess whether an allowance should be made for recoverability. In determining this allowance, judgement by management is required in the estimation of the amount and timings of future cash flows. Such estimations are based on assumptions of a number of factors and actual results may differ, resulting in future changes to the allowance.

- **Lease period**

London TravelWatch has in place a lease until 28 November 2016 however it has made a decision to depreciate lease improvements over a longer period. The longer period reflects the length of the lease held by the landlord, and is consistent with the GLA continuing to want members of the GLA family to share accommodation and reflects existing expectations around current tenants extending their leases. The landlord, LFEPA has confirmed this is its expectation.

NOTES TO THE FINANCIAL STATEMENTS**31 March 2016 (cont'd)**

	2016	2015
	£	£
2 Income		
Grants received from the Greater London Authority	1,056,000	1,056,000
Transport Focus	4,680	4,707
Other income	20,948	2,705
	<u>1,081,628</u>	<u>1,063,412</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. Most of the other income was recovery for two thirds of the cost of an external research project which we carried out in partnership with London Councils and Trust for London.

3 Chair's Costs

Chair's Salary, National Insurance & Pension Contributions	15,807	15,233
Chair's Travel & Subsistence costs	112	117
	<u>15,919</u>	<u>15,350</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

<u>12,000</u>	<u>12,000</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 Transport Focus to represent the interests of London's passengers. The Chair fulfilled this role in 2015-16. 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 2016 (cont'd)**

	2016	2015
	£	£
5 Employee Costs – pay		
Staff salaries	612,878	582,099
National Insurance Contributions	47,904	45,706
ASLC (Accruing Superannuation Liability Charge)	109,006	102,130
	<u>769,788</u>	<u>729,935</u>

Senior management pay

The CEO was paid the following benefits, please note the decrease in salary is due to a reduction in working hours, to 0.9fte from October 2015.

Salary	79,430	82,260
Employers pension contributions	19,460	19,989
	<u>98,890</u>	<u>99,596</u>

The average number of persons employed by London TravelWatch this year, not including Board Members of London TravelWatch was 19.0 (15.49fte) working in the following teams:

	No. (fte)	No.
Senior management	3.00 (2.95)	3.00
Research, policy development and consultation responses	4.17 (4.02)	4.75
Casework	4.00 (3.40)	4.00
Corporate support, stakeholder engagement, website, communications		
IT, committee services and apprentice	5.83 (4.19)	5.50
Financial control and human resources	2.00 (0.93)	2.25
	<u>19.00 15.49</u>	<u>19.50</u>
At 31 March the full time equivalents staffing establishment was	<u>15.49</u>	<u>15.04</u>

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

£40,000 to 50,000	2	2
£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 2016 (cont'd)

	2016	2015
	£	£
6 Employee costs – non pay		
Staff transport costs	1,731	2,283
Staff subsistence costs	20	139
Recruitment costs	1,674	2,658
Training & development	4,385	4,503
Payroll charges (including members payroll)	2,652	2,473
Investors In People	120	491
Occupational health	1,332	577
	<u>11,914</u>	<u>13,124</u>

7 Board members' costs

Members' salaries & National Insurance contributions	32,804	32,346
Travel and subsistence	128	296
	<u>32,932</u>	<u>32,642</u>

No Board member received remuneration above £40,000 either in the 12 months to 31 March 2016 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.

8a Accommodation costs

Rent and service charges	130,306	96,542
Premises repair and maintenance	-	62
Non domestic rates (from November 2014 Non domestic rates were included in the rent)	-	11,660
Health & safety	4,214	4,387
Equipment repair and maintenance	-	1,190
	<u>134,520</u>	<u>113,841</u>

There is currently a commitment to renting accommodation as part of an initial 2 year licence arrangement with London Fire & Emergency Planning Authority which runs until 28 November 2016. It is expected that this arrangement will continue.

Lease commitment

Under one year	87,272	129,996
Between 2 and 5 years	-	86,667
	<u>87,272</u>	<u>216,663</u>

NOTES TO THE FINANCIAL STATEMENTS**31 March 2016 (cont'd)****8b Accommodation move costs**

	2016 £	2015 £
Fit out	-	450
IT & communications	-	6,064
Professional fees	-	6,414
Removal	-	2,143
Others	-	120
	<u>-</u>	<u>15,191</u>

Capital costs in association with move

Fit out	-	14,125
Furniture	-	8,407
IT & communications	-	5,100
	<u>-</u>	<u>27,632</u>

	2016 £	2015 £
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9 Supplies and Services

Legal and professional	1,714	1,481
IT software and consumables	39,714	34,814
Research and inquiry/publication costs	34,608	3,219
External audit fees	10,968	10,932
Communications, publication and information, internet and electronic publication	9,893	11,082
Postage and telecommunications	6,997	11,013
Insurance	7,798	7,919
Annual report costs	1,428	1,419
Photocopier hire and document reproduction	4,833	4,580
Books, periodicals, stationery and office supplies	2,789	4,397
Meeting costs	475	700
Bank charges	779	704
Total	<u>121,994</u>	<u>92,260</u>

Research with costs of approximately £11,000, originally planned for 2014/15, was actually carried out in 2015/16. This research, which was carried out in partnership with two other organisations, increased the expenditure in this area but this is offset by recovery of additional income as disclosed in note 2.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2016 (cont'd)

	2016	2015
10 Interest received		
	£	£
Received during the year	35	71
	<u>35</u>	<u>71</u>

11 Fixed Assets

	Short-term lease Improvements £	Computer Equipment £	Total £
Cost			
At 1 April 2015	32,132	153,039	185,171
Additions during the year	-	-	-
Disposals during the year	(9,600)	(97,840)	(107,440)
At 31 March 2016	<u>22,532</u>	<u>55,199</u>	<u>77,731</u>
Depreciation			
At 1 April 2015	10,209	106,642	116,851
Charged during the year	1,827	12,470	14,297
Disposals	(9,600)	(97,840)	(107,440)
At 31 March 2016	<u>2,436</u>	<u>21,272</u>	<u>23,708</u>
Net book value			
At 31 March 2016	<u>20,096</u>	<u>33,927</u>	<u>54,023</u>
At 31 March 2015	<u>21,923</u>	<u>46,397</u>	<u>68,320</u>

The sum shown for disposal during the year refers to an exercise to remove from our balance sheet historic IT, website and database assets which had already been fully depreciated and are no longer in use by the organisation.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2016 (cont'd)

	2016	2015
	£	£
12 Debtors - amounts falling due within one year		
Other debtors	5,551	5,888
Prepayments and accrued income	18,313	29,965
	<u>23,864</u>	<u>35,853</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	5,489
Advanced in the year	9,134	9,812
Repaid during the year	<u>(9,471)</u>	<u>(9,413)</u>
Outstanding at 31 March	<u>5,551</u>	<u>5,888</u>

13 Creditors: amounts falling due within one year

Other creditors (includes unpaid salaries and employer NI and pensions contributions at year end)	28,394	48,753
Accruals	15,716	10,800
	<u>44,110</u>	<u>59,553</u>

NOTES TO THE FINANCIAL STATEMENTS

31 March 2016 (cont'd)

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 but London TravelWatch is unable to identify its share of the underlying assets and liabilities. The scheme actuary most recently valued the scheme as at 31 March 2012. Details are available on the Government Actuary's Department website (www.civilservicepensionscheme.org.uk).

For 2015-16, employers' contributions of £108,684 were payable to the PCSPS (2014-15 £103,130) 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 2015-16 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. One employee at London TravelWatch is in this position.

Employers' contributions of £1,765 (2014-15 £1,592) 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. Employers also match employee contributions up to 3% of pensionable pay.

15 Financial Risk Management

LTW 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)