
LONDON TRAVELWATCH

The operating name of London Transport Users Committee

AUDITED FINANCIAL STATEMENTS

◆ *Year ended 31 March 2013* ◆



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INFORMATION

Chair	Stephen Locke (from 1.12.12) Sharon Grant (to 30.9.12)
Chief Executive	Janet Cooke
Deputy Chair	Ruth Thompson (from 1.1.13) David Leibling (to 31.12.12 Acting Chair, October and November)
Board Members from 1.1.13	Josephine Channer Glyn Kyle John Stewart Abdikafi Rage Richard Dilks
Board Members to 31.12.12	David Barry Terry Bennett Gail Engert Sophia Lambert
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 2013.

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 pro-active research into transport needs in its area.
- (iv) Actively promoting the benefits to the wider community of public transport.

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 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 and 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.

Premises

In July 2012 London TravelWatch moved to smaller offices and now shares accommodation with the London Pension Fund Authority (LPFA). London TravelWatch met the cost of this move from savings arising from the previous year's staffing restructure as well as from the savings made by reducing accommodation costs. The GLA amended its grant payment schedule for 2012-13 to ease the organisation's cash flow position through the year. The cost of the office move was £96,000 as detailed in note 15. The full year budget for accommodation costs has reduced from £218,000 for 2010/11 to £97,000 for 2013/14. This cost being fixed for two years. The combined savings achieved by reducing the staffing complement as well as through the office move mean that London TravelWatch has now reduced its annual operating costs by 31% compared to 2010-11.

Board

Sharon Grant's term of office as Chair finished on 30 September 2012 and Stephen Locke was appointed as Chair from 1 December 2012. David Leibling, Deputy Chair, acted as chair between these appointments. The previous Board's appointments finished on 31 December 2012 and a new Board was appointed from 1 January 2013. All Board appointments are made by the London Assembly following public advertisement.

A comprehensive induction programme has been developed for the new Board to ensure they have the necessary knowledge base to undertake their role.

The Board has agreed that they will continue to follow the direction and priorities set out by the previous Board in the 2013-14 business plan. 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 has been agreed against which to gauge what work is essential. A more streamlined system of governance, with just two committees - Governance and Policy - supporting the main Board has also been agreed.

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.

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

London TravelWatch participated in the Network Rail Track & Train paid internship programme from its inception at the beginning of the year, 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.

Equal opportunities and disability

All employees have equal opportunities for employment and advancement solely on basis of 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.

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 the 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.

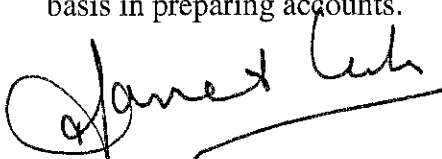
Risk Statement

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.

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 considers that it is appropriate to adopt the going concern basis in preparing accounts.



Janet Cooke
Chief Executive
London TravelWatch

27 June 2013

Independent Auditor's Report to the London Assembly

We have audited the financial statements of London Travel Watch for the year ended 31 March 2013 which are set out on pages 8 to 18. 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 19. 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 3 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 the 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. 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 2013 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.

Independent Auditor's Report to the London Assembly (continued)

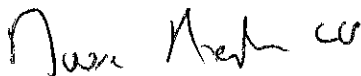
Opinion on other matter prescribed by the Accounts Direction issued by the London Assembly

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 Directions 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

21 June 2013

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2013

	Note	2013	2012
		£	£
Income			
Greater London Authority grant received and other income	2	1,212,272	1,456,181
Expenditure			
Chair's costs	3	19,905	25,545
Board's Representative on Passenger Focus	4	16,635	18,180
Employee costs – pay	5	725,489	1,091,621
Employee costs - non pay	6	17,710	32,567
Board Members' costs	7	27,139	28,179
Accommodation costs	8	179,677	240,622
Supplies and Services	9	131,092	138,875
Depreciation of tangible fixed assets	11	32,625	52,471
		1,150,272	1,628,060
Operating Surplus/(Deficit)		62,000	(171,879)
Interest receivable	10	77	84
Surplus/(Deficit) for the financial year		62,077	(171,795)
Retained surplus brought forward		19,784	191,579
Retained surplus carried forward	14	81,861	19,784

London TravelWatch had no recognised gains or losses in the year ended 31 March 2013 other than those noted above and all operations are continuing.

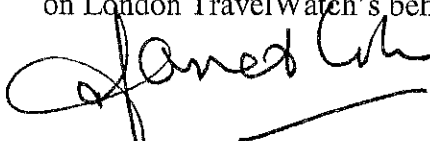
The accounting policies and notes on pages 11 to 18 form part of these financial statements.

BALANCE SHEET
at 31 March 2013

	Note	2013 £	2012 £
Fixed Assets			
Tangible assets	11	<u>45,536</u>	<u>68,561</u>
Current Assets			
Debtors	12	17,337	50,218
Cash at bank and in hand		142,009	49,927
		<u>159,346</u>	<u>100,145</u>
Creditors: amounts falling due within one year	13	(123,021)	(148,922)
Net Current Assets/(Liabilities)		<u>36,325</u>	<u>(48,777)</u>
Total Assets less current liabilities		<u>81,861</u>	<u>19,784</u>
Net Asset			
Financed by:			
General reserve	14	81,861	19,784
		<u>81,861</u>	<u>19,784</u>

The accounting policies and notes on pages 11 to 18 form part of these financial statements.

The financial statements were approved by the Chief Executive on ²⁷ June 2013 and signed on London TravelWatch's behalf by:



Janet Cooke
Chief Executive
London TravelWatch

CASH FLOW STATEMENT
for the year ended 31 March 2013

	2013	2012
	£	£
Operating Surplus/(Deficit)	62,000	(171,879)
Depreciation of tangible fixed assets	32,625	52,471
Decrease in debtors	32,881	5,766
(Decrease)/Increase in creditors	(25,901)	74,385
Net Inflow/(Outflow) from operating activities	101,605	(39,257)
Return on investment and servicing of finance		
Interest received	77	84
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(9,600)	0
Increase / (Decrease) in cash	92,082	(39,173)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2013

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 Act 1999, as on page 5. 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 and Policy 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.
- Telephone equipment 5 years
- Computer equipment 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 2013 (cont'd)

	2013	2012
	£	£
2 Income		
Grants received from the Greater London Authority	1,203,000	1,443,000
Passenger Focus	8,489	12,890
Miscellaneous income	783	291
	<u>1,212,272</u>	<u>1,456,181</u>

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

3 Chair's Costs

Chair's Salary, National Insurance & Pension Contributions	19,493	25,005
Chair's Travel & Subsistence costs	412	540
	<u>19,905</u>	<u>25,545</u>

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

**4 Pay of London TravelWatch's Representative on Passenger Focus
including National Insurance Contributions**

<u>16,635</u>	<u>18,180</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

NOTES TO THE FINANCIAL STATEMENTS
31 March 2013 (cont'd)

	2013	2012
	£	£
5 Employee Costs – pay		
Staff salaries	570,935	651,228
Compensation to staff on cessation of employment due to reorganisation	-	263,252
National Insurance Contributions	44,348	51,880
ASLC (Accruing Superannuation Liability Charge)	110,206	125,261
	<u>725,489</u>	<u>1,091,621</u>

The average number of persons employed by London TravelWatch this year, not including Board Members of London TravelWatch was 19.8 (15.6fte) working in the following teams:

	No.	No.
Senior Management	3	3.5
Research, policy development and consultation responses	4	3.9
Casework and Public Liaison	4.9	6.4
Corporate management, stakeholder engagement, communications and committee	4.9	4.2
Financial control, personnel and (previously included premises management)	3	2.6
	<u>19.8</u>	<u>20.6</u>
	(15.6fte)	(17.1fte)

At 31 March 2013 the staffing complement was (15.6fte)

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

£40,000 to 50,000	-	-
£50,001 to 60,000	1	3
£60,001 to 70,000	-	-
£70,001 to 80,000	1	1

	£	£
6 Employee costs – non pay		
Staff transport costs	1,808	950
Staff subsistence costs	65	69
Recruitment costs	1,593	10,464
Training & development	9,059	13,433
Payroll charges (including members payroll)	3,100	6,299
Investors In People	2,085	-
Occupational health	-	1,352
	<u>17,710</u>	<u>32,567</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2013 (cont'd)

	2013	2012
	£	£
7 Board members' costs		
Members' salaries & National Insurance contributions	26,665	27,655
Travel and subsistence	474	524
	<u>27,139</u>	<u>28,179</u>

No Board members received remuneration above £40,000 in the 12 months to 31 March 2013 nor in the previous year.

8 Accommodation costs

Rent and service charges	108,578	116,812
Premises repair and maintenance	14,620	55,023
Non domestic rates	25,409	40,902
Cleaning charges	3,095	10,609
Electricity charges	3,104	8,209
Health & safety	4,567	4,123
Premises insurance	3,192	2,854
Equipment repair and maintenance	576	2,025
Equipment and furniture purchase	16,536	65
	<u>179,677</u>	<u>240,622</u>

Rent and Service charges include the true effective rental for which the former offices had been occupied irrespective of the agreed rent- free period. The "spreading forward" accounting treatment has been applied to the future period over which the benefit is recognised in accordance with SSAP 21, (paragraph 16).

Office Relocation Costs		2013	2012
Included under various expenses headings above are office relocation costs, as follows:			
Dilapidations	included in note 8	3,890	50,000
Removals and office set up costs	included in note 8	32,998	-
Legal and Professional costs	included in note 9	2,100	976
		<u>38,988</u>	<u>50,976</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2013 (cont'd)

	2013	2012
	£	£
9 Supplies and Services		
Legal and professional	8,589	41,200
IT software and consumables	28,476	19,500
Research and inquiry/publication costs	39,070	11,736
External audit fees	11,400	11,400
Communications, publication and information, internet and electronic publication	8,030	10,950
Postage, telephone and fax	11,445	10,904
Insurance	8,291	9,466
Annual report costs	2,552	7,632
Photocopier hire and document reproduction	5,062	6,116
Books, periodicals, stationery and office supplies	5,687	5,763
Meetings' costs	1,747	2,668
Bank charges	743	1,540
Total	131,092	138,875

NOTES TO THE FINANCIAL STATEMENTS
31 March 2013 (cont'd)

	2013	2012
	£	£
10 Interest received		
Received during the year	77	84
	<u>77</u>	<u>84</u>

11 Fixed Assets

	Short-term lease Improvements £	Telephone Equipment £	Computer Equipment £	Total £
Cost				
At 1 April 2012	67,492	16,154	263,408	347,054
Additions during the year	9,600	-	-	9,600
Disposals during the year	(67,492)	(16,154)	-	(83,646)
At 31 March 2013	<u>9,600</u>	<u>-</u>	<u>263,408</u>	<u>273,008</u>
Depreciation				
At 1 April 2012	59,519	16,154	202,820	278,493
Charged during the year	11,173	-	21,452	32,625
Disposals during the year	(67,492)	(16,154)	-	(83,646)
At 31 March 2013	<u>3,200</u>	<u>-</u>	<u>224,272</u>	<u>227,472</u>
Net book value				
At 31 March 2013	<u>6,400</u>	<u>-</u>	<u>39,136</u>	<u>45,536</u>
At 31 March 2012	<u>7,973</u>	<u>-</u>	<u>60,588</u>	<u>68,561</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2013 (cont'd)

	2013	2012
	£	£
12 Debtors - amounts falling due within one year		
Other debtors	5,780	4,058
Prepayments and accrued income	11,557	46,160
	<u>17,337</u>	<u>50,218</u>

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

Balance at 1 April 2012	4,058	5,766
Advanced in the year	10,617	5,401
Repaid during the year	(8,895)	(7,109)
Outstanding at 31 March 2013	<u>5,780</u>	<u>4,058</u>

13 Creditors: amounts falling due within one year

Other creditors	108,661	63,432
Accruals and deferred income	14,360	85,490
	<u>123,021</u>	<u>148,922</u>

14 Reserves

	Total £
At 1 April 2012	19,784
Surplus for the year	62,077
	<u>81,861</u>

At 31 March 2013

The board have earmarked £15,000 of the reserve for IT infrastructure improvements and £10,000 for Website improvements

NOTES TO THE FINANCIAL STATEMENTS
31 March 2013 (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).

For 2012-13, employers' contributions of £110,784 were payable to the PCSPS (2011-12 £128,683) 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 2011-12 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 £Nil (2011-12 £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 effect on the results shown by the statement of account;
 - 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.