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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 2023*◆

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# LONDON TRAVELWATCH

## CONTENTS OF THE ANNUAL REPORT

	<b>Page</b>
London Travel Watch Information	1
Report of the Board	2
Independent Auditor's report to the London Assembly	9
Statement of comprehensive income & expenditure	13
Statement of changes in equity	13
Statement of financial position	14
Statement of cash flows	15
Notes to the financial statements	16
Accounts direction given by the London Assembly	23

## LONDON TRAVELWATCH

### LONDON TRAVEL WATCH INFORMATION

Chair	Arthur Leathley
Chief Executive	Emma Gibson (To 30 September 2022) Joanna Davidson (1 October 2022 to 31 December 2022) Michael Roberts (from 1 January 2023)
Deputy Chair	Alan Benson
Board Members	Priya Khullar Tiffany Lam Karen McArthur Laura Osborne Susan Stockwell
Address	Europoint 5-11 Lavington Street London SE1 0NZ
Auditors	Wheawill & Sudworth Limited 35 Westgate Huddersfield HD1 1PA
Bankers	The Royal Bank of Scotland 4 <sup>th</sup> Floor 1 Hardman Boulevard Manchester M3 3AQ

# LONDON TRAVELWATCH

## REPORT OF THE BOARD

The Board and Chief Executive present their report and audited financial statements for the year ended 31 March 2023.

### **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 Adaption) Order 2000. Under Clause 4 of the London Transport Users' Committee (Transitional Provisions) Order 2000 all property, rights, and liabilities of London Regional Passengers' Committee (LRPC) were transferred to the London Transport Users' Committee (LTUC). Clause 5 of the same Order provided for a continuity of functions between LRPC and LTUC, hence the new Committee inherited the full range of activities of LRPC, together with such additional functions as are set out in the relevant provisions of the Greater London Authority Act 1999, as amended by the Transport Act 2000. On 20 October 2005, the Committee adopted the title London TravelWatch as its operating name. From 1 January 2007 London TravelWatch has operated as a Board and its principal subsidiary bodies, legally Sub-Committees under the Greater London Authority Act 1999, have been established as Committees. London TravelWatch is a public benefit entity.

### **Principal activity**

London TravelWatch's function is to represent the interest 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. Advocating for the needs of transport users to transport bodies and decision makers
- v. Meeting regularly with transport decision makes, providers and operators to promote improvements for service users and operators.

### **Finance**

London TravelWatch is financed by grants from the Greater London Authority (GLA) as approved by the London Assembly. The Grant-in-aid is primarily of a revenue nature, but occasionally may contain an element relating to capital expenditure and is credited to the income and expenditure account in the year in which it is received.

### **Creditors/supplier 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 supplier invoices not in dispute are paid within 30 days of receipt.

## LONDON TRAVELWATCH

### **Fixed assets**

Details of the movements in the tangible fixed assets are set out in note 11 to the financial statements.

### **Premises**

London TravelWatch occupies office space under a 5-year lease, running until November 2023, within the Europoint building on Lavington Street.

### **Board and Senior Management**

All appointments to the London TravelWatch Board are made by the London Assembly following public advertisement. The current Chair is Arthur Leathley, and his term runs until 30 September 2023. Alan Benson has had his term as Deputy Chair extended until December 2025.

### **Partnership working with Transport Focus**

In February 2020 London TravelWatch entered a Collaboration Agreement with Transport Focus to work more closely together to ensure that, both jointly and individually, the organisations are making more of a difference for transport users and delivering better value for money for sponsors and funders.

Under the Collaboration Agreement:

Transport Focus provides finance and human resource support services to London TravelWatch. The resources to deliver these services are offset by the resources utilised by London TravelWatch in providing rail passenger appeal complaints management and resolution services on behalf of Transport Focus.

Transport Focus and London TravelWatch share ICT infrastructure and support costs whilst securing their own data, which has reduced costs whilst improving the resilience of the IT services.

The arrangement is subject to an annual review to ensure that it continues to meet the objective that both organisations are making more of a difference for transport users and deliver better value for money for sponsors and funders.

The two organisations remain independent of one another. London TravelWatch is the official watchdog organisation representing the interests of transport users in London and is sponsored and funded by the London Assembly. Transport Focus is the independent watchdog for transport users outside of London and is sponsored by the Department for Transport.

The Collaboration Agreement does not create a business group or joint venture for reporting purposes, so the organisations publish separate annual reports and financial statements which are subject to independent audit.

## LONDON TRAVELWATCH

### **Pay**

London TravelWatch has a traditional public sector pay and grading system which is analogous, but not identical, to that operated by the Greater London Authority. Jobs are allotted to a particular band or grade based on an analytical job evaluation system (Hay). Each of the six hierarchical grades has six incremental steps.

All new employees are appointed on the lowest point of the grade and progress incrementally each year thereafter. Since 2006 the organisation has followed the annual cost of living pay settlement agreed by the GLA for City Hall staff and members. In 2022/23 we implemented a pay rise of 3.2%. Details of our staff costs during the year are included in note 5 to the financial statements.

### **Staffing**

As at 31 March 2023 the organisation employed 11 staff, which equated to 10.60 (2022: 9.00) full time equivalents posts (fte).

### **Transparency**

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

### **Equity Diversity and Inclusion**

London TravelWatch is committed to supporting, developing, and promoting equity and diversity in all its practices and activities. We aim to establish an inclusive culture free from discrimination and based upon the values of dignity and respect. We want our workforce to be truly representative of all sections of society, where each colleague feels respected and able to give their best. We also monitor and publish data on our gender and ethnicity pay gaps each year.

In January 2023, the Board agreed an equity framework to inform how we make decisions about our work: the framework was one of three areas of focus in the EDI strategy adopted by London TravelWatch in the previous year. In February, following the appointment of a new Chief Executive, an all-team awayday was held which identified EDI as an area where London TravelWatch needed to continue developing its approach and a facilitated workshop on the topic was arranged for early in the following business year.

### **Achievements**

In 2022/23, alongside handling appeals where the public has complained to transport operators, London TravelWatch has successfully argued against changes to public transport services, driven action to improve personal security for the travelling public, and secured improvements in passenger information:

- we strongly opposed proposals by the Mayor to make cuts to London's bus network, including specific objections to changes affecting 15 of the bus routes. Of the 22 routes originally proposed to be withdrawn just 3 were eventually cut, with dozens more services

## LONDON TRAVELWATCH

also protected from changes. The vast majority of night bus services have also been protected

- based on our 2022 report on personal security, TfL launched the high profile “Active Bystander” awareness campaign encouraging passengers to intervene safely and make a stand against sexual harassment or hate crime
- in December, the Home Office announced their support for criminalising public sexual harassment, which was one of 28 recommendations in our personal security report
- in February, we published our report *Left behind Londoners*, which set out nine recommendations to tackle digital exclusion and disadvantage in London transport. We also led a call together with other influential organisations, such as Age UK London and Transport for All, for operators to make transport more inclusive
- following the opening of the Elizabeth Line, at our initiative TfL made improvements to customer information at stations, including new bus signage at Liverpool Street. We also drew attention to issues with lift signage and other station information issues across the route
- during the state funeral for Her Majesty the Queen, we carried out mystery shopping to understand how well visitors were being informed by public transport operators on issues such as where queues started or the location of toilets. This led to significant improvements in making sure frontline staff had the most up to date information at stations
- we jointly held with Centre for London a well-received e-scooter webinar, highlighting issues around making micro-mobility safe for all. Since the webinar, an e-scooter trial across London has been extended by TfL and we will continue to feed back views
- during the year, our casework team dealt with 2,147 written and telephone enquiries and complaints. We investigated 1,030 appeals from members of the public travelling in London and the surrounding areas. The team achieved the outcome the passenger was looking for in 55% of appeals: in a further 34% of appeals, the team achieved an improved outcome, albeit less than that requested by the passenger
- we gave feedback to train operators on their customer communications during rail strikes during the year, so that they could better publicise the service disruption to passengers and provide alternative travel information
- following a decision in the summer by Eurostar to switch off their phonelines due to the sheer volume of customer contacts they were receiving, we successfully lobbied the operator to re-open their phonelines
- following the introduction of a new rail service timetable in December, Southeastern pledged to bring back more direct Charing Cross services on the Bexleyheath line after lobbying by London TravelWatch and others
- London TravelWatch appeared and gave evidence at inquiries held by the London Assembly’s Transport Committee on the bus network in London, rail reform, public transport fares, and smart road user charging

## LONDON TRAVELWATCH

### **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 accrual's basis and, in accordance with FRS 102 and our status as a public benefit entity. They must show a true and fair view of London TravelWatch's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts London TravelWatch is required to:

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

London TravelWatch has designated its Chief Executive as the Accounting Officer. Their relevant responsibilities as the Account Officer, including their 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 reassurance 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 to or over £3,000 to be signed by two authorised signatories, with all expenditure covered by invoice, signed certificate and/or receipt, direct debit mandate or standing order instruction.

## LONDON TRAVELWATCH

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

### **Reserves**

Our reserves at 31 March 2023 were £150,540, represented by total assets of £250,243 less total liabilities of £99,703.

### **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 2020 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 15.

### **Going Concern**

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

On the basis of London TravelWatch's budget and business plan for the next financial year, prepared in accordance with the directions from the Greater London Assembly, 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.

London TravelWatch's governing legislation requires the board to prepare financial statements for each financial year. The board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the organisation and of its income and expenditure. In preparing these financial statements, the board are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in operation.

The board are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the financial statements comply with the governing legislation. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## LONDON TRAVELWATCH

In so far as the board are aware:

- There is no relevant audit information of which the auditors are unaware: and
- The board have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Michael Roberts**  
**Chief Executive**  
**London TravelWatch**

XX XXX 2023

### INDEPENDENT AUDITOR'S REPORT TO THE LONDON ASSEMBLY

#### **Opinion**

We have audited the financial statements of London TravelWatch for the year ended 31 March 2023 which comprise statement of comprehensive income, statement of financial positions, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of London TravelWatch's affairs as at 31 March 2023 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.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

## LONDON TRAVELWATCH

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

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of London TravelWatch**

As explained more fully in the Statement of London TravelWatch's and the Chief Executive's Responsibilities set out on page 6, London TravelWatch is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as London TravelWatch determine is necessary, to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management regarding known or suspected instances of non-compliance with laws and regulations;
- Obtaining an understanding of the control environment in place to prevent and detect irregularities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by London TravelWatch.

## LONDON TRAVELWATCH

- Conclude on the appropriateness of managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

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

### **Mr David Butterworth (Senior Statutory Auditor)**

For and on behalf of Wheawill & Sudworth Limited  
Chartered Accountants & statutory auditor  
35 Westgate  
Huddersfield  
HD1 1PA

Date:

## LONDON TRAVELWATCH

### STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	Notes	£	£
GLA core Grant Income	2	1,110,323	1,088,640
		<b>1,110,323</b>	<b>1,088,640</b>
<b>Expenditure</b>			
Chair's costs	3	21,119	19,960
Board's representative on Transport Focus	4	8,004	8,004
Employee costs – pay	5	645,167	591,447
Employee costs – non pay	6	61,025	39,246
Board members' costs	7	33,459	25,341
Accommodation costs	8	104,019	104,751
Supplies and services	9	179,904	186,396
Depreciation of tangible fixed assets	11	12,682	12,682
<b>Cost of services</b>		<b>1,065,379</b>	<b>987,827</b>
<b>Surplus on provision of services</b>		44,944	100,813
Interest received	10	2,213	62
<b>Surplus for the year</b>		<b>47,157</b>	<b>100,875</b>

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
		£	£
<b>Opening balance</b>		<b>103,383</b>	<b>2,508</b>
Surplus for the year		47,157	100,875
<b>Closing balance</b>		<b>150,540</b>	<b>103,383</b>

London TravelWatch had no recognised gains or losses in the year ended 31 March 2023 other than those noted above, and all operations are continuing.

The accounting policies and notes on pages 16 to 22 form part of these financial statements.

## LONDON TRAVELWATCH

### STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023	2022
		£	£
<b>Fixed assets</b>			
Tangible assets	11	11,846	24,528
<b>Debtor due after more than one year</b>	12	39,473	39,473
<b>Current assets</b>			
Debtors	13	53,064	46,034
Cash at bank and in hand		145,860	95,401
		<b>198,924</b>	<b>141,435#</b>
Creditors: amounts falling due within one year	14	(99,703)	(102,053)
<b>Net current assets</b>		<b>99,221</b>	<b>39,382</b>
<b>Total assets less current liabilities</b>		<b>150,540</b>	<b>103,383</b>
<b>Financed by:</b>			
General reserve		150,540	103,383
<b>Total reserves</b>		<b>150,540</b>	<b>103,383</b>

The accounting policies and notes on pages 16 to 22 form part of these financial statements.

The financial statements were approved by the Chief Executive on xx XXXXX 2023 and signed on London TravelWatch's behalf by:

**Michael Roberts**  
**Chief Executive**  
**London TravelWatch**

## LONDON TRAVELWATCH

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023	2022
		£	£
Net operating surplus		44,944	100,813
Adjustments to net operating surplus for non-cash items		3,302	(95,379)
<b>Net cash flows from operating activities</b>		<b>48,246</b>	<b>5,434</b>
Interest received		2,213	62
Investing activities – acquisition of tangible fixed assets	11	-	-
<b>Net cash flows from investing activities</b>		<b>2,213</b>	<b>62</b>
Net increase or decrease in cash and cash equivalents		50,459	5,496
Cash and cash equivalents at the beginning of the reporting period		95,401	89,905
<b>Cash and cash equivalent at the end of the reporting period</b>		<b>145,860</b>	<b>95,401</b>
<b>Adjustments for non-cash items</b>			
		<b>2023</b>	<b>2022</b>
		£	£
Depreciation		12,682	12,682
(Increase)/decrease in debtors		(7,030)	(22,359)
Increase/(decrease) in creditors		(2,350)	(85,702)
		<b>3,302</b>	<b>(95,379)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

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

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

The accounts have been prepared under the historical cost convention.

#### **GLA grants receivable**

During the period covered by the accounts, London TravelWatch was funded primarily by grant-in-aid from 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.

#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### **Fixed assets**

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

#### **Depreciation**

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

- Short-term leasehold – improvements to the cessation of the current licence
- Computer equipment and software – 5 years

#### **Value Added Tax**

London TravelWatch is not VAT registered and is not required to be.

#### **Corporation Tax**

London TravelWatch was exempt from Corporation Tax for the year ended 31 March 2023.

**Pensions**

Retirement benefits/pension costs have been accounted for under FRS 102. Certain additional disclosures are given as required by FRS 102 (Note 15).

**Critical accounting judgements and estimates**

In the application of accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from estimates. There were no judgements, estimates and assumptions that may cause amounts recognised or disclosed to change in the following reporting period.

**2. Income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Core Grants received from the Greater London Authority	1,110,323	1,088,640
	<b>1,110,323</b>	<b>1,088,640</b>

**3. Chair Costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Chair’s Salary, National Insurance & Pension Contributions	20,580	19,875
Chair’s Travel & Subsistence costs	539	85
	<b>21,119</b>	<b>19,960</b>

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 representative on Transport Focus**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Pay of London representative on Transport Focus</b>	<b>8,004</b>	<b>8,004</b>

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 2022-23. National Insurance contributions in respect of this role are included in the Chair’s costs shown in Note 3-

## LONDON TRAVELWATCH

### 5. Employee Costs – pay

	2023	2022
	£	£
Staff salaries (includes agency staff)	478,017	429,754
National Insurance Contributions	44,706	48,028
ASLC (Accruing Superannuation Liability Charge)	122,444	113,665
	<b>645,167</b>	<b>591,447</b>

#### Senior management pay

Emma Gibson was in post as CEO until her resignation on 30 September 2022. Joanna Davidson was appointed as interim CEO from 1 October to 31 December 2022.

Michael Roberts has been appointed as CEO on a permanent basis from 1 January 2023.

	2023	2022
	£	£
CEO Annual salary payments (combined)	83,193	15,711
	<b>83,193</b>	<b>15,711</b>

The highest paid senior management role was paid the following benefits during the year.

	2023	2022
	£	£
Salary	38,479	70,000
Pension Contributions	10,458	19,530
	<b>48,937</b>	<b>89,530</b>

The average number of persons employed by London TravelWatch during period 2022/23 not including Board Members or Chief Executive was 10.40 (9.80 fte) working in the following teams:

	2023		2022	
	No.	(fte)	No.	(fte)
Senior management	2.40	(2.40)	1.00	(1.00)
Research, policy, development, and consultation responses	1.80	(1.80)	1.00	(1.00)
Casework	3.80	(3.80)	4.00	(4.00)
Operations & Communications	2.40	(1.80)	3.00	(3.00)
	<b>10.40</b>	<b>(9.80)</b>	<b>9.00</b>	<b>(9.00)</b>
At 31 March the full-time equivalents staffing establishment was		<b>(10.60)</b>		<b>(9.00)</b>

## LONDON TRAVELWATCH

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

	2023	2022
£50,001 to 60,000	1	-
£60,001 to 70,000	-	1
£70,001 to 80,000	-	-
£80,001 to 90,000	-	-

### 6. Employee costs – non pay

	2023	2022
	£	£
Staff transport costs	1,513	355
Staff subsistence costs	924	528
Recruitment costs	39,208	14,280
Training and development	11,176	20,611
Payroll charges (including members payroll)	2,748	2,572
HR Consultancy	4,470	900
Health and safety	986	-
	<b>61,025</b>	<b>39,246</b>

### 7. Board members' costs

	2023	2022
	£	£
Members' salaries & National Insurance contributions	33,418	25,341
Travel and subsistence	41	-
	<b>33,459</b>	<b>25,341</b>

No board member received remuneration above £40,000 either in the 12 months to 31 March 2023 or in the previous year. The remuneration for members is set by the London Assembly and updated by the same mechanism applied to salaries of the London Assembly members.

### 8. Accommodation costs

	2023	2022
	£	£
Rent and service charges	81,050	82,231
Repairs and maintenance	352	-
Furniture	-	467
Electricity charges	887	453
Non-Domestic Rates	19,960	19,960
Cleaning charges	1,770	1,640
	<b>104,019</b>	<b>104,751</b>

## LONDON TRAVELWATCH

### 9. Supplies and Services

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Legal and professional	462	60
IT Software and licences	22,391	17,341
Research & inquiry/publication costs	103,074	116,741
External audit fees	11,700	11,700
Communications, publications/information, internet, and electronic publication	14,697	11,336
Postage and telecommunications	3,289	3,488
Insurance	4,591	4,167
Conference and Seminar costs	867	14,400
Photocopier hire and document reproduction	1,143	1,308
Books, periodicals, stationery, and office supplies	13,745	5,451
Meeting costs	3,434	-
Bank charges	511	404
<b>TOTAL</b>	<b>179,904</b>	<b>186,396</b>

### 10. Interest received

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Received during the year	2,213	62

### 11. Fixed Assets

	<b>Short-term Lease Improvement</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
<b>At 1 April 2022</b>	73,533	12,410	85,943
<b>Additions</b>	-	-	-
<b>At 31 March 2023</b>	<b>73,533</b>	<b>12,410</b>	<b>85,943</b>
<b>Depreciation</b>			
<b>At 1 April 2022</b>	57,382	4,033	61,415
<b>Charge during the year</b>	10,200	2,482	12,682
<b>At 31 March 2023</b>	<b>67,582</b>	<b>6,515</b>	<b>74,097</b>
<b>Net book value</b>			
<b>At 31 March 2023</b>	<b>5,951</b>	<b>5,895</b>	<b>11,846</b>
<b>At 31 March 2022</b>	16,151	8,377	24,528

**12. Debtors – amounts falling due after one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Rent deposit	39,473	39,473
	<b>39,473</b>	<b>39,473</b>

**13. Debtors – amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	53,064	46,034
	<b>53,064</b>	<b>46,034</b>

**14. Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other creditors (includes trade creditors, unpaid salaries and employer NI and pension contributions at the year-end)	82,091	71,407
Accruals and deferred income	17,612	30,646
	<b>99,703</b>	<b>102,053</b>

**15. Pensions**

**Principal Civil Service Pension Scheme**

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

For 2022-23, employers' contributions of £125,154 were payable to the PCSPS (2021-22: £116,254) at one of four rates in the range 26.6 to 30.3 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 2022-23 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. No employers' contributions (2021-22: £nil) were paid to Legal & General, the appointed stakeholders' pension provider. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay with rates set by the PCSPS. Employers also match employee contributions up to 3% of pensionable pay.

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

**16. Financial Risk Management**

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

- Liquidity risk; and
- Credit risk

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

**Liquidity Risk**

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

**Credit Risk**

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

**17. Operating Leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	46,957	79,900
Later than 1 year and not later than 5 years	76	29,475
	<b>47,033</b>	<b>109,375</b>

## LONDON TRAVELWATCH

### 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 February 2020):

#### Accounts

- 1 London TravelWatch will conduct monthly monitoring and review of its finances, to include forecasts against the 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 via the Executive Director Secretariat and six monthly to Transport Committee in the format required.
- 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 year, and its expenditure for that year<sup>1</sup>.
- 3 The Chief Executive of London TravelWatch must submit, in line with the agreed timetable, financial information required by the 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 direction<sup>2</sup>.
- 5 The Statement of Accounts must be audited by an auditor appointed by Transport Committee.<sup>3</sup> 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 anybody 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 Executive Director Secretariat, 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.

<sup>1</sup> The GLA Act 1999 Schedule 18 paragraph 8(2)

<sup>2</sup> The GLA Act 1999 Schedule 18 paragraph 8(3)

<sup>3</sup> The GLA Act 1999 Schedule 18 paragraph 8(4)