
LONDON TRAVELWATCH

The operating name of London Transport Users' Committee

AUDITED FINANCIAL STATEMENTS

◆ *Year ended 31 March 2021* ◆

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INFORMATION

Chair	Arthur Leathley
Chief Executive	Anthony Smith
Director	Emma Gibson
Deputy Chair	Alan Benson
Board Members	Jackie Ballard Laura Osborne Karen McArthur Safia Iman (to 31 March 2021) Abdi Osman (to 31 December 2020)
Address	Europoint 5-11 Lavington Street London SE1 ONZ
Auditors	Wheawill & Sudworth Limited 35 Westgate, Huddersfield. HD1 1PA
Bankers	The Royal Bank of Scotland plc 4 th Floor 1 Hardman Boulevard Manchester M3 3AQ

REPORT OF THE BOARD YEAR ENDED 31 MARCH 2021

The Board and Chief Executive present their report and audited financial statements for the year ended 31 March 2021.

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 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 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 (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. 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 supplier invoices not in dispute are paid within 30 days of receipt.

REPORT OF THE BOARD (continued) YEAR ENDED 31 MARCH 2021

Fixed assets

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

Premises

London TravelWatch moved premises in November 2018. We now occupy office space under a 5-year lease, 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, Arthur Leathley, was appointed on 1 October 2017 for a period of four years. In September 2021 this appointment was extended for a further period of two years to 30 September 2023. Alan Benson was appointed Deputy Chair for an initial period of six months from 1 January 2019 and subsequently took on the role of Deputy Chair for the period of his term. Anthony Smith was appointed as the CEO of London TravelWatch on 18 February 2020.

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 difference for transport users and delivering better value for money for sponsors and funders.

Under the Collaboration Agreement:

The two organisations have a joint Chief Executive, and the costs for the Chief Executive are recovered by Transport Focus from London TravelWatch.

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.

London TravelWatch provides passenger safety and security advice to Transport Focus, and the costs for this service are recovered by London TravelWatch from Transport Focus

The arrangement will be subject to an annual review to ensure that it continues to meet the objective that both organisations are making more of difference for transport users and delivering 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 London and is sponsored and funded by the Department for Transport.

REPORT OF THE BOARD (continued) **YEAR ENDED 31 MARCH 2021**

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.

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 2020/21 we implemented a bottom-weighted pay rise of between 2.0% and 2.5%. Details of our staff costs during the year are included in note 5 to the financial statements.

Staffing

As at 31 March 2021 the organisation employed 12 staff, 2 of whom were part-time, which equated to 11.42 (2020: 12.78) full time equivalent posts (fte).

One employee took voluntary redundancy during the year, a further two on 1 April 2021 and a fourth on 13 April 2021. The redundancy costs for all four posts were either paid in the year or provided for at 31 March 2021. The obligation to settle these costs had arisen by 31 March 2021.

Transparency

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

Equal opportunities

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. In furtherance of this aim we regularly monitor the demographic data for recruitment and employment.

REPORT OF THE BOARD (continued)

YEAR ENDED 31 MARCH 2021

Achievements

Key areas of achievement

2020/21 has been another successful year during which we continued to make a real difference for transport users in and around London. We:

- had several of our Mayoral asks taken up by leading candidates and included in their manifestos including commitments to prioritise the bus and improve bus services in outer London, and keep bus fares low
- published a well- received and often quoted report on the future of London's transport which included input from industry experts, politicians and London transport users
- persuaded TfL to drop its plans to make all its stations in London cashless
- started a successful campaign to save free bus travel for under 18s in London, sounding the alarm and pulling together an alliance, which included the Child Poverty Action Group, London Councils and Partnership for Young London
- persuaded Network Rail to alter their plans for changes to Kings Cross station while building works take place, retaining the footbridge and lifts at the top end of the station and putting in a fence to keep passengers safe
- persuaded TfL to add Thameslink services to the Tube map, showing passengers that they had another, fully accessible option to help them avoid busy services
- persuaded TfL to improve the information on their website, journey planner and TfL Go app about travel during the pandemic, with information to help passengers avoid busy stations and services
- brought TfL and the rail industry together to improve co-operation on data sharing, which has led to better information being given to transport users about the busyness of services
- persuaded TfL to bring in a trial of 24/7 bus lanes, to improve bus speeds
- held several successful webinars and started to develop a digital community of transport users, which is helping us to get insights directly from the people who are using transport in London
- persuaded Eurostar to improve the information provided to passengers who had had their trains cancelled due to the pandemic – making it clear that they were entitled to a cash refund rather than vouchers
- got GTR to improve their accessibility plan in their re-build of Haringey station
- persuaded Network Rail to bring the platform height at South Croydon station up to the national standard to improve the step gap
- successfully made the case for improved signalling in South London which will reduce selective door opening and step gaps on trains
- encouraged Londoners to have their say on Low Traffic Neighbourhoods, producing a popular guide with tips on how to get involved and who to contact
- provided information on a variety of issues including for those seeking refunds for season tickets they were unable to use during the first lockdown as well as a guide for those returning to public transport after the first lockdown

REPORT OF THE BOARD (continued)
YEAR ENDED 31 MARCH 2021

Statement of London TravelWatch's and the Chief Executive's responsibilities

Under section 251 of the Greater London Authority Act 1999, London TravelWatch is required to prepare a statement of accounts for the financial year on the basis directed by the London Assembly. The accounts are prepared on an accruals basis and, in accordance with FRS 102 and our status as a public benefit entity. They must show a true and fair view of London TravelWatch's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts London TravelWatch is required to:

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

London TravelWatch has designated its Chief Executive as the Accounting Officer. Their relevant responsibilities as the Accounting 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 assurance that the assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of financial control is based on administrative procedures including the segregation of duties. In particular this includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the London Assembly;
- Procedures to review and agree budgets; and
- The preparation of regular financial reports, which includes actual expenditure against forecast.

In addition, internal financial control is exercised by a requirement for all payments equal to or over £3,000 to be signed by two authorised signatories, with all expenditure covered by invoice, signed certificate and/or receipt, direct debit mandate or standing order instruction.

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

**REPORT OF THE BOARD (continued)
YEAR ENDED 31 MARCH 2021**

their management letters and other reports.

Reserves

The Board reviewed the reserves policy in September 2020 and agreed to maintain the reserve at an intended level of £45,000 and will continue to reconsider this annually. Our reserves at 31 March 2021 were £2,508, represented by total assets of £190,263 less total liabilities of £187,755. The reserves balance was considerably lower than intended due to a provision made for redundancy costs at 31 March 2021 of £118,054. A grant payment of £1,089,000 was received from the GLA on 1 April 2021 which included compensation for these redundancy costs and will enable reserves to be maintained at the agreed level in the current year.

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 24.

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.

Covid-19

We are currently operating during a time of great uncertainty during the current pandemic. The context within which we work has changed beyond recognition, with vastly reduced numbers of people travelling, changes to rail franchising agreements and massive financial challenges for Transport for London. We have had to adapt our work to enable us to ensure our services reflect the needs of those travelling and to best represent those who are using and want to use public transport as well as those who are looking to walk and cycle more. The current crisis has also brought financial challenges for London TravelWatch as an organisation as a result of budget issues faced by the GLA due to Covid-19. Over the next year we will need to be flexible and continue to adapt to a rapidly changing situation.



14.10.21

**Anthony Smith
Chief Executive
London TravelWatch**

INDEPENDENT AUDITOR'S REPORT TO THE LONDON ASSEMBLY YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of London TravelWatch for the year ended 31 March 2021 which comprise statement of comprehensive income, statement of financial position, 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 2021 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE LONDON ASSEMBLY *(continued)*
YEAR ENDED 31 MARCH 2021

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other 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.

INDEPENDENT AUDITOR'S REPORT TO THE LONDON ASSEMBLY *(continued)*
YEAR ENDED 31 MARCH 2021

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 from 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.

INDEPENDENT AUDITOR'S REPORT TO THE LONDON ASSEMBLY (continued)
YEAR ENDED 31 MARCH 2021

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 for the opinions we have formed.

Wheawill & Sudworth Ltd

Mr David Butterworth (Senior Statutory Auditor)

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

Date: 14.10.21

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

		2021	2020
	Notes	£	£
GLA core Grant Income	2	1,134,000	1,036,000
GLA additional Funding	2	-	95,000
Transport Focus Income	2	7,870	9,265
		1,141,870	1,140,265
Expenditure:			
Chair's costs	3	19,924	21,483
Board's representative on Transport Focus	4	8,004	8,004
Employee costs – pay	5	893,454	836,719
Employee costs - non pay	6	13,253	19,411
Board members' costs	7	31,303	33,173
Accommodation costs and move costs	8	105,140	110,098
Supplies and services	9	105,130	97,440
Depreciation of tangible fixed assets	11	11,751	11,907
Cost of services		1,187,959	1,138,235
(Deficit)/surplus on provision of services		(46,089)	2,030
Interest received	10	103	758
Deficit/(surplus) for the year		(45,986)	2,788

**STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2021**

	2021	2020
	£	£
Opening balance	48,494	45,706
(Deficit)/Surplus for the year	(45,986)	2,788
Closing balance	2,508	48,494

London TravelWatch had no recognised gains or losses in the year ended 31 March 2021 other than those noted above and all operations are continuing.

The accounting policies and notes on pages 15 to 24 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2021**

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	11	37,210	36,550
Debtor due after more than one year	12	39,473	39,473
Current assets			
Debtors	13	23,675	11,677
Cash at bank and in hand		89,905	12,589
		113,580	24,266
Creditors: amounts falling due within one year	14	(187,755)	(51,795)
Net current liabilities		74,175	(27,529)
Total assets less current liabilities		2,508	48,494
Financed by:			
General reserve		2,508	48,494
		2,508	48,494

The accounting policies and notes on pages 15 to 24 form part of these financial statements.

The financial statements were approved by the Chief Executive on 14 October 2021 and signed on London TravelWatch's behalf by:



Anthony Smith
Chief Executive
London TravelWatch

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		£	£
Net operating (deficit)/surplus		(46,089)	2,030
Adjustments to net operating surplus/(deficit) for non-cash items		135,713	(1,891)
Net cash flows from operating activities		89,624	139
Interest received		103	758
Investing activities – acquisition of tangible fixed assets	11	(12,410)	-
Net cash flows from investing activities		(12,307)	758
Net increase or decrease in cash and cash equivalents		77,317	897
Cash and cash equivalents at the beginning of the Reporting period		12,589	11,692
Cash and cash equivalent at the end of the reporting Period		89,905	12,589

Adjustments for non-cash items

	2021	2020
	£	£
Depreciation	11,751	11,907
(Increase)/decrease in debtors	(11,998)	105,062
Increase/(decrease) in creditors	135,960	(118,860)
	135,713	(1,891)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

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 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 functional 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 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.

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 31st March 2021.

NOTES TO FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES CONTINUED

Pensions

Retirement benefits/pension costs have been accounted for under FRS 102. Certain additional disclosures are given as required by FRS 102 (Note 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 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. There were no judgements, estimates and assumptions that may cause amounts recognised or disclosed to change in the following reporting period.

NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
2. Income		
Core Grants received from the Greater London Authority	1,134,000	1,036,000
Additional Grant received from Greater London Authority	-	95,000
Transport Focus	7,870	9,265
	<u>1,141,870</u>	<u>1,140,265</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.

	2021	2020
	£	£
3. Chair's Costs		
Chair's Salary, National Insurance & Pension Contributions	19,884	19,905
Chair's Travel & Subsistence costs	40	1,578
	<u>19,924</u>	<u>21,483</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.

	2021	2020
	£	£
4. Pay of London representative on Transport Focus	<u>8,004</u>	<u>8,004</u>

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 2020-21. National Insurance contributions in respect of this role are included in the Chair's costs shown in note 3.

NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
5. Employee Costs – pay		
Staff salaries (includes agency staff)	700,250	653,331
National Insurance Contributions	52,773	53,240
ASLC (Accruing Superannuation Liability Charge)	140,431	130,147
	893,454	836,718

Senior management pay

The CEO was paid the following benefits.

	2021	2020
	£	£
Salary	23,786	77,202
	23,786	77,202

	2021	2020
	£	£
The highest paid senior management role was paid the following benefits.		
Salary	70,000	16,739
Pension contributions	19,530	4,670
	89,530	21,409

Anthony Smith was appointed as CEO on 18 February 2020 and his salary costs, based on 18 days per annum, are paid to Transport Focus. In the year 2020 an interim CEO was in place.

The average number of persons employed by London TravelWatch during period 2020/21 not including Board Members or Chief Executive was 12.92 (11.42 fte) working in the following teams:

	2021		2020	
	No.	(fte)	No.	(fte)
Senior management	2.00	(2.00)	2.33	(2.25)
Research, policy development and consultation responses	3.00	(3.00)	3.75	(3.75)
Casework	4.00	(3.60)	2.00	(1.60)
Operations & Communications	2.00	(2.00)	2.75	(2.03)
Financial control and human resources	1.92	(0.83)	2.67	(1.18)
	12.92	11.43	10.83	(10.81)

At 31 March the full time equivalents staffing establishment was **11.20** **12.78**

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

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

NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
6. Employee costs – non pay		
Staff transport costs	39	1,932
Staff subsistence costs	6	654
Recruitment costs	1,500	3,830
Training & development	8,633	6,492
Payroll charges (including members payroll)	2,315	6,054
Investors In People	760	-
Occupational health	-	449
	13,253	19,411

	2021	2020
	£	£
7. Board members' costs		
Members' salaries & National Insurance contributions	31,303	32,967
Travel and subsistence	-	206
	31,303	33,173

No Board member received remuneration above £40,000 either in the 12 months to 31 March 2021 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.

	2021	2020
	£	£
8. Accommodation costs		
Rent and service charges	84,175	86,892
Health & safety	-	45
Electricity Charge	556	898
Non Domestic Rates	19,960	19,640
Cleaning Charges	449	2,623
	105,140	110,098

NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
9. Supplies and Services		
Legal and professional	2,598	393
IT software and licenses	39,596	48,916
Research inquiry/publication costs	(2,500)	3,666
External audit fees	11,100	15,030
Communications, publication/ information, internet and electronic publication	36,207	6,900
Postage and telecommunications	5,480	4,510
Insurance	8,260	7,363
Annual report costs	-	2500
Photocopier hire and document reproduction	1,328	3,280
Books, periodicals, stationery and office supplies	4,506	2,959
Meeting costs	278	1,416
Bank charges	544	507
Prior year write downs	(2,267)	-
Total	105,130	97,440

Prior year write downs relate primarily to the net value of historic aged creditor and debtor balances written down in the year.

	2021	2020
	£	£
10. Interest received		
Received during the year	103	758

NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

11. Fixed Assets

	Short-term lease Improvements	Computer Equipment	Total
	£	£	£
Cost			
At 1 April 2020	73,533	62,381	135,914
Additions	-	12,410	12,410
Write down	-	(62,381)	(62,381)
At 31 March 2021	<u>73,533</u>	<u>12,410</u>	<u>85,943</u>
Depreciation			
At 1 April 2020	36,982	62,381	99,363
Charge during the year	10,200	1,551	11,751
Write down	-	(62,381)	(62,381)
At 31 March 2021	<u>47,182</u>	<u>1,551</u>	<u>48,733</u>
Net book value			
At 31 March 2021	26,351	10,859	37,210
At 31 March 2020	<u>36,551</u>	-	<u>36,551</u>

Write down relates to assets which have been fully depreciated and are not in use.

12. Debtors - amounts falling due later than one year

	2021	2020
Rent deposit	39,473	39,473
	<u>39,473</u>	<u>39,473</u>

13. Debtors - amounts falling due within one year

	2021	2020
	£	£
Other debtors	-	8,016
Prepayments and accrued income	23,675	3,661
	<u>23,675</u>	<u>11,677</u>

Other debtors include season ticket loans made to staff and there were no outstanding amounts at 31 March 2021 (2020: £2,496). Any outstanding amounts are due within one year and are made with no interest charged to the individual.

Balance at 1 April	2,496	2,398
Advanced in the year	898	4,039
Repaid during the year	(3,394)	(3,941)
Outstanding at 31 March	<u>-</u>	<u>2,496</u>

NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

14. Creditors: amounts falling due within one year	2021	2020
	£	£
Other creditors (includes unpaid salaries and employer NI And pensions contributions at the yearend)	33,014	-
Accruals and deferred income	36,687	51,795
Provision for redundancies	118,054	-
	187,755	51,795

A provision of £118,054 was made for two posts made redundant in the year where payment was to be made in April 2021. Further redundancy costs for two additional posts of £32,619 were paid during the year.

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).

For 2020-21, employers' contributions of £142,252 were payable to the PCSPS (2019-20 £133,452) 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 2020-21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Partnership Pension Account

Employees can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution. Employers' contributions of £1,858 (2019-20 £1,583) 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.

NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

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:

	2021	2020
	£	£
Not later than 1 year	79,851	79,851
Later than 1 year and not later than 5 years	127,489	207,341
	207,340	287,192

ACCOUNTS DIRECTION GIVEN BY THE ASSEMBLY YEAR ENDED 31 MARCH 2021

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 a 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 year¹.
- 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 direction².
- 5 The Statement of Accounts must be audited by an auditor appointed by Transport Committee.
³ 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 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.

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)