

LONDON TRAVELWATCH

LONDON TRAVELWATCH

The operating name of London Transport Users' Committee

AUDITED FINANCIAL STATEMENTS

◆ Year ended 31 March 2024 ◆

LONDON TRAVELWATCH

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LONDON TRAVEL WATCH INFORMATION

Chair Arthur Leathley (to 1 February 2024)
Patricia Hayes (from 2 February 2024)

Chief Executive Michael Roberts

Deputy Chair Alan Benson (to 17 December 2023)

Board Members
Priya Khullar
Tiffany Lam
Karen McArthur
Laura Osborne
Susan Stockwell

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LONDON TRAVELWATCH

REPORT OF THE BOARD

The Board and Chief Executive present their report and audited financial statements for the year ended 31 March 2024.

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 SubCommittees 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 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.

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

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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.

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 three-year lease, running until November 2026, 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 Patricia Hayes, and her term runs until 1 February 2028. The position of Deputy Chair has been vacant following the death of Alan Benson in December 2023.

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.

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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 2023/24 we implemented a pay rise of between 4.5% and 8% dependant on grade. Details of our staff costs during the year are included in note 5 to the financial statements.

Staffing

As at 31 March 2024, excluding the Chief Executive, the organisation employed 10 staff, which equated to 9.60 (2022: 10.60) full time equivalents posts (fte) with recruitment in progress for one vacant post.

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 Public Board meeting 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.

Achievements

The year proved to be exceptional in terms of the range and scale of our work on behalf of the travelling public, alongside welcoming Patricia Hayes as successor to Arthur Leathley as our Chair, while continuing to improve our financial resilience in line with the direction set by the Board.

- We and Transport Focus ran one of the largest public consultations of its kind seen in this country, prompted by train companies’ plans to close station ticket offices or change their opening hours. We analysed nearly 230,000 responses from the public, almost universally negative, and we carefully considered the proposals for each of the 269

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stations affected in the London area. Following formal objection in October by us and Transport Focus, the proposals were withdrawn.

- Following plans announced by TfL to withdraw the popular Day Travelcard as a way of saving money, we campaigned with others against the proposal, including signing a joint open letter to the Mayor asking him to save the Travelcard. In October, it was decided that Day Travelcards would be maintained after all, following a deal agreed between TfL, train operators and the Government.
- Further to our 2022 report into personal security of the travelling public in London, in November we published research focused specifically on the extent of abuse and violence faced by the LGBTQ+ community. The report received good media coverage and a positive response from stakeholders.
- In June, we published our scorecard ranking London's transport providers on what they were doing to improve personal security for passengers. The scorecard suggested that most transport providers take this issue very seriously, with Network Rail, LNER and TfL ranked highest, but highlighted there was still plenty of room for improvement across the sector.
- The London Assembly Transport Committee asked us to carry out a review of public transport provision in outer London, which we submitted in July. The report helped inform the Committee's investigation into this topic: the Committee's recommendations to the Mayor included calling for new orbital bus routes in outer London, in line with our position.
- We sought clarification from TfL about their approach ahead of the subsequent expansion of ULEZ to outer London, including how well the package of targeted financial support was being taken up by those who needed it most. In August, the Mayor announced an expansion of the scrappage scheme, so that grants would be available to all Londoners with a non-compliant car or motorcycle.
- We responded to over 30 substantive consultations, covering issues such as bus routes, penalty fares and accessible transport. Our response to one of the bus consultations led TfL (as we had argued) to decide not to re-route permanently the southbound 344 bus via London Bridge.
- In May, the work of our Bus Alliance came Runner Up in the Sheila McKechnie Foundation Award for Best Consumer Campaign 2023 – a welcome recognition of the Alliance's impact to date in calling for more bus priority measures and a commitment by TfL to cut bus journey times.
- Our advocacy work saw a welcome increase in our profile. Visitors to our website trebled year-on-year, follower numbers grew on our 3 key social media platforms, and we secured coverage in London and national media outlets.
- Our casework team received 1,732 contacts from the public during the year, from which we investigated 1,038 appeals raised by people travelling in London and the

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surrounding areas. We achieved the outcome the passenger was looking for in 50.5% of appeals: in a further 27% of appeals, the team achieved an improved outcome, albeit less than that requested by the passenger. We achieved financial awards totalling over £40,000 on behalf of passengers during the year.

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 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 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.

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In addition, internal financial control is exercised by a requirement for all payments of 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 their management letters and other reports.

Reserves

Our reserves at 31 March 2024 were £171,154 represented by total assets of £298,681 less total liabilities of £127,527.

Risk Statement

The Board of London TravelWatch has a robust system for assessing and managing risk and ensuring business continuity. The senior management team reviews organisational risks every month and consideration of the risk register is a standing item at Board meetings.

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 23.

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.

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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.

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.

A handwritten signature in black ink, appearing to read "Michael Roberts". The signature is written in a cursive style with a long horizontal flourish underneath.

Michael Roberts Chief Executive London TravelWatch

25 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE LONDON ASSEMBLY

Opinion

We have audited the financial statements of London TravelWatch for the year ended 31 March 2024 which comprise statement of comprehensive income and expenditure, 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 2024 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 opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the London TravelWatch's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on London TravelWatch's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of London TravelWatch with respect to going concern are described in the relevant sections of this report.

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.

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.

Opinion on other matters prescribed by the Companies Act

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the board's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board's report has been prepared in accordance with applicable legal requirements.

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.
- London TravelWatch were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the board's report and from the requirement to prepare a strategic report.

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, the management are responsible for assessing London TravelWatch'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 London TravelWatch 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;
- Review of minutes of London TravelWatch's Public Board meetings throughout the year; and
- 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.

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A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website; www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors report.

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.
- Conclude on the appropriateness of management's 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 London TravelWatch'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 London TravelWatch 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 London TravelWatch'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 London TravelWatch and London TravelWatch's members as a body, for our audit work, for this report, or the opinions we have formed.

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Wheawill & Sudworth Limited

Ms Aman Hayer (Senior Statutory Auditor)

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

Date: 25 September 2024

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
	Notes	£	£
GLA core Grant Income	2	1,144,200	1,110,323
		1,144,200	1,110,323
Expenditure			
Chair's costs	3	24,450	21,119
Board's representative on Transport Focus	4	8,004	8,004
Employee costs – pay	5	775,494	645,167
Employee costs – non pay	6	25,247	61,025
Board members' costs	7	32,789	33,459
Accommodation costs	8	115,041	104,019
Supplies and services	9	141,239	179,904
Depreciation of tangible fixed assets	11	8,433	12,682
Cost of services		1,130,697	1,065,379
Surplus on provision of services		13,503	44,944
Interest received	10	7,111	2,213
Surplus for the year		20,614	47,157

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
		£	£
Opening balance		150,540	103,383
Surplus for the year		20,614	47,157
Closing balance		171,154	150,540

London TravelWatch had no recognised gains or losses in the year ended 31 March 2024 other than those noted above, and all operations are continuing.

The accounting policies and notes on pages 16 to 23 form part of these financial statements.

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

	Note	2024	2023
		£	£
Fixed assets			
Tangible assets	11	3,413	11,846
Debtor due after more than one year	12	42,132	39,473
Current assets			
Debtors	13	51,286	53,064
Cash at bank and in hand		201,850	145,860
		253,136	198,924
Creditors: amounts falling due within one year	14	(127,527)	(99,703)
Net current assets		125,609	99,221
Total assets less current liabilities		171,154	150,540
Financed by:			
General reserve		171,154	150,540
Total reserves		171,154	150,540

The accounting policies and notes on pages 16 to 23 form part of these financial statements.

The financial statements were approved by the Chief Executive on 25 September 2024 and signed on London TravelWatch's behalf by:



Michael Roberts Chief Executive London TravelWatch

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024	2023
		£	£
Net operating surplus		13,503	44,944
Adjustments to net operating surplus for non-cash items		35,376	3,302
Net cash flows from operating activities		48,879	48,246
Interest received		7,111	2,213
Investing activities – acquisition of tangible fixed assets	11	-	-
Net cash flows from investing activities		7,111	2,213
Net increase in cash and cash equivalents		55,990	50,459
Cash and cash equivalents at the beginning of the reporting period		145,860	95,401
Cash and cash equivalent at the end of the reporting period		201,850	145,860
Adjustments for non-cash items			
		2024	2023
		£	£
Depreciation		8,433	12,682
(Increase)/decrease in debtors		(881)	(7,030)
Increase/(decrease) in creditors		27,824	(2,350)
		35,376	3,302

NOTES TO THE FINANCIAL STATEMENTS

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 financial statements 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 financial statements.

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 financial statements have been prepared under the historical cost convention.

GLA grants receivable

During the period covered by the financial statements, 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 where the cost of which exceed £5,000, or, in case of minor computer hardware group of assets exceed £5,000. 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 2024.

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

	2024	2023
	£	£
Core Grants received from the Greater London Authority	1,144,200	1,110,323
	1,144,200	1,110,323

3. Chair Costs

	2024	2023
	£	£
Chair’s Salary, National Insurance & Pension Contributions	23,885	20,580
Chair’s Travel & Subsistence costs	565	539
	24,450	21,119

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

	2024	2023
	£	£
Pay of London representative on Transport Focus	8,004	8,004

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 2023-24. National Insurance contributions in respect of this role are included in the Chair’s costs shown in Note 3.

5. Employee Costs – pay

	2024	2023
	£	£
Staff salaries (includes agency staff)	566,476	478,017
National Insurance Contributions	60,684	44,706
ASLC (Accruing Superannuation Liability Charge)	148,334	122,444
	775,494	645,167

Senior management pay

Michael Roberts has been CEO on a permanent basis since 1 January 2023. In the prior year Emma Gibson was in post as CEO until her resignation on 30 September 2022.

Joanna Davidson was interim CEO from 1 October 2022 to 31 December 2022.

	2024	2023
	£	£
CEO Annual salary payments	84,300	83,193
Pension Contributions	25,331	16,885
	109,631	100,078

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

	2024	2023
	£	£
Salary	59,211	38,479
Pension Contributions	16,422	10,458
	75,634	48,937

The average number of persons employed by London TravelWatch during period 2023/24 not including Board Members or Chief Executive was 10.00 (9.60 fte) working in the following teams:

	2024		2023	
	No.	(fte)	No.	(fte)
Senior management	3.00	(3.00)	2.40	(2.40)
Research, policy, development, and consultation responses	2.00	(2.00)	1.80	(1.80)
Casework	3.00	(3.00)	3.80	(3.80)
Operations & Communications	2.00	(1.60)	2.40	(1.80)

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	10.00	(9.60)	10.40	(9.80)
At 31 March the full-time equivalents staffing establishment was		(9.60)		(10.60)

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

	2024	2023
£50,001 to 60,000	3	1
£60,001 to 70,000	-	-
£70,001 to 80,000	-	-
£80,001 to 90,000	-	-

One employee left the organisation during the year and a payment of £15,549 was made to the individual on exit, including payment in lieu of notice. The full amount has been recognised in the year and has passed through the Statement of Comprehensive Net Expenditure, but has not been included for the purpose of the banding above.

6. Employee costs – non pay

	2024	2023
	£	£
Staff transport costs	1,135	1,513
Staff subsistence costs	1,913	924
Recruitment costs	-	39,208
Training and development	13,126	11,176
Payroll charges (including members payroll)	2,258	2,748
HR Consultancy	6,538	4,470
Health and safety	277	986
	25,247	61,025

7. Board members' costs

	2024	2023
	£	£
Members' salaries & National Insurance contributions	32,762	33,418
Travel and subsistence	27	41

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	32,789	33,459
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No board member received remuneration above £40,000 either in the 12 months to 31 March 2024 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

	2024	2023
	£	£
Rent and service charges	88,928	81,050
Repairs and maintenance	197	352
Professional Charges	1,510	-
Electricity charges	1,830	887
Non-Domestic Rates	20,958	19,960
Cleaning charges	1,618	1,770
	115,041	104,019

9. Supplies and Services

	2024	2023
	£	£
Legal and professional	14,999	462
IT Software and licences	26,101	22,391
Research & inquiry/publication costs	62,517	103,074
External audit fees	11,700	11,700
Communications, publications/information, internet, and electronic publication	11,598	14,697
Postage and telecommunications	2,904	3,289
Insurance	4,702	4,591
Conference and Seminar costs	-	867
Photocopier hire and document reproduction	1,326	1,143
Books, periodicals, stationery, and office supplies	3,301	13,745
Meeting costs	1,590	3,434
Bank charges	501	511
TOTAL	141,239	179,904

10. Interest received

	2024	2023
	£	£
Received during the year	7,111	2,213

11. Fixed Assets

	Short-term Lease Improvement	Computer Equipment	Total
	£	£	£
Cost			
At 1 April 2023	73,533	12,410	85,943
Additions	-	-	-
At 31 March 2024	73,533	12,410	85,943
Depreciation			
At 1 April 2023	67,582	6,515	74,097
Charge during the year	5,951	2,482	8,433
At 31 March 2024	73,533	8,997	82,530
Net book value			
At 31 March 2024	-	3,413	3,413
At 31 March 2023	5,951	5,895	11,846

12. Debtors – amounts falling due after one year

	2024	2023
	£	£
Rent deposit	42,132	39,473
	42,132	39,473

13. Debtors – amounts falling due within one year

	2024	2023
	£	£
Prepayments and accrued income	51,008	53,064

Other debtors	278	-
	51,286	53,064

14. Creditors: amounts falling due within one year

	2024	2023
	£	£
Other creditors (includes trade creditors, unpaid PAYE and employer NI and pension contributions at the year-end)	100,085	82,091
Accruals and deferred income	27,442	17,612
	127,527	99,703

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 2020. Details of the scheme are available on the Civil Service Pensions Scheme website (www.civilservice-pensions.gov.uk).

For 2023-24, employers' contributions of £151,573 were payable to the PCSPS (2022-23: £125,154) 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 2023-24 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 (2022-23: £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

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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 management to finance London TravelWatch's operations and mitigate the effects of fluctuations in cash flows.

Credit Risk

London TravelWatch is exposed to limited credit risk as cash requirements are funded mainly through grant in aid provided by the London Assembly. Other trade partners, where applicable, are considered to pose minimal credit risk as they are largely publicly funded bodies or suppliers appointed by the London Assembly so will have been risk assessed as part of much larger projects with the London Assembly. 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:

	2024	2023
	£	£
Not later than 1 year	69,684	46,957
Later than 1 year and not later than 5 years	110,569	76
	180,253	47,033

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 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 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.

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)