

City Airport Rail Enterprises (Holdings) Limited

Annual Report and Financial Statements Year ended 31 March 2015

Registered Office
Windsor House
42-50 Victoria Street
London
SW1H 0TL

Registered in England and Wales
Number 04602333



Contents

	Page
Directors' Report	I
Strategic Report	3
Statement of Directors' Responsibilities	4
Profit and Loss Account	5
Balance Sheet	6
Reconciliation of Movement in Shareholder's Funds	7
Accounting Policies	8
Notes to the Financial Statements	10

Directors' Report

Introduction

The directors present their annual report on the affairs of City Airport Rail Enterprises (Holdings) Limited (the "Company") together with the Financial Statements for the year ended 31 March 2015. The Company is a subsidiary undertaking of Transport Trading Limited ("TTL") and is part of the group headed by Transport for London ("TfL").

Principal Activity

The Company is the holding company for City Airport Rail Enterprises PLC.

Directors

The directors, who served throughout the year and up to the date of this Report, were as follows:

S. Allen
H. Carter
P. Hendy
G. Powell

None of the directors had any beneficial interest in the shares of the Company or any other company within the TfL Group.

The Company maintains directors' and officers' liability insurance.

Employees

The Company has no employees. Employee services are provided to the Company by a fellow subsidiary undertaking of the TfL Group.

Charitable Donations and Political Contributions

No donations were made to charities during the year (£nil in 2013/14). No political contributions were made during the year (£nil in 2013/14).

Dividends

No interim dividends were paid during the year (2013/14: £nil) and the directors do not recommend the payment of a final dividend (2013/14: £nil).

Corporate Governance

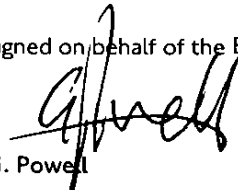
City Airport Rail Enterprises (Holdings) Limited is a wholly owned subsidiary of TTL, which in turn is controlled by TfL, which appoints all the directors of the Company. The Board of City Airport Rail Enterprises (Holdings) Limited, through its management structure, implements the corporate aims and controls laid down by TfL. Particulars in respect of corporate governance can be found in TfL's Annual Governance Statement.

Directors' Report

Auditor

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. Accordingly, no auditors have been appointed.

Signed on behalf of the Board by



G. Powell

Director

25 June 2015

Strategic Report

Activities and Future Developments

As stated in the Directors' Report, the Company is the holding company for City Airport Rail Enterprises PLC

Financial and Business Review

The Company acts as a holding entity for the share capital of City Airport Rail Enterprises PLC ("CARE PLC"), a company that provided maintenance services to Docklands Light Railway Limited. CARE PLC ceased trading in December 2014.

The Company has not had any transactions during the year ended 31 March 2015.

Principal Risks and Risk Management

The Company identifies, manages and mitigates significant areas of business risk as part of the normal course of business. The City Airport Rail Enterprises (Holdings) Limited Risk Management framework is set up to complement this basic management by the business and to provide a framework for the organisation to ensure that business risks are appropriately identified, regularly reviewed and progress tracked on the management of key business risks.

The principal risks that the Company is exposed to include reputation and financial. All business risks are recorded on a risk register. For each risk, an owner has been identified who is responsible for implementing the mitigation strategy that has been identified.

As part of its overall corporate governance brief within the TfL Group, the TfL Audit and Assurance Committee has specific responsibility for assuring the TfL Board that effective risk management arrangements are in place. The risk management process is subject to annual review by the TfL Group's Director of Internal Audit.

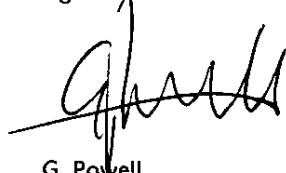
Liquidity Risk

Liquidity Risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's exposure to liquidity risk is low as the Company's ultimate parent, TfL, provides financial support to the Company.

The Company's management policy regarding liquidity risk is to ensure that it always has sufficient committed facilities available to meet its foreseeable needs.

Signed on behalf of the Board by



G. Powell

Director

25 June 2015

Statement of Directors' Responsibilities

In Respect of the Directors' Report, the Strategic Report and the Financial Statements

The directors are responsible for preparing the Directors' Report, the Strategic Report, and the Financial Statements in accordance with applicable law and regulations

Company law requires the directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors 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 Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with UK Accounting Standards, and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

Profit and Loss Account

For the year ended 31 March

		2015	2014
	Note	£000	£000
Result from ordinary activities before taxation	1	-	-
Tax on result on ordinary activities	4	-	-
Result for the financial year		<u>-</u>	<u>-</u>

The results above are all derived from continuing operations. The Company has no recognised gains and losses other than the result above and hence no separate statement of total recognised gains and losses has been presented.

There is no difference between the amounts shown above and their historic cost equivalents.

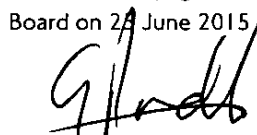
Balance Sheet

		31 March 2015 £000	31 March 2014 £000
	Note		
Investments	5	-	-
Net assets		-	-
Share capital and reserves			
Share capital	6	4,061	4,061
Profit and loss account		(4,061)	(4,061)
Total equity shareholder's funds		-	-

The directors

- (a) confirm that the Company was entitled to exemption under section 479A of the Companies Act 2006 relating to subsidiary companies from the requirement to have its Financial Statements for the financial year ended 31 March 2015 audited,
- (b) confirm that members have not required the Company to obtain an audit of its Financial Statements for that financial year in accordance with section 476 of the Companies Act 2006, and
- (c) acknowledge their responsibilities for
 - (i) ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006, and
 - (ii) preparing Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of its financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 393 and 394 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the Company

The notes on pages 8 to 12 form part of these Financial Statements. These Financial Statements were approved by the Board on 24 June 2015 and signed on its behalf by



G. Powell
Director

Company Registration Number 04602333

Reconciliation of Movement in Shareholder's Funds

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 April 2013	4,061	(4,061)	-
Result for the year	-	-	-
Other comprehensive income and expenditure	-	-	-
At 31 March 2014	4,061	(4,061)	-
Result for the year	-	-	-
Other comprehensive income and expenditure	-	-	-
At 31 March 2015	4,061	(4,061)	-

Accounting Policies

a) Reporting entity

City Airport Railway Enterprises (Holdings) Limited (the "Company") is a company domiciled in the United Kingdom. The Company's registration number is 04602333. The address of the Company's registered office is 42-50 Victoria Street, London, SW1H 0TL. The Company is a subsidiary of Transport Trading Limited ("TTL") which is in turn a subsidiary of Transport for London ("TfL").

b) Statement of accounting policies

This section explains the Company's main accounting policies, which, unless otherwise stated, have been applied to all periods presented in these Financial Statements.

c) Basis of preparation

Statement of Compliance

These Financial Statements have been prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP").

The Company has taken the exemption available from preparing a cash flow available under the terms of FRS 1 (revised 1996) Cash Flow Statements.

Basis of measurement

The accounts are made up to 31 March and have been prepared under the accruals concept and in accordance with the historical cost accounting convention.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the Financial Statements in order to aid the reader's understanding of the Company's financial performance.

Preparation of consolidated Financial Statements

The Company has taken the exemption available under s400 of the Companies Act 2006 and accordingly has not prepared consolidated accounts.

d) Uses of estimates and judgements

The preparation of Financial Statements in compliance with UK GAAP requires the use of certain critical accounting estimates. It also requires Management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the Financial Statements are disclosed below.

- *Impairment*

Estimation techniques are employed in the calculation of impairment provisions, including an estimate of future cash flows of investments and in applying a suitable discount rate in order to calculate present value.

e) Going concern

The Financial Statements have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons:

- The Company is dependent on funds provided to it by TfL, its ultimate parent, in order to ensure working capital requirements are satisfied. TfL has indicated that for at least 12 months from the date of approval of these Financial Statements, it will continue to make such funds available to the Company. In addition, as set out in section 479A of the Companies Act 2006, the Company's immediate parent, TTL, has issued a guarantee over all outstanding liabilities to which the Company is subject as at 31 March 2015.
- The directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance

Accounting Policies

on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these Financial Statements, they have no reason to believe that it will not do so

Based on this undertaking, the directors believe that it remains appropriate to prepare the Financial Statements on a going concern basis

f) Interest receivable and payable and similar items

Interest receivable and similar income consists of interest income on funds invested. Interest income is recognised as it accrues in the Profit and Loss Account, using the effective interest rate method.

Interest payable and similar charges comprises the interest expense on borrowings accrued using the effective interest rate method.

g) Taxation

Taxation expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Profit and Loss Account except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Tax deferred or accelerated as a result of timing differences is accounted for in full, except that deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are disclosed net to the extent that they relate to taxes levied by the same tax authority and the Company has the right of set off.

h) Investments

The Company's investment in its subsidiary undertaking is stated at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the business or disposal value if higher.

i) Impairment

Non-financial assets

Impairment occurs when an asset would otherwise be recorded in the Financial Statements at an amount more than is recoverable from its use or sale.

At each reporting date, the Company reviews the carrying amount of those assets that are subject to amortisation to determine whether there is an indication that any of those assets has suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

Impairment losses are recognised in the Profit and Loss Account.

j) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at Management's best estimate of the consideration required to settle the obligation at the Statement of Financial Position date, and are discounted to present value where the effect is material.

Notes to the Financial Statements

1 Result before taxation

Result before taxation is stated after charging/(crediting)

Auditors' remuneration

The Company had no audit fees for the years ending 31 March 2015 or 31 March 2014

2 Employee costs

The Company did not employ staff during the year ended 31 March 2015 or the year ended 31 March 2014

3 Directors' emoluments

The emoluments and pension contributions of all directors were borne by other Group undertakings. No director received emoluments in respect of their services as director of the Company (2013/14 none)

4 Taxation

Reconciliation of tax expense

<i>For the year ended 31 March</i>	2015	2014
	£000	£000
Result before tax	-	-
Result before tax multiplied by standard rate of Corporation Tax in the UK of 21% (2013/14 23%)	-	-
Effects of:		
Non-taxable and non deductible items	-	-
Income tax expense for the year	-	-

Unrecognised deferred tax

There were no unrecognised deferred tax assets as at 31 March 2015 or 31 March 2014

Recognised deferred tax

There were no recognised deferred tax assets or liabilities as at 31 March 2015 or 31 March 2014

Notes to the Financial Statements

5 Investment in subsidiaries

	2015 £000	2014 £000
Investment in subsidiaries at cost		
Carrying value of investment brought forward	-	-
Carrying value of investment carried forward	-	-

Subsidiary	Percentage of share capital held	Class of share held	Nature of business	Country of incorporation
City Airport Rail Enterprises PLC	100%	4,061,098 ordinary shares of £1 each	Design, construction and maintenance of railway infrastructure	England

6 Share capital

	2015 £000	2014 £000
Share capital issued and fully paid		
4,061,498 ordinary shares of £1 each	4,061	4,061

7 Related party transactions

During the year none of the Company's directors, key management personnel or parties related to them have undertaken any material transactions with the Company (2013/14 none) Details of directors' remuneration can be found in note 3

The Company is a wholly owned subsidiary of TfL TfL is a statutory corporation established by section 154 of the Greater London Authority Act 1999 ("GLA Act 1999") It is a functional body of the Greater London Authority ("GLA") and reports to the Mayor of London

The GLA and its other functional bodies, and all other subsidiaries of TfL, are considered to be related parties of the Company

The Company has not traded with any related parties that are classified as government entities outside the TfL Group As a subsidiary undertaking of TfL, the Company has taken the exemption available under FRS 8 Related Party Disclosures not to disclose transactions with other members of the group headed by TfL

Notes to the Financial Statements

8 Ultimate parent undertaking

The Company is a wholly owned subsidiary of TTL, a company controlled by TfL which is the ultimate parent undertaking

The largest group in which the results of the Company are consolidated is that headed by TfL, a statutory corporation
The smallest group in which they are consolidated is that headed by TTL, a company incorporated in England and Wales

The Board of City Airport Rail Enterprises (Holdings) Limited has been given assurances of financial support by TfL

Copies of the consolidated accounts for TfL are available from Windsor House, 42-50 Victoria Street, London, SW1H 0TL

9 Events occurring after the reporting date

At the date on which the Financial Statements were approved by the Board of Directors, there had been no event that had occurred since 31 March 2015 that would have a material impact on these Financial Statements