

LUL Nominee BCV Limited

Annual Report and Financial Statements Year ended 31 March 2020

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COMPANIES HOUSE

Registered Office
5 Endeavour Square
London
E20 1JN

Registered in England and Wales
Number 06221959

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Directors' Report

Introduction

The directors present their annual report on the affairs of LUL Nominee BCV Limited (the "Company") together with the Financial Statements for the year ended 31 March 2020. The Company is a subsidiary undertaking of Transport Trading Limited ("TTL") and is part of the group headed by Transport for London ("TfL"), the "TfL Group".

Principal Activity

The principal activities of the Company were to perform maintenance and renewal of the infrastructure and rolling stock for the London Underground. On 1 April 2019, the assets and operations of the Company were transferred to a fellow subsidiary undertaking of Transport Trading Limited and the Company ceased trading.

Directors

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

H. Carter	
J. Collis	resigned 6 September 2019
J. Dent	appointed 29 June 2020
D. Hughes	resigned 6 December 2019
A. Lord	appointed 29 June 2020
L. Matson	appointed 25 September 2019
A. Pollins	resigned 31 December 2019

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 (2018/19 £nil). No political contributions were made during the year (2018/19 £nil).

Dividends

No interim dividends were paid during the year (2018/19 £nil) and the directors do not recommend the payment of a final dividend (2018/19 £nil).

Directors' Report

Corporate Governance

LUL Nominee BCV 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 LUL Nominee BCV 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.

Additional disclosures

The Company has chosen, in accordance with Section 414c(1) of the Companies Act 2006, to include certain matters in its Strategic report that would otherwise be required to be disclosed in this Directors' report.

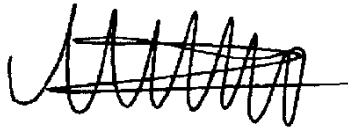
Other information that is relevant to the Directors' report can be located in the Strategic report as follows:

Future developments page 3

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:

A handwritten signature in black ink, appearing to be 'H. Carter', with a stylized, cursive script.

H. Carter

Director

23 September 2020

Strategic Report

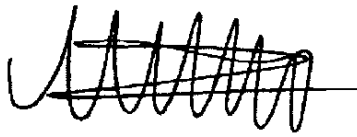
Activities and Future Developments

As stated in the Directors' Report, the principal activities of the Company were to perform maintenance and renewal of the infrastructure and rolling stock for the London Underground. On 1 April 2019, the assets and operations of the Company were transferred to a fellow subsidiary undertaking of Transport Trading Limited and the Company ceased trading.

Financial and Business Review

The Company did not trade and, in accordance with Section 1169 of the Companies Act 2006, was dormant during the year.

Signed on behalf of the Board by:

A handwritten signature in black ink, consisting of a series of loops and a horizontal line, positioned above the name H. Carter.

H. Carter

Director

23 September 2020

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 International Financial Reporting Standards as adopted by the European Union ("Adopted IFRSs") and applicable law.

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 Adopted IFRSs; 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.

Income Statement

For the year ended 31 March

		2020	2019
	Note	£m	£m
Revenue	1	-	224.5
Net operating costs		-	(224.5)
Total result from operations	2	-	-
Financial income	5	-	3.3
Financial expenses	6	-	(3.3)
Result before taxation		-	-
Income tax expense	7	-	-
Result for the year attributable to the owners of the Company		-	-

Statement of Comprehensive Income

For the year ended 31 March

	2020	2019
	£m	£m
Result for the year	-	-
Other comprehensive income and expenditure	-	-
Total comprehensive income and expenditure for the year attributable to owners of the Company	-	-

Statement of Financial Position

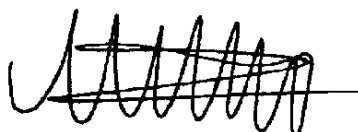
		31 March 2020	31 March 2019
	Note	£m	£m
Non-current assets			
Property, plant and equipment	8	-	0.2
Other financing assets	9	-	132.7
		<u>-</u>	<u>132.9</u>
Current assets			
Inventories	10	-	16.5
Trade and other receivables	11	-	11.0
		<u>-</u>	<u>27.5</u>
Current liabilities			
Trade and other payables	12	-	(27.6)
		<u>-</u>	<u>(27.6)</u>
Non-current liabilities			
Trade and other payables	12	-	(0.1)
Other financing liabilities	13	-	(132.7)
		<u>-</u>	<u>(132.8)</u>
Net assets		<u>-</u>	<u>-</u>
Equity			
Share capital	14	-	-
Retained earnings		<u>-</u>	<u>-</u>
Total equity attributable to the owners of the Company		<u>-</u>	<u>-</u>

Statement of Financial Position

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 2020 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 Accounting Policies and notes on pages 10 to 24 form part of these Financial Statements. These Financial Statements were approved by the Board on 23 September 2020 and signed on its behalf by:

A handwritten signature in black ink, consisting of a series of loops and a final horizontal stroke.

H. Carter

Director

Company Registration Number 06221959

Statement of Changes in Equity

	Called up share capital £m	Retained earnings £m	Total £m
At 1 April 2018	-	-	-
Result for the year	-	-	-
Other comprehensive income and expenditure	-	-	-
At 31 March 2019	-	-	-
Result for the year	-	-	-
Other comprehensive income and expenditure	-	-	-
At 31 March 2020	-	-	-

Statement of Cash Flows

For the year ended 31 March

		2020	2019
	Note	£m	£m
Cash generated from operating activities			
Result for the year		-	-
<i>Adjustments for</i>			
Depreciation of property, plant and equipment	8	-	0.1
Cash flow from operating activities before movements in working capital		-	0.1
<i>Decrease in inventories</i>		-	0.1
Increase in trade and other receivables		-	(0.8)
Decrease in trade and other payables		-	(0.7)
Cash utilised by operations		-	(1.3)
Cash flows from investing activities			
Acquisition of property, plant and equipment		-	(0.2)
Other financing assets advanced		-	(141.5)
Other financing assets repaid		-	8.8
Interest received		-	3.3
Net cash utilised by investing activities		-	(129.6)
Cash flows from financing activities			
Increase in other financing liabilities		-	141.5
Repayment of other financing liabilities		-	(8.8)
<i>Interest paid</i>		-	(3.3)
Net cash generated from financing activities		-	129.4
Decrease in net cash during the year		-	(1.5)
Net cash and cash equivalents at the start of the year		-	1.5
Net cash and cash equivalents at the end of the year		-	-

Accounting Policies

a) Reporting entity

LUL Nominee BCV Limited (the "Company") is a Company domiciled in the United Kingdom. The Company's registration number is 06221959. The address of the Company's registered office is 5 Endeavour Square, London, E20 1JN. 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 International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("Adopted IFRSs").

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.

d) Uses of estimates and judgements

The preparation of Financial Statements in compliance with Adopted IFRSs requires the use of certain critical accounting estimates. It also requires Management to exercise judgement in applying the Company's accounting policies. It is not considered likely that any reasonably possible changes in key assumptions in the next 12 months would have a material impact on the carrying amounts of balance sheet items not already held on the Statement of Financial Position at fair value.

e) New standards and interpretations adopted for the first time in these Financial Statements

Standards and interpretations issued by the International Accounting Standards Board ("IASB") are only applicable if endorsed by the EU. The following amendments have been applied for the first time in these Financial Statements:

IFRS 16 (mandatory for years beginning on or after 1 January 2019) was issued in January 2016, replacing IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The Company applied this standard from 1 April 2019 (the date of initial application). No lease arrangements were held during 2019/20.

f) New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and, in some cases, have, not yet been adopted by the EU:

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must

Accounting Policies

include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

The Conceptual Framework for Financial Reporting

The IASB issued the Conceptual Framework in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards.

The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

IFRS 17 Insurance Contracts (mandatory for years commencing on or after 1 January 2023)

IFRS 17 will replace IFRS 4 and provides an accounting model for insurance contracts that is more useful and consistent for insurers than existing standards. This standard is not applicable to the Company.

These standards are not expected to have a material impact on the entity in the current or future reporting periods.

g) 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 2020; and

Accounting Policies

- 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 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.

As set out in the Strategic Report, the coronavirus pandemic has had a significant impact on the finances of the wider TfL Group. TfL has modelled the impact of a number of revenue scenarios based on Imperial College's modelling of the impact on the UK. These indicated a possible reduction in passenger revenues ranging from £1.4bn to £3.5bn by the end of 2020/21. As a consequence, and alongside seeking opportunities to further minimise its expenditure and maximise its other sources of income, TfL has worked and continues to work closely with the Government to secure additional support to alleviate the financial impact of the pandemic on TfL and the wider TfL Group.

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

h) Revenue recognition

In the prior year, revenue comprised the value of sales of services or goods in the normal course of business (excluding Value Added Tax). The majority of the Company's revenue arose from services that the Company provided to London Underground Limited, a fellow subsidiary undertaking. Revenue for services rendered was recognised by reference to the stage of completion of services rendered. The stage of completion is determined by reference to the total cost of providing services.

i) Grants and other funding

Revenue grants received for the funding of operations are credited to the Income Statement on a systematic basis to match costs.

j) Leases (the Company as lessee)

As explained in note (e) above, the Company has changed its accounting policy for leases where it is the lessee. There were no leases identified.

k) Financial expenses

Financing costs comprise the interest expense on borrowings accrued using the effective interest rate method. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those necessarily taking a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are ready for their intended use. In accordance with IFRS 1 First time adoption of International Financial Reporting Standards ("IFRS 1") and IAS 23 Borrowing Costs ("IAS 23"), the Company has taken the option not to capitalise borrowing costs on assets prior to the date of transition to IFRS.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the Income Statement using the effective interest rate method.

l) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Income Statement 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.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Accounting Policies

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities, to the extent that it is probable that they will not reverse in the foreseeable future.

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.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

m) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of certain items of property, plant and equipment was determined by reference to a previous GAAP valuation. The Company elected to apply the optional exemption allowed under IFRS 1 to use this previous valuation as deemed cost at 1 April 2009, the date of transition.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Income Statement as incurred.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the Income Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

- Plant and equipment 3–40 years
- Computer equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Gains and losses on disposal

Accounting Policies

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds of disposal with the carrying amount, and are recognised net within other gains and losses in the Income Statement.

n) Inventories

Inventories consist primarily of materials required for the operation and maintenance of infrastructure.

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

o) 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 Income Statement.

p) 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.

q) Financial instruments

Financial instruments within the scope of IFRS 9 financial instruments (IFRS 9) are classified as:

- financial assets measured at amortised cost
- financial assets measured at fair value through other Comprehensive Income and Expenditure ('FVTOCI')
- financial assets measured at fair value through the Income Statement ('FVTPL')
- financial liabilities measured at amortised cost
- financial liabilities at fair value through the Comprehensive Income and Expenditure Statement ('FVTPL')

The Company determines the classification of its financial instruments at initial recognition. Financial assets may be reclassified only when the Company changes its business model for managing financial assets, at which point all affected financial assets would be reclassified. Financial liabilities are not reclassified subsequent to initial recognition.

When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus any directly attributable transaction costs. The exception to this is for assets and liabilities measured at fair value, where transaction costs are immediately expensed.

The subsequent measurement of financial instruments depends on whether they are financial assets or financial liabilities and whether specified criteria are met.

Accounting Policies

Financial assets are measured at amortised cost if:

- it is the objective of the Group to hold the asset in order to collect contractual cash flows; and
- the contractual terms give rise to cash flows, which are solely repayments of a principle value and interest thereon

After initial recognition, these assets are carried at amortised cost using the effective interest rate method if the time value of money is significant. Gains and losses are recognised in the Income Statement when the asset is derecognised or a loss allowance is applied, as well as through the amortisation process.

Financial assets are measured at FVTOCI if:

- assets are non-derivative and held within a business model whose objective is to realise their value through either the collection of contractual cash flows or selling of the financial assets; and
- the contractual terms of the financial asset give rise to periodic cash flows that are the payment of principal and interest.

After initial recognition, interest is taken to the Income Statement using the effective interest rate method and the assets are measured at fair value with gains or losses being recognised in other Comprehensive Income and Expenditure (and taken to the financial instruments Revaluation Reserve), except for impairment gains or losses, until the investment is derecognised, or reclassified at which time the cumulative fair value gain or loss previously reported in reserves is included in the Income Statement. For equity instruments, unlike debt instruments, there is no transfer of accumulated amount in the Income Statement.

Financial assets are measured at FVTPL if they are:

- derivatives
- not held as amortised cost or at FVTOCI
- financial assets that were elected to be designated as measured at FVTPL

After initial recognition, assets are carried in the balance sheet at fair value with gains or losses recognised in the Income Statement.

Financial liabilities are measured at amortised cost if they are non-derivative with limited exceptions.

After initial recognition, non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are measured at FVTPL if they are:

- derivatives
- other liabilities held for trading
- financial liabilities that were elected to be designated as measured at FVTPL

Cash and cash equivalents

Cash and cash equivalents comprise cash balances that are readily convertible to cash without significant penalty and with an outstanding maturity, at the date of acquisition, of less than or equal to three months. Cash and cash equivalents are classified as financial assets at amortised cost.

Trade and other receivables (including other financing assets)

Trade and other receivables are recognised initially at fair value and subsequently classified as financial assets at amortised cost.

Accounting Policies

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the point of initial recognition. Fair values calculated using the market rate of interest at the reporting date are also determined for disclosure purposes.

Trade and other creditors (including other financing liabilities)

Trade and other creditors are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

Interest bearing loans and borrowings

All loans and borrowings are classified as financial liabilities measured at amortised cost.

Impairment of financial assets

At each reporting date, the Company assesses whether the credit risk on a significant financial asset measured at amortised cost or FVTOCI has increased significantly since initial recognition and subsequently measures an expected credit loss allowance for that financial instrument.

The expected loss allowance is a measurement based on the probability of default over the lifetime of the contract for trade receivables, lease receivables or contract assets in scope of IFRS 15. For other financial assets, the allowance is based on the probability of default occurring in 12 months providing credit risk is assessed as low.

The expected credit loss is based on a forward looking probability-weighted measure considering reasonable and supportable information on past events, current conditions and the time value of money. Where financial assets are determined to have shared risk characteristics they are assessed collectively, otherwise, they are reviewed on an individual basis.

Expected credit loss allowances are recognised in the Income Statement.

r) Fair value measurement

IFRS 13 Fair Value Measurement requires that financial instruments and other assets and liabilities that are measured in the Statement of Financial Position at fair value are measured by level of the following fair value measurement hierarchy:

- ***Level 1: quoted prices (unadjusted) in active markets for identical assets***

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

- ***Level 2: inputs other than quoted prices included that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)***

The fair values of financial instruments that are not traded in an active market (for example over the counter derivatives or infrequently traded listed investments) are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

- ***Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)***

Specific valuation techniques, such as discounted cash flow analysis, are used to determine fair value of the remaining financial instruments.

Notes to the Financial Statements

I Revenue

<i>For the year ended 31 March</i>	2020	2020	2019	2019
	£m	%	£m	%
Other revenue				
Intercompany	<u>-</u>	<u>-</u>	<u>224.5</u>	<u>100.0%</u>

2 Result before taxation

<i>For the year ended 31 March</i>		2020	2019
	Note	£m	£m
<i>The operating result is stated after charging/(crediting):</i>			
Capital items			
Depreciation of property, plant and equipment	8	<u>-</u>	<u>0.1</u>
Other operating costs			
Inventory expensed		<u>-</u>	<u>21.1</u>

Auditors' remuneration

The Company had no audit fees for the years ending 31 March 2020 or 31 March 2019.

3 Employee costs

The Company did not employ staff during the year ended 31 March 2020 or the year ended 31 March 2019.

4 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 (2018/19 none).

5 Financial income

<i>For the year ended 31 March</i>	2020	2019
	£m	£m
Interest on other financing assets	<u>-</u>	<u>3.3</u>

Notes to the Financial Statements

6 Financial expenses

For the year ended 31 March

	2020	2019
	£m	£m
Interest on other financing liabilities	-	3.3

7 Taxation

Reconciliation of tax expense

For the year ended 31 March

	2020	2019
	£m	£m
Result before tax	-	-
Result before tax multiplied by standard rate of Corporation Tax in the UK of 19% (2018/19 19%)	-	-
Effects of:		
Amount charged to the current tax computation for which no deferred tax was recognised	-	(4.7)
Group relief surrendered/(claimed)	-	4.7
Income tax expense for the year	-	-

Unrecognised deferred tax

Deferred tax assets have not been recognised in respect of the following items:

Deductible temporary differences	-	20.4
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The items above do not expire under current legislation. Deferred tax assets were not recognised in respect of these items because it was not probable that future taxable profits would be available against which the Company could utilise the benefits.

Recognised deferred tax

There were no recognised deferred tax assets or liabilities as at 31 March 2020 or 31 March 2019.

Notes to the Financial Statements

8 Property, plant and equipment

a) Property, plant and equipment at 31 March 2020 comprised the following elements:

	Note	Plant and equipment £m	Assets in the course of construction £m	Total £m
Cost or valuation				
At 1 April 2019		2.1	0.2	2.3
Intercompany transfer		(2.1)	(0.2)	(2.3)
At 31 March 2020		-	-	-
Depreciation				
At 1 April 2019		2.1	-	2.1
Intercompany transfer	2	(2.1)	-	(2.1)
At 31 March 2020		-	-	-
Net book value at 31 March 2020		-	-	-
Net book value at 1 April 2019		-	0.2	0.2

b) Property, plant and equipment at 31 March 2019 comprised the following elements:

	Note	Plant and equipment £m	Assets in the course of construction £m	Total £m
Cost or valuation				
At 1 April 2018		2.1	-	2.1
Additions		-	0.2	0.2
At 31 March 2019		2.1	0.2	2.3
Depreciation				
At 1 April 2018		2.0	-	2.0
Charge for the year	2	0.1	-	0.1
At 31 March 2019		2.1	-	2.1

Notes to the Financial Statements

9 Other financing assets

	2019 £m	2019 £m
Non-current		
Deferred receipts – intercompany	-	132.7

Other financing assets represented deferred receipts due from a fellow subsidiary undertaking in respect of the acquisition of infrastructure assets. Gross receipts with a nominal value of £159.7m were receivable over the period to March 2033. These receipts were discounted back at an effective rate of 2.5 per cent to the present value recorded in the table above.

These assets were transferred to a fellow subsidiary undertaking of TTL on 1 April 2019.

10 Inventories

	2020 £m	2019 £m
Raw materials and consumables	-	15.9
Work in progress	-	0.6
	-	16.5

There is no material difference between the carrying value of inventories and their net realisable value.

Inventories consisted primarily of materials required for the operation and maintenance of infrastructure.

11 Trade and other receivables

	2020 £m	2019 £m
Current		
Trade receivables	-	0.1
Amounts due from fellow Group undertakings	-	7.1
Other tax and social security	-	3.8
	-	11.0

Notes to the Financial Statements

12 Trade and other payables

	2020 £m	2019 £m
Current		
Trade payables	-	7.0
Accruals and other payables	-	8.8
Project accruals	-	11.7
Retentions on contracts	-	0.1
	<u>-</u>	<u>27.6</u>
Non-current		
Retentions on contracts	-	0.1
	<u>-</u>	<u>0.1</u>

13 Other financing liabilities

	2020 £m	2019 £m
Non-current		
Other financing liabilities	-	132.7
	<u>-</u>	<u>132.7</u>

The Company had no other financing liabilities at 31 March 2020 or 31 March 2019.

Other financing liabilities represented deferred liabilities in respect of the acquisition of infrastructure assets. Gross payments with a nominal value of £159.7m were receivable over the period to March 2033. These payments were discounted back at an effective rate of 2.5 per cent to the present value recorded in the table above.

These liabilities were transferred to a fellow subsidiary undertaking of TTL on 1 April 2019.

14 Share capital

	2020 £m	2019 £m
Share capital issued and fully paid		
2 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

Notes to the Financial Statements

15 Financial instruments

Financial risk management

The Company's financial risk management operations are ultimately carried out by the Board of Directors.

The Company's financial instruments comprised trade and other receivables, other financing assets, cash and cash equivalents, trade and other payables and other financing liabilities. The Company financed operations from these financial instruments. The Company did not undertake speculative treasury transactions.

The Company was exposed to a number of financial risks in the normal course of its business operations, the key of which are laid out in the paragraphs below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet contractual obligations. Credit risk arises from deposits with banks and financial institutions and from the Company's customers and suppliers. Although actively managed, credit risk is an immaterial risk to the company.

The Company follows the TfL Finance Manual guidelines with respect to assessing the credit worthiness of potential customers. These guidelines include processes such as obtaining approval for credit limits over a set amount, performing credit checks and obtaining additional security when required.

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 TfL provides financial support to the Company.

In accordance with the Local Government Act 2003 TfL sets an affordable borrowing limit. As long as the affordable borrowing limit is not exceeded TfL is able to borrow from the Public Works Loan Board and raise debt on capital markets. There is no significant risk that TfL would be unable to raise finance to meet the TfL Group financial commitments.

Market risk

The Company was exposed to market risk in respect of interest rate risk only. The Company was not exposed to any material price or currency risk.

Interest rate risk

The Company did not have any exposure to interest rate risk on its financial liabilities as the only interest bearing financial instruments were other financing liabilities which were amortised at a fixed rate of interest.

Contractual maturity of financial liabilities

Prior to being transferred to a fellow subsidiary undertaking of Transport Trading Limited on 1 April 2019, the Company's other financing liabilities fell due over the period to March 2033. All the Company's other financial liabilities were due within one year with the exception of some retentions on contracts which were due between 12 and 24 months.

Fair value of financial instruments

The fair value of the Company's financial instruments is not materially different to their carrying value.

Capital management

The capital structure of the Company consists entirely of shareholders' equity. The Company has no external borrowings and no externally imposed capital requirements. It is not anticipated that the Company will require external borrowings for the foreseeable future as it is provided with grants and borrowings from its ultimate parent, TfL, to fund operations and capital projects.

Notes to the Financial Statements

The Company does not have a credit rating but TfL, the Company's ultimate parent which provides financial support to the Company, has a credit rating of A+ with Fitch, A+ with Standard & Poor's and Aa3 with Moody's.

16 Capital and other financial commitments

a) At 31 March 2020, the Company had no capital commitments which are contracted for but not provided for in the Financial Statements (2019 £nil).

b) At 31 March 2019, the Company had no other financial commitments which are contracted for but not provided for in the Financial Statements (2019 £142.2m).

17 Contingent liabilities

There are a number of uncertainties surrounding projects, including potential claims, which may affect the financial performance of the Company. Where claims are possible but not probable, or unquantifiable, such claims are treated as contingent liabilities. Contingent liabilities are not recognised in the Statement of Financial Position, but are monitored to ensure that, where a possible obligation has become probable or a transfer of economic benefits has become probable, a provision is made. It is not currently possible to estimate any likely liability reliably.

The impact of these contingent liabilities on the Company's financial performance, liquidity or financial position is not considered to be material.

18 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 (2018/19 none). Details of directors' emoluments can be found in note 4.

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. TfL is classified as a government entity in accordance with IAS 24 *Related Party Disclosures* ("IAS 24") and the Company is therefore also classified as a government entity in accordance with IAS 24.

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

On 1 April 2019, the Company transferred its net assets to London Underground Limited, a fellow subsidiary undertaking of Transport Trading Limited.

Notes to the Financial Statements

19 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 LUL Nominee BCV Limited has been given assurances of financial support by TfL.

Copies of the consolidated accounts for TfL are available from 5 Endeavour Square, London, E20 1JN.

20 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 2020 that would have a material impact on these Financial Statements.