

# **Transport for London Finance 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 06745516

MONDAY



\*L4GW5V62\*

LD7

28/09/2015

#10

COMPANIES HOUSE

---

# Contents

	Page
Directors' Report	I
Strategic Report	3
Statement of Directors' Responsibilities	5
Income Statement	6
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11
Notes to the Financial Statements	18

---

# Directors' Report

## Introduction

The directors present their annual report on the affairs of Transport for London Finance 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 principal activity of the Company is to administer the TfL Derivative Strategy.

## Directors

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

S. Allen

H. Carter

D. Goldstone                      resigned 30 September 2014

S. Kilonback

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

Transport for London Finance 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 Transport for London Finance 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

A handwritten signature in black ink, appearing to read 'S. J. Allen', written over the printed name.

S. Allen

Director

29 June 2015

# Strategic Report

## Activities and Future Developments

As stated in the Directors' Report, the principal activity of the Company is to administer the TfL Derivative Strategy. The Company does not anticipate any changes in its principal activities in the foreseeable future.

## Financial and Business Review

During the year four forward starting interest rate swaps, with a combined nominal value of £200m, came into effect to hedge the interest on £200m of floating rate borrowings lent by the Company's parent, TfL. As at 31 March 2015, therefore, the interest on a cumulative total of £1,997.8m of borrowings in issue had been hedged through a combination of gilt locks and interest rate swaps.

The fair value at the year end of outstanding interest rate derivatives hedging the interest rate on borrowings was a net liability of £80.4m. Further cumulative cash payments of £118.2m made on settlement of locks in prior years and which were deferred in the hedging reserve are being released to the Income Statement as an interest rate hedge over the term of borrowings issued by TfL. £7.2m was released to financial expenses in 2014/15, leaving a remaining balance deferred in the hedging reserve of £99.7m as at 31 March 2015. Hedging in the Company is achieved through the drawdown of intercompany loans by the Company from TfL and the onward lending of the monies to London Underground Limited, a fellow subsidiary undertaking of the Transport for London Group.

The Company also holds an amortising interest rate swap in order to fix the floating interest rate risk on operating lease payments for rolling stock under a lease taken out by Rail for London Limited ("RfL"), a fellow subsidiary of TfL. The fair value of the derivative at 31 March 2015 was a liability of £20.9m (2014 £4.3m). The economic impact of the swap has been transferred to RfL through the use of an intercompany derivative.

During the year, the Company was party to a forward foreign exchange contract programme to hedge euro payments related to the purchase of tram rolling stock by a fellow subsidiary undertaking of TfL. The aggregate amount of fair value losses recognised in other comprehensive income and deferred in equity at 31 March 2015 in respect of these forward foreign currency contracts was £nil (2014 £0.3m).

For the first time the Company also entered into a number of foreign exchange swaps and forwards to hedge the currency risk on foreign currency investments entered into by TfL. At 31 March 2015 the Company held forward foreign exchange contracts to sell euros to a value of £594.2m (2014 £nil). Although fully effective as hedges at the TfL Group level, as the hedged investments are in a different legal entity to the derivatives, these contracts were not in formally designated hedging relationships for accounting purposes. Hedge accounting has not therefore been applied. A fair value gain on these contracts totalling £21.3m (2014 £nil) has been recognised directly in the Income Statement within financial income.

## 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 Transport for London Finance 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.

# Strategic Report

## 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 treasury management activities are managed by TfL.

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

## Interest Rate Risk

Interest rate risk is managed through the use of intercompany loans and derivatives, set with maturity and interest rate profiles that effectively transfer the Company's interest rate risk on its external derivatives and borrowings from TfL to fellow subsidiary undertakings of the TfL Group.

## Credit Risk

Credit risk is managed on a group-wide basis by TfL. As the majority of the Company's counterparties in respect of its non-derivative financial instruments are fellow undertakings of the TfL Group, credit risk for the Company's non-derivative financial instruments is not considered material. Credit risk does arise in relation to derivatives with banks and financial institutions. TfL's Treasury Management Strategy (the "Strategy"), which has been approved by TfL's Finance and Policy Committee, lists exposure limits by Institution.

Signed on behalf of the Board by



S. Allen

Director

29 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 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

		2015	2014
	Note	£000	£000
Financial income	4	89,299	58,128
Financial expenses	5	(67,962)	(58,133)
Foreign exchange losses		(1,011)	(4)
<b>Profit/(loss) before taxation</b>	1	<b>20,326</b>	<b>(9)</b>
Income tax expense	6	(4,267)	-
<b>Profit/(loss) for the year attributable to the owners of the Company</b>		<b>16,059</b>	<b>(9)</b>

## Statement of Comprehensive Income

For the year ended 31 March

	2015	2014
	£000	£000
<b>Profit/(loss) for the year</b>	<b>16,059</b>	<b>(9)</b>
<b>Items that may be subsequently reclassified to profit or loss</b>		
Net change in fair value of cash flow hedges	(16,821)	39,873
Net change in fair value of cash flow hedges reclassified to profit or loss	7,225	6,549
Deferred tax on the movement in the fair value of cash flow hedges	1,920	(15,791)
	<b>(7,676)</b>	<b>30,631</b>
<b>Total comprehensive income and expenditure for the year attributable to owners of the Company</b>	<b>8,383</b>	<b>30,622</b>



# Statement of Financial Position

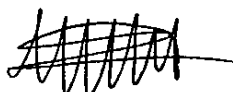
		31 March 2015 £000	31 March 2014 £000
	Note		
<b>Non-current assets</b>			
Derivative financial instruments	11	20,892	4,261
Deferred tax asset	6	36,008	34,088
Loans to related parties	7	1,997,777	1,797,777
		<u>2,054,677</u>	<u>1,836,126</u>
<b>Current assets</b>			
Derivative financial instruments	11	22,619	-
Cash and cash equivalents	8	377	1,126
		<u>22,996</u>	<u>1,126</u>
<b>Current liabilities</b>			
Trade and other payables	9	(101,067)	(108,030)
Derivative financial instruments	11	(1,282)	(318)
		<u>(102,349)</u>	<u>(108,348)</u>
<b>Non-current liabilities</b>			
Borrowings	10	(1,997,777)	(1,797,777)
Derivative financial instruments	11	(101,271)	(67,501)
Deferred tax liabilities	6	(4,267)	-
		<u>(2,103,315)</u>	<u>(1,865,278)</u>
<b>Net liabilities</b>		<u>(127,991)</u>	<u>(136,374)</u>
<b>Equity</b>			
Share capital	12	-	-
Hedging reserve		(144,030)	(136,354)
Retained earnings/(deficit)		16,039	(20)
<b>Total deficit attributable to the owners of the Company</b>		<u>(127,991)</u>	<u>(136,374)</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 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 11 to 27 form part of these Financial Statements. These Financial Statements were approved by the Board on 29 June 2015 and signed on its behalf by



H. Carter

Director

Company Registration Number 06745516

## Statement of Changes in Equity

	Called up share capital £000	Hedging reserve £000	Retained earnings £000	Total £000
At 1 April 2013	-	(166,985)	(11)	(166,996)
Loss for the year	-	-	(9)	(9)
Other comprehensive income and expenditure				
Net change in fair value of cash flow hedges	-	39,873	-	39,873
Net change in fair value of cash flow hedges reclassified to profit or loss	-	6,549	-	6,549
Deferred tax on the movement in the fair value of derivatives	-	(15,791)	-	(15,791)
At 31 March 2014	-	(136,354)	(20)	(136,374)
Profit for the year	-	-	16,059	16,059
Other comprehensive income and expenditure				
Net change in fair value of cash flow hedges	-	(16,821)	-	(16,821)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	7,225	-	7,225
Deferred tax on the movement in the fair value of derivatives	-	1,920	-	1,920
At 31 March 2015	-	(144,030)	16,039	(127,991)

## Statement of Cash Flows

For the year ended 31 March

		2015	2014
	Note	£000	£000
<b>Cash generated from operating activities</b>			
Profit/(loss) for the year		16,059	(9)
<i>Adjustments for</i>			
Financial income	4	(89,299)	(58,128)
Financial expenses	5	67,962	58,133
Reversal of tax expense	6	4,267	-
		<u>(1,011)</u>	<u>(4)</u>
Cash flow from operating activities before movements in working capital		(1,011)	(4)
Decrease in trade and other receivables		-	983
Decrease in trade and other payables		(7,839)	(8,368)
<b>Net cash utilised by operating activities</b>		<u>(8,850)</u>	<u>(7,389)</u>
<b>Cash flows from investing activities</b>			
Loans to fellow group undertakings		(200,000)	(300,000)
Interest received on derivatives		2,868	2,951
Interest received		65,094	55,177
<b>Net cash utilised by investing activities</b>		<u>(132,038)</u>	<u>(241,872)</u>
<b>Cash flows from financing activities</b>			
Drawdown of loans from fellow group undertakings		200,000	300,000
Payment on settlement of derivative financial instruments		-	(480)
Interest paid on derivatives		(22,810)	(16,814)
Interest paid		(37,051)	(33,485)
<b>Net cash generated from financing activities</b>		<u>140,139</u>	<u>249,221</u>
<b>Decrease in net cash during the year</b>		<u>(749)</u>	<u>(40)</u>
Net cash and cash equivalents at the start of the year		<u>1,126</u>	<u>1,166</u>
<b>Net cash and cash equivalents at the end of the year</b>		<u>377</u>	<u>1,126</u>

# Accounting Policies

## a) Reporting entity

Transport for London Finance Limited (the "Company") is a company domiciled in the United Kingdom. The Company's registration number is 06745516. 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 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, modified by the revaluation of certain categories of financial instrument.

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. 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. 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.

- ***Derivative financial instruments***

The Company uses derivative financial instruments to manage certain exposures to fluctuations in foreign currency exchange rates and interest rates. In making its assessment and judgements, the Company assesses the effectiveness of the derivatives and changes in their fair values. Note 11 and the accounting policies note on financial instruments provide detailed information about the key assumptions used in the determination of the fair value of financial instruments, as well as a sensitivity analysis for these assumptions. The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

## 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:

- 'Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities' The amendments to IFRS 10 define an investment entity and introduce an exception to the requirement to consolidate subsidiaries for an investment entity. Consequential amendments to IFRS 12 and IAS 27 have been made to introduce new disclosure requirements for investment entities.

## Accounting Policies

- 'Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities' The amendments clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement',
- 'Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets' These amendments remove the requirement to disclose the recoverable amount of a Cash-Generating Unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements that apply when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions, and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements,
- 'Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting' These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness, and
- 'IFRIC 21 Levies' This interpretation addresses the issue of when to recognise a liability to pay a levy. IFRIC 21 defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation.

The application of these and any other standards, amendments or interpretations issued by the IASB and applicable for the first time to these Financial Statements has not had a material impact on the accounts.

### f) New standards and interpretations not yet adopted

The following new and revised IFRSs will be applicable in future periods, subject to endorsement where applicable. These have been issued, and adopted by the EU, but have not been applied by the Company in these Financial Statements.

- 'IFRS 9 Financial Instruments' (as revised in 2014) IFRS 9 (as revised in 2014) will supersede 'IAS 39 Financial Instruments: Recognition and Measurement'. The new standard contains the requirements for three areas: a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology and c) general hedge accounting. With respect to classification and measurement, all recognised financial assets that are currently within the scope of IAS 39 will be subsequently measured at either amortised cost or fair value. The standard also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. With respect to impairment methodology, the revised model reflects expected credit losses as opposed to the incurred credit losses recognised under IAS 39. And with regards to hedge accounting IFRS 9 (as revised in 2014) introduces greater flexibility to the types of transactions eligible, specifically broadening the types of instruments that qualify as hedging instruments. The revised standard is mandatory for years beginning on or after 1 January 2018,
- 'IFRS 15 Revenue from Contracts with Customers' (mandatory for years beginning on or after 1 January 2017) IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue-Barter Transactions Involving Advertising Services. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services,

## Accounting Policies

- 'Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations' (mandatory for years commencing on or after 1 January 2016) These amendments provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business,
- 'Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation' (mandatory for years commencing on or after 1 January 2016) The amendments prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment, whilst the amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset,
- 'Amendments to IAS 19 Defined Benefit Plans Employee Contributions' (mandatory for years commencing on or after 1 July 2014) The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties that are linked to service in relation to defined benefit plans. For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, or attribute them to the employees' periods of service, whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service,
- 'Annual Improvements to IFRSs 2010-2012 Cycle' (mandatory for years commencing on or after 1 July 2014) The Annual Improvements include amendments to a number of IFRSs including IFRS 2 Share-based Payment, IFRS 3 Business Combinations, IFRS 8 Operating Segments, IFRS 13 Fair Value Measurement, IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, and IAS 24 Related Party Disclosures,
- 'Annual Improvements to IFRSs 2011-2013 Cycle' (mandatory for years commencing on or after 1 July 2014) These Annual Improvements include amendments to IFRS 3 Business Combinations in relation to scope exceptions for joint ventures, IFRS 13 Fair Value Measurement (portfolio exception for fair value measurement) and IAS 40 Investment Property (clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as an investment or owner-occupied property),
- 'IFRS 14 Regulatory Deferral Accounts' (mandatory for years commencing on or after 1 January 2016) IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities, and is available only to first-time adopters of IFRS who recognised regulatory deferral account balances under their previous GAAP. This does not apply to the TfL Group, and
- 'Amendments to IAS 16 and IAS 41 Agriculture Bearer Plants' (mandatory for years commencing on or after 1 January 2016)

Other than where indicated above, the Company does not consider that these or any other standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a significant impact on the Financial Statements

### 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 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 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.

# Accounting Policies

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

## **h) 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

## **i) Financial income and expenses**

Financing and investment income consists of interest income on funds invested, premia received on the novation of derivative contracts, gains in the movement of the fair value of unhedged derivative financial instruments and net interest receivable under interest rate derivative contracts. Interest income is recognised as it accrues in the Income Statement, using the effective interest rate method.

Financing costs comprise losses in the movement of the fair value of unhedged derivative financial instruments and the interest expense on borrowings and derivative financial instruments accrued using the effective interest rate method.

## **j) 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.

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.

## **k) 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.

## **l) Financial instruments**

Financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") are classified as

- financial assets at fair value through the Income Statement,



# Accounting Policies

- loans and receivables, or
- available for sale financial assets

Financial liabilities within the scope of IAS 39 are classified as either financial liabilities at fair value through the Income Statement or financial liabilities measured at amortised cost

The Company determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each financial year end. When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus any directly attributable transactional costs. The exception to this is for assets and liabilities measured at fair value through the Income Statement, where transaction costs are immediately expensed. The subsequent measurement of financial instruments depends on their classification as follows:

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, do not qualify as trading assets and have not been designated as either 'fair value through the Income Statement' or 'available for sale'. Such 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 loans and receivables are derecognised or impaired, as well as through the amortisation process.

- **Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost. For trade receivables this is after an allowance for estimated impairment. The allowance is based on objective evidence that the Company will not be able to recover all amounts due, through a review of all accounts and prior experience of collecting outstanding balances. Changes in the carrying amount of the allowance are recognised in the Income Statement.

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 reporting date. This fair value is determined for disclosure purposes.

- **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with maturity, at the date of acquisition, of less than or equal to three months.

- **Financial liabilities measured at amortised cost**

All non-derivative financial liabilities are classified as financial liabilities measured at amortised cost. Non-derivative financial liabilities are initially recognised at the fair value of the consideration received, less directly attributable issue costs. After initial recognition, non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised or impaired, as well as through the amortisation process.

- **Trade and other payables**

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

- **Interest bearing loans and borrowings**

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

# Accounting Policies

- **Derivative financial instruments**

The Company enters into derivative instruments to manage its exposure to fluctuations in foreign currency exchange risk and interest rates. The Company does not hold or issue derivative instruments for speculative purposes. The use of derivatives is governed by TfL, the Company's ultimate parent, through policies that are approved by the TfL Finance and Policy Committee. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the Income Statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Income Statement depends on the nature of the hedge relationship.

The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk or firm commitments (cashflow hedges).

The fair value of hedging derivatives is classified as a non-current asset or a non-current liability if the remaining maturity of the hedge relationship is more than 12 months and as a current asset or a current liability if the remaining maturity of the hedge relationship is less than 12 months. Derivatives not designated into an effective hedge relationship are classified as a current asset or a current liability.

## **Hedge accounting**

The Company designates certain hedging instruments, which include derivatives, as either fair value hedges or cash flow hedges.

In order to qualify for hedge accounting, at inception of the transaction the Company formally designates and documents the hedging relationship, which includes the Company's risk management objective and strategy for undertaking the hedge, identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess the hedging instrument's effectiveness. In addition, an instrument is only designated as a hedge when it is expected to be highly effective in offsetting changes in fair value or cash flows attributable to the hedged risk as designated and documented and where effectiveness is capable of reliable measurement.

At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Derivatives qualify for hedge accounting if changes in the fair value or cash flows of the hedging instrument attributable to the hedged risk are expected to be highly effective in offsetting the changes in the fair value or cash flows of the hedged item on a prospective basis and on a retrospective basis where actual results are within a range of 80 per cent to 125 per cent. Where derivatives or portions of hedges do not qualify for hedge accounting, they are recorded at fair value through the Income Statement.

## **Cash flow hedges**

Derivative instruments are classified as cash flow hedges when they hedge the Company's exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction. Derivative instruments qualifying for treatment as cash flow hedges are principally interest rate swaps, gilt locks and foreign currency forward exchange contracts.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

# Accounting Policies

Amounts deferred in reserves are recycled in profit or loss in the periods when the hedged items (the hedge asset or liability) are recognised in the Income Statement

Hedge accounting is discontinued when the Company revokes the hedging instrument relationship, or the hedging instrument expires, is sold, terminated, exercised or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the Income Statement.

## ***Fair value measurement of financial instruments***

IFRS 7 requires that financial instruments 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 value 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.

In the absence of quoted market prices, derivatives are valued by using quoted forward prices for the underlying commodity/currency and discounted using quoted interest rates (both as at the close of business on the Statement of Financial Position date). Hence derivatives are within Level 2 of the fair value hierarchy as defined within IFRS 7.

## ***Impairment of financial assets***

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant assets are tested for impairment on an individual basis. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Income Statement.

All impairment losses are recognised in the Income Statement.

# Notes to the Financial Statements

## 1 Profit/(loss) before taxation

*Profit/(loss) 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 Financial income

*For the year ended 31 March*

		2015	2014
	Note	£000	£000
Interest receivable on loan notes to fellow Group undertakings		65,094	55,177
Interest receivable on derivative financial instruments with fellow Group undertakings		2,868	2,951
Fair value gain on derivatives not subject to hedge accounting	13	21,337	-
		<u>89,299</u>	<u>58,128</u>

## 5 Financial expenses

*For the year ended 31 March*

		2015	2014
		£000	£000
Interest on loans from fellow Group undertakings		37,051	33,485
Interest payable on derivative financial instruments		30,911	24,648
		<u>67,962</u>	<u>58,133</u>

# Notes to the Financial Statements

## 6 Taxation

For the year ended 31 March

	2015	2014
	£000	£000
<b>Deferred taxation</b>		
Deferred tax recognised in the period	<u>4,267</u>	<u>-</u>
<b>Total income tax charge for the year</b>	<u>4,267</u>	<u>-</u>

### Reconciliation of tax expense

For the year ended 31 March

	2015	2014
	£000	£000
<b>Profit/(loss) before tax</b>	<u>20,326</u>	<u>(9)</u>
<b>Profit/(loss) before tax multiplied by standard rate of Corporation Tax in the UK of 21% (2013/14 23%)</b>	<u>4,268</u>	<u>(2)</u>
<b>Effects of:</b>		
Non-taxable and non deductible items	(213)	-
Tax losses carried forward for which no deferred tax was recognised	<u>212</u>	<u>2</u>
<b>Income tax expense for the year</b>	<u>4,267</u>	<u>-</u>

### Unrecognised deferred tax

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

Tax losses	<u>216</u>	<u>14</u>
------------	------------	-----------

The items above do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Company can utilise the benefits.

# Notes to the Financial Statements

## Recognised deferred tax

Deferred tax assets have been recognised to the extent of the deferred tax liabilities

Movements were in respect of the following items

	Opening balance £000	Movement in profit or loss £000	Movement in other comprehensiv e income £000	Closing balance £000
<i>For the year ended 31 March 2015</i>				
<b>Deferred tax assets</b>				
Derivative financial instruments	34,088	-	1,920	36,008
<b>Deferred tax liabilities</b>				
Derivative financial instruments	-	(4,267)	-	(4,267)
<b>Net deferred tax asset/(liability)</b>	<b>34,088</b>	<b>(4,267)</b>	<b>1,920</b>	<b>31,741</b>
<i>For the year ended 31 March 2014</i>				
<b>Deferred tax assets</b>				
Derivative financial instruments	49,879	-	(15,791)	34,088
<b>Deferred tax liabilities</b>				
Derivative financial instruments	-	-	-	-
<b>Net deferred tax asset/(liability)</b>	<b>49,879</b>	<b>-</b>	<b>(15,791)</b>	<b>34,088</b>

The Corporation Tax rate was reduced from 24% to 23% on 1 April 2013, and from 23% to 21% on 1 April 2014. On 2 July 2013 a further Corporation Tax rate reduction to 20% was enacted, effective from 1 April 2015. Deferred tax balances at 31 March 2015 have been therefore calculated at a rate of 20%.

## 7 Loans to related parties

	2015 £000	2014 £000
<b>Non-current</b>		
Loans to fellow Group undertakings	<b>1,997,777</b>	<b>1,797,777</b>

# Notes to the Financial Statements

## 8 Cash and cash equivalents

	2015	2014
	£000	£000
Cash at bank	<u>377</u>	<u>1,126</u>

## 9 Trade and other payables

	2015	2014
	£000	£000
Current		
Accruals and other payables	-	2
Interest accruals on derivatives	4,469	3,591
Amounts due to fellow Group undertakings	<u>96,598</u>	<u>104,437</u>
	<u>101,067</u>	<u>108,030</u>

## 10 Borrowings

	2015	2014
	£000	£000
Non-current		
Amounts due to fellow Group undertakings	<u>1,997,777</u>	<u>1,797,777</u>

### Amounts due to fellow Group undertakings

All borrowings due to fellow Group undertakings are repayable on demand with a two year notice period

No notice has been given on these loans as at the date of signing of these accounts

The weighted average interest rates on borrowings outstanding at the year end were as follows

	2015	2014
Weighted average interest rate	1.73%	1.86%

# Notes to the Financial Statements

## 11 Derivatives

	2015	2015	2014	2014
	Fair value	Notional	Fair value	Notional
	£000	amount	£000	amount
		£000		£000
<b>Non-current assets</b>				
Cash flow hedges				
Interest rate swaps	20,892	105,884	4,261	107,045
<b>Current assets</b>				
Cash flow hedges				
Foreign currency forward contracts	22,619	484,001	-	-
<b>Non-current liabilities</b>				
Cash flow hedges				
Interest rate swaps	101,271	830,884	67,501	832,045
<b>Current liabilities</b>				
Cash flow hedges				
Foreign currency forward contracts	1,282	107,003	318	6,980

## 12 Share capital

	2015	2014
	£000	£000
<b>Share capital issued and fully paid</b>		
2 ordinary shares of £1 each	-	-

## 13 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 comprise derivative financial instruments, loans to related parties, cash and cash equivalents, trade and other payables and borrowings. The Company finances operations from these financial instruments. The Company does not undertake speculative treasury transactions.

The Company is 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.



# Notes to the Financial Statements

## Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet contractual obligations. Credit risk is managed on a group-wide basis by the Company's ultimate parent organisation, TfL. As the majority of the Company's counterparties in respect of its non derivative financial instruments are fellow undertakings of the TfL Group, credit risk for the Company's non derivative financial instruments is not considered material.

Credit risk does arise in relation to derivatives with banks and financial institutions. The TfL Treasury Management Strategy ("the Strategy"), which has been approved by TfL's Finance and Policy Committee (the "Committee"), lists exposure limits by institution. The investment limits for an institution increase as the institution's credit rating increases. In accordance with the Strategy, the Company will not trade with an institution with a credit rating of less than A-.

## 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

Market risk is the possibility that future changes in foreign exchange rates or interest rates may make a derivative more or less valuable. Since the Company uses derivatives for risk management, market risk relating to derivative instruments will be principally offset by changes in the cash flows of the transactions being hedged.

## Interest rate risk

The Company is exposed to interest rate risk on borrowings from TfL. The Company uses interest rate swaps (the hedging instrument) to reduce exposure to interest rates movements (the hedged risk) on borrowings (the hedged item) that are already in issue. The Company does not use derivative financial instruments for speculative purposes. The Committee is responsible for the hedging strategy and must approve all decisions to enter into derivative products. The Committee's aim is to ensure that exposure to interest rate risk on floating interest rate borrowings is managed by entering into appropriate derivative products.

All interest rate derivatives are designated as hedges. Those derivatives that do not satisfy the hedging criteria in accordance with adopted IAS 39 Financial Instruments Recognition and measurement ('IAS 39') are not hedge accounted for and are fair valued immediately through the Income Statement.

For the year ended 31 March 2015, no ineffectiveness has been recognised and all interest rate derivatives have been assessed as highly effective. Accordingly, the movement in the fair value of the derivatives has been taken to reserves.

The amounts held in the hedging reserve are expected to impact the Income Statement over the period to December 2042.

# Notes to the Financial Statements

## Foreign exchange risk

At 31 March 2015, the Company held forward foreign exchange contracts totalling £3.2m (2014 £7.0m) to hedge planned future euro payments related to the purchase of tram rolling stock on behalf of fellow TfL Group undertakings. The aggregate amount of losses under forward foreign exchange contracts in formally designated hedging relationships that has been recognised in other comprehensive income and accumulated in the cash flow hedging reserve in respect of anticipated future transactions was £nil (2014 £0.3m). It is expected that the hedged purchases will take place in the period to 28 June 2016. The maturity of these contracts is disclosed later in this note.

As at 31 March 2015, the Company also held forward foreign exchange contracts to sell euros to a value of £594.2m (2014 £nil) to hedge exposure to exchange rate fluctuations on future foreign currency receipts in relation to short term foreign currency investments held by the Company's ultimate parent, Transport for London. Although fully effective as hedges, as the hedged investments are in a different legal entity to the derivatives, these contracts were not in formally designated hedging relationships for accounting purposes, and hence hedge accounting has not been applied. A fair value gain on these contracts totalling £21.3m (2014 £nil) has therefore been recognised directly in the Income Statement within financial income.

## Sensitivity analysis

### *Fair value sensitivity analysis for fixed interest instruments*

As at 31 March 2015, the Company holds interest rate derivative contracts with a combined net notional value of £725.0m (2014 £725.0m) which are designated as cash flow hedges. An increase/(decrease) of 100 basis points in interest rates would increase/(decrease) the fair value of the derivative instruments by £32.7m/(£32.8m) (2014 £35.4m/(£37.9m)). All of the Company's non-derivative financial instruments are accounted for at amortised cost. Fluctuations in market interest rates would therefore have no impact on the Statement of Financial Position or net income figures in respect of these items.

### *Fair value sensitivity analysis on foreign exchange risk*

As at 31 March 2015, the Company holds forward foreign exchange contracts to sell euros with a combined net nominal value of £591.0m (2014 contracts to purchase euros with a nominal value of £7.0m). A 10% increase/(decrease) in GBP against the euro would increase/(decrease) the fair value of these derivative instruments by £51.8m/(£63.3m) (2014 (decrease)/increase the fair value by (£0.6m)/£0.8m). The Company has no other material exposure to foreign exchange rate movements.

## Contractual maturity of financial liabilities

Borrowings from TfL are repayable on demand with a two year notice period. Interest on borrowings from TfL is paid annually. All other non derivative financial instruments are due within one year.

## Notes to the Financial Statements

The following table details the Company's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash inflows and outflows. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

### Contractual maturity of financial liabilities

	Amounts falling due in less than one year £000	Amounts due between 1 and 2 years £000	Amounts falling due between 2 and 5 years £000	Amounts falling due in more than 5 years £000	Total £000
<b>At 31 March 2015</b>					
<b>Derivatives settled net</b>					
Interest rate swaps and gilt locks	(22,208)	(17,424)	(19,914)	(5,413)	(64,959)
<b>Derivatives settled gross</b>					
Foreign exchange forward contracts					
Amounts receivable	597,456	-	-	-	597,456
Amounts payable	(576,119)	-	-	-	(576,119)
	<u>(871)</u>	<u>(17,424)</u>	<u>(19,914)</u>	<u>(5,413)</u>	<u>(43,622)</u>
<b>At 31 March 2014</b>					
<b>Derivatives settled net</b>					
Interest rate swaps	(19,729)	(18,212)	(23,854)	(6,527)	(68,322)
<b>Derivatives settled gross</b>					
Foreign exchange forward contracts					-
Amounts receivable	6,662	-	-	-	6,662
Amounts payable	(6,980)	-	-	-	(6,980)
	<u>(20,047)</u>	<u>(18,212)</u>	<u>(23,854)</u>	<u>(6,527)</u>	<u>(68,640)</u>

## Notes to the Financial Statements

The Company's derivatives have the following maturities

	2015 Average exchange rate/contracted fixed interest rate %	2015 Fair value £000	2015 Notional amount £000	2014 Average exchange rate/contracted fixed interest rate %	2014 Fair value £000	2014 Notional amount £000
<b>Foreign currency forward contracts</b>						
<b>Sell euro less than 3 months</b>	0.751	20,069	556,707	-	-	-
<b>3 to 6 months</b>	0.751	1,290	37,533	-	-	-
<b>Buy euro 6 to 12 months</b>	-	-	-	0.869	(318)	6,979
<b>3 to 6 months</b>	0.729	(22)	3,237	-	-	-
	<u>0.751</u>	<u>21,337</u>	<u>597,477</u>	<u>0.869</u>	<u>(318)</u>	<u>6,979</u>
<b>Interest rate hedges</b>						
<b>Amounts falling due between 2 and 5 years</b>	3.504	(39,353)	500,000	3.357	(22,282)	350,000
<b>Amounts falling due in more than 5 years</b>	4.076	(41,026)	225,000	3.985	(40,958)	375,000
	<u>3.682</u>	<u>(80,379)</u>	<u>725,000</u>	<u>3.682</u>	<u>(63,240)</u>	<u>725,000</u>

### 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 and borrowings from the Company's ultimate parent, TfL. The Company's borrowings are fully matched by loans made to fellow subsidiary undertakings. 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 from its ultimate parent, TfL, to fund operations.

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 AA with Fitch, AA+ with Standard & Poor's and Aa2 with Moody's.

# Notes to the Financial Statements

## 14 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' emoluments 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 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

The Company has traded with the following related parties that are classified as government entities

- Interest accrued on loans from TfL as disclosed in notes 5 and 10,
- Interest accrued on loans to London Underground Limited as disclosed in notes 4 and 7,
- Net interest receivable under an intercompany interest rate swap with Rail for London Limited (notes 4 and 11),

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not government-related

## 15 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 Transport for London Finance 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

## 16 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