4212657

Crossrail Limited

Annual Report and Financial Statements
Year ended 31 March 2012

THURSDAY

L1ICOMCR
L14 27/09/2012 #70
COMPANIES HOUSE

Registered Office
25 Canada Square
Canary Wharf
London
E14 5LQ

Registered in England & Wales
Number 04212657

Contents

Directors' Report and Business Review

Introduction

The directors present their annual report on the affairs of Crossrail Limited ("CRL") together with the audited financial statements for the year ended 31 March 2012

Principal Activity

The principal activity of CRL ("the Company") is the construction of rail infrastructure in London

Business Review

CRL has been established to construct Crossrail Line 1 The directors continue to be confident that the project will be delivered successfully Land continues to be safeguarded to enable the future development of the Chelsea-Hackney Line (Crossrail Line 2)

Funding for Line 1 of the Crossrail project was confirmed as part of the Autumn 2010 Comprehensive Spending Review The award of a positive project review notice in March 2011 by the sponsors (Transport for London and the Department for Transport) and HM Treasury's Major Project Review Group means that the independent CRL Board now has authority to deliver the project in accordance with its approved delivery strategy and to award contracts without recourse to the governance arrangements of either sponsor Tunnelling has now started and in the course of the year contracts were awarded for the construction of stations at Paddington, Farringdon, Whitechapel and Liverpool Street

Project costs are capitalised as tangible fixed assets in the statement of financial position The Company's result for the year was £nil (2010/11 £nil) No dividend has been proposed (2010/11 £nil)

Directors

The directors who served during the year were

D O Allen
I Brown (appointed 1 April 2011)
M J Cassidy
J P S Crawford (resigned 1 August 2011)
Sir J Dwyer (resigned 30 April 2012)
P Gaffney (appointed 1 April 2011)
T Hill (appointed 1 September 2011)
Sir M Hodgkinson
R D Holden (resigned 10 July 2011)
R A Jennings
A H Mitchell
T K Morgan
H V Rabbatts
A Wolstenhome (appointed 1 August 2011)

Directors' Report and Business Review (continued)

Directors (continued)

None of the directors had any beneficial interest in the shares of Crossrail Limited or its parent company The Company maintains directors' and officers' liability insurance

Risk Management

CRL has a risk management process that identifies and establishes mitigating strategies to counter both strategic and operational risks

CRL is exposed to price risks, including market and interest rate risk, and to credit and liquidity risk CRL has adopted risk management policies that seek to mitigate these risks in a cost-effective manner

Financial assets that expose the Company to financial risk consist principally of cash and receivables Financial liabilities that expose the Company to financial risk consist principally of trade payables and other payables The financial value of these risks is considered to be minimal

Credit Risk

CRL's ultimate parent, Transport for London ("TfL"), holds substantial cash reserves, which are used to fund the Company's operational bank account in accordance with the funding contributions to which both sponsors have committed in the agreements that govern the establishment and operation of Crossrail Limited TfL provides treasury management services to CRL and deposits are placed with creditworthy institutions in order to minimise the credit exposure

Liquidity Risk

The Company is dependent on TfL and the Department for Transport ("DfT") for continued financial support Both sponsors have committed to a schedule of funding contributions in the agreements that govern the establishment and operation of the Company The directors are satisfied that adequate financial support will continue to be available when required

Employee Practice

CRL values the contribution of all of its employees and aims to ensure that they and job applicants are treated fairly, equally and with respect and dignity

The Company is committed to providing equal opportunities to all employees, irrespective of their gender, sexual orientation, marital status, creed, colour, race, ethnic origin or disability The commitment extends to recruitment and selection, training, career development, flexible working arrangements and promotion and performance appraisal

Directors' Report and Business Review (continued)

Health, Safety and Environmental Matters

The Company is committed to achieving excellence in health and safety and, as part of its sustainability strategy, to delivering a consistently strong and continuously improving environmental performance Progress is overseen by Crossrail's Health & Safety Committee and Sustainability Committee, which are sub-committees of the CRL Board

The Company has a Health and Safety Management System and an Environmental Management System These systems set out the standards for each area of the organisation, the arrangements for achieving and methods for checking compliance with those standards, and the processes for reporting on performance The operation of the systems is audited frequently and their appropriateness and effectiveness is reviewed bi-annually by senior management

Charitable and Political Donations

There were no political contributions or charitable donations in the year (2010/11 £nil)

Disclosure of Information to Auditor

Each of the persons who is a Director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which CRL's auditor is unaware, and
- the director has taken all of the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that CRL's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will, therefore, continue in office

Approved by the Board on 21 June 2012 and signed on behalf of the Board by

D.O. Allen

D.O. Allen
Director

Statement of Directors' Responsibilities

In Respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Directors' 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 EU ("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 directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Independent Auditor's Report to the members of Crossrail Limited

We have audited the financial statements of Crossrail Limited for the year ended 31 March 2012 set out on pages 7 to 31 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the EU

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's ("APB's") Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its result for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent Auditor's Report to the members of Crossrail Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

R Brent

Robert Brent (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

10 July 2012

Income Statement

Year ended 31 March	*Note*	2012 £'000	2011 £'000
Revenue	*1*	129	23
Net operating costs		(13,073)	(11,829)
Operating loss	*2*	(12,944)	(11,806)
Grant income	*3*	28,652	27,502
Total profit from operations		15,708	15,696
Financial income	*6*	26	6
Financial expenses	*7*	(15,694)	(15,694)
Profit before taxation		40	8
Income tax expense	*8*	(40)	(8)
Result for the year attributable to owners of the Company		-	-

Statement of Comprehensive Income

Year ended 31 March	2012 £'000	2011 £'000
Result for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year attributable to owners of the Company	-	-

Statement of Financial Position

	Note	31 March 2012 £'000	31 March 2011 £'000
Non-current assets			
Intangible assets	9	**5,951**	6,855
Property, plant and equipment	10	**1,998,207**	1,087,339
Trade and other receivables	11	**152,611**	-
		2,156,769	1,094,194
Current assets			
Trade and other receivables	11	**80,472**	28,872
Cash and cash equivalents	12	**174**	113
		80,646	28,985
Current liabilities			
Trade and other payables	13	**(282,669)**	(263,848)
Current tax liabilities		**(47)**	-
		(282,716)	(263,848)
Non-current liabilities			
Borrowings	14	**(777,880)**	(357,880)
Deferred grant	15	**(76,819)**	(51,451)
		(854,699)	(409,331)
Net assets		**1,100,000**	450,000
Equity			
Share capital	16	**1,100,000**	450,000
Retained earnings		-	-
Total equity attributable to owners of the Company		**1,100,000**	450,000

The accounting policies and notes to the financial statements on pages 11 to 31 form part of these financial statements

These financial statements were approved by the Board on 21 June 2012 and signed on its behalf by

D.O. Allen

D.O. Allen
Director
Company Registration Number 04212657

Statement of Changes in Equity

	Note	Called up share capital £'000	Retained earnings £'000	**Total £'000**
At 31 March 2011		450,000	-	450,000
Result for the year		-	-	-
Other comprehensive income		-	-	-
Issue of share capital	*16*	650,000	-	650,000
At 31 March 2012		**1,100,000**	**-**	**1,100,000**

Statement of Cash Flows

Year ended 31 March	*Note*	**2012 £'000**	2011 £'000
Cash flows from operating activities			
Result for the year		**-**	-
Adjustments for			
Depreciation	*10*	**9,641**	8,771
Amortisation of intangible assets	*9*	**4,014**	3,034
Financial income	*6*	**(26)**	(6)
Financial expenses	*7*	**15,694**	15,694
Release of deferred grant to the income statement	*15*	**(583)**	-
Reversal of taxation expense	*8*	**40**	8
(Increase)/decrease in trade and other receivables	*11*	**(43,840)**	342
(Decrease)/increase in trade and other payables	*13*	**(7,255)**	8,821
Interest paid intra-group	*7*	**(15,694)**	(15,694)
Tax refund		**7**	-
Net cash from operating activities		**(38,002)**	20,970
Investing activities			
Interest received		**26**	6
Acquisition of intangible assets	*9*	**(3,110)**	(3,613)
Acquisition of property, plant and equipment		**(894,433)**	(518,708)
Interim funding advanced	*11*	**(160,371)**	-
Capital grants received	*15*	**25,951**	51,451
Net cash from investing activities		**(1,031,937)**	(470,864)
Financing activities			
Increase in loans from Transport for London	*14*	**420,000**	-
Proceeds from issue of share capital	*16*	**650,000**	450,000
Net cash used in financing activities		**1,070,000**	450,000
Increase in cash in the year		**61**	106
Cash and cash equivalents at the start of the year		**113**	7
Cash and cash equivalents at the end of the year		**174**	113

Accounting Policies

a) Reporting entity

The Company is domiciled in the United Kingdom

The Company's registration number is 04212657 The address of the Company's registered office is 25 Canada Square, Canary Wharf, London, E14 5LQ

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

These financial statements have been prepared in accordance with Adopted IFRSs

Basis of measurement

The financial statements are principally prepared on the historical cost basis except for certain financial assets which are valued at fair value 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 conformity 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

Leases

In assessing whether a lease is an operating lease or a finance lease, judgement needs to be exercised in determining whether or not substantially all the risks and rewards of ownership of the leased asset are held by the Company Given that finance leases are recognised as liabilities, and operating leases are not, this can have a significant effect on the reported financial position of the Company

Provisions

Judgement and estimation techniques are employed in the calculation of the best estimate of the amount required to settle obligations, including determining how likely it is that expenditure will be required by the Company This can be very complex, especially when there is a wide range of possible outcomes

e) Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the Company's result of £nil and the net current liability position of £202 1 million, which the directors believe to be appropriate for the following reasons

The Company is dependent on funds provided to it by its sponsors, principally its ultimate parent Transport for London, in order to ensure working capital requirements are satisfied These funds are provided in accordance with a schedule of contributions that both sponsors have committed to in the agreements that govern the establishment and operation of Crossrail Limited Transport for London has indicated that for at least 12

Accounting Policies (continued)

e) Going concern (continued)

months from the date of approval of these financial statements, it will continue to make such funds available to the Company

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

f) Revenue

Revenue relates to property rental income Rental income is recognised on a straight line basis over the term of the lease

g) Grants

Grants and other third party contributions received to fund capital expenditure are recorded as deferred income on the statement of financial position and released to the income statement over the estimated useful economic life of the asset to which the grant relates

h) Borrowing costs

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 and IAS 23 *Borrowing costs* ("IAS 23"), the Company has taken the option not to capitalise borrowing costs on assets where expenditure had been incurred and where activities necessary to construct the asset had commenced prior to the date of transition to IFRS

Accordingly, all finance costs and other borrowing costs are recognised in the income statement in the period in which they are incurred

i) Leases

Leased assets

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset Other leases are operating leases and the leased assets are not recognised in the Company's statement of financial position

Accounting Policies (continued)

i) Leases (continued)

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease

j) Property, plant and equipment

Recognition and measurement

Assets under construction and plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses

Additions to assets under construction represent the capitalised costs of delivering the Crossrail Project (excluding land and property acquisitions) During the year to 31 March 2012, the directors deemed it appropriate to capitalise such costs in the statement of financial position under property, plant and equipment

Land and property acquired by the Secretary of State for the Crossrail Project is not included in the statement of financial position of Crossrail Limited, but is included in the statement of financial position of Transport for London, the acquiring entity

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, 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

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

Plant and equipment	3 years
Property	5 – 50 years

Assets under construction are carried at cost and are not depreciated until they are available for customer service Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate, the effect of such adjustments being prospectively recognised as a change of estimate

k) Intangible assets

Software costs are measured at cost less accumulated amortisation and accumulated impairment losses

Amortisation is charged to the income statement on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use, unless such lives are indefinite

The useful lives and amortisation methods for software costs are as follows

Software costs	Straight-line	3 years

Accounting Policies (continued)

l) 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 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

m) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with a maturity of three months or less

n) Trade and other payables

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

o) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the statement of financial position date and are discounted to present value where the effect is material

p) Impairment

Non-financial assets

At each statement of financial position 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

When an asset is not held for the purpose of generating cash flows but primarily for service provision, value in use is the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential

Impairment occurs when an asset's carrying value is below its recoverable amount An asset's recoverable amount is the higher of its value in use and its fair value less costs to sell

Accounting Policies (continued)

p) Impairment (continued)

Non-financial assets (continued)

An impairment review is completed for all assets and cash generating units on an annual basis and additionally when there is an indication that an asset may be impaired

Financial assets

A financial asset is assessed at each statement of financial position 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

q) Employee benefits

Defined benefit plan – multi-employer exemption

The majority of employees are members of a defined benefit scheme to which the Company contributes However, it is not possible for the Company to identify its share of the underlying assets and defined benefit obligations of the scheme on a consistent and reasonable basis This is because the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan For this reason, as permitted by the multi-employer exemption in International Accounting Standard 19 *Employee benefits* ("IAS 19"), the scheme is accounted for as a defined contribution scheme and the Company's contributions are charged to the income statement as incurred The disclosures required under IAS 19 are given in note 17

Defined contribution scheme

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees

Other employee benefits

Other short and long term employee benefits, including holiday pay and long service leave, are measured on an undiscounted basis and are recognised as an expense over the period in which they accrue

Accounting Policies (continued)

r) 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 it relates 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 income 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 In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill

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 offset 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 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

s) Financial income and financial expenses

Finance income comprises interest income on funds invested Interest income is recognised as it accrues in profit or loss, using the effective interest method

Finance costs comprise interest expense on borrowings In accordance with IFRS 1 and IAS 23 the Company has taken the option not to capitalise borrowing costs on assets where expenditure had been incurred and activities necessary to construct the asset had commenced prior to the date of transition to IFRS

Accounting Policies (continued)

t) Financial instruments

Financial instruments are categorised in the appropriate categories as defined in IAS 39 *Financial Instruments Recognition and measurement* ("IAS 39")

The Company determines the classification of its financial instruments, at initial recognition and re-evaluates this designation at each financial year-end

The Company has two categories of financial instruments, which are described as follows

Loans and receivables
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 profit and loss' 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

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 method Gains and losses are recognised in the income statement when the liabilities are derecognised or impaired, as well as through the amortisation process

u) New standards and interpretations not yet adopted

Standards and interpretations issued by the International Accounting Standards Board ('IASB') are only applicable if endorsed by the EU The following revisions to IFRS will be applicable in future periods, subject to endorsement where applicable These have been issued but have not been applied by the Company in these financial statements

- Deferred Tax Recovery of Underlying Assets – Amendment to IAS 12 (effective 1 January 2012)
- Annual Improvements to IFRSs – 2009-2011 Cycle (effective 1 January 2013)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7 (effective 1 January 2013)

The Company does not consider that any other standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a significant impact on the financial statements The Company has not opted to apply any Standards before the required implementation date

Notes to the Financial Statements

1 Revenue

Year ended 31 March	2012	2011
	£'000	£'000
Rental income	**129**	23

2 Operating loss

Year ended 31 March		**2012**	2011
	Note	**£'000**	£'000
The operating loss for the year is stated after charging/(crediting)			
Intangible assets and property, plant and equipment			
Amortisation of intangible assets	*9*	**4,014**	3,034
Depreciation of property, plant and equipment	*10*	**9,641**	8,771
Release of grant to meet the depreciation charge	*15*	**(583)**	-
Costs capitalised within Assets Under Construction include the following			
Other operating costs			
Employee costs	*4*	**24,973**	23,603
Payments under operating leases		**4,627**	7,769
Auditor's remuneration			
Fees for the audit of these financial statements		**106**	75

3 Grant income

Year ended 31 March	**2012**	2011
	£'000	£'000
Grant from Transport for London to fund operations	**28,652**	27,502

Notes to the Financial Statements (continued)

4 Employee costs

Year ended 31 March	**2012 Number**	2011 Number
The average number of persons employed (including directors) in the year was	**319**	276

Their aggregate remuneration comprised	**2012 £'000**	2011 £'000
Wages and salaries	**19,656**	18,728
Social security costs	**2,054**	1,629
Pension costs (note 17)	**3,263**	3,246
	24,973	23,603

5 Directors' remuneration

Year ended 31 March	**2012 Number**	2011 Number
Number of directors who received remuneration from the Company during the year	**13**	9
Number of directors who were members of a defined benefit scheme	**3**	2
The Company made contributions to a defined contribution scheme on behalf of the following number of directors	**-**	1

Notes to the Financial Statements (continued)

5 Directors' remuneration (continued)

The directors received the following remuneration

Year ended 31 March	**2012**	2011
	£'000	£'000
Salaries, fees and benefits in kind	**1,971**	1,900
Amounts receivable under long term incentive schemes	**-**	160
Company contributions to defined benefit pension scheme	**127**	60
Company contributions to defined contribution pension scheme	**-**	20
	2,098	2,140

	2012	2011
The highest paid director received the following remuneration	**£**	£
Salaries, fees and benefits in kind	**400,232**	857,134
Defined benefit pension costs	**31,331**	20,419
	431,563	877,553

The Company made payments to a third party of £30,000 (2010/11 £30,000) in respect of the services of another director

6 Financial income

Year ended 31 March	**2012**	2011
	£'000	£'000
Interest income	**26**	6

7 Financial expenses

Year ended 31 March	**2012**	2011
	£'000	£'000
Interest on loans from Transport for London	**15,694**	**15,694**

The interest rates charged on loans from Transport for London averaged 4 4% (2010/11 4 4%)

Notes to the Financial Statements (continued)

8 Taxation

The charge for the year, based on the rate of corporation tax of 26% (2010/11 28%) comprised

Year ended 31 March	**2012**	2011
	£'000	£'000
Current tax UK corporation tax	**40**	8
Total income tax expense	**40**	8

Reconciliation of taxation expense

Year ended 31 March	**2012**	2011
	£'000	£'000
Profit before tax	**40**	8
Profit before tax multiplied by standard rate of corporation tax in the UK of 26% (2010/11 28%)	**10**	2
Effects of		
Not taxable and non-deductible items	**30**	6
Income tax expense for the year	**40**	8

Unrecognised deferred tax asset

The Company has a potential net deferred tax asset of £nil at 31 March 2012 (31 March 2011 £nil)

The potential net deferred tax assets can be attributed to the following

	Assets		**Liabilities**		**Net asset/(liability)**	
31 March	**2012**	2011	**2012**	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Property, plant and equipment	**-**	-	**(18,436)**	(13,377)	**(18,436)**	(13,377)
Third party contributions (deferred grants)	**18,436**	13,377	**-**	-	**18,436**	13,377
Deferred tax asset/(liability)	**18,436**	13,377	**(18,436)**	(13,377)	**-**	-

Notes to the Financial Statements (continued)

8 Taxation (continued)

Unrecognised deferred tax asset (continued)

The corporation tax rate reduced from 26% to 24% from 1 April 2012 and there will be a further cut to 23% by 1 April 2014 As the 24% tax rate was effective from 1 April 2012, the closing deferred tax balances have been calculated using this rate

Other than the enacted change to 24%, the effects of the future cut is not reflected in the financial statements for the year ended 31 March 2012 The impact of the change in corporation tax rate is not material

Movement in the unrecognised deferred tax during the year was as follows

	1 April 2011	Movement in the year	Impact of change in tax rate	**31 March 2012**
	£'000	£'000	£'000	**£'000**
Property, plant and equipment	13,377	6,596	(1,537)	**18,436**
Third party contributions (deferred grants)	(13,377)	(6,596)	1,537	**(18,436)**
Deferred tax asset/(liability)	-	-	-	**-**

	1 April 2010	Movement in the year	Impact of change in tax rate	31 March 2011
	£'000	£'000	£'000	£'000
Property, plant and equipment	-	14,406	(1,029)	13,377
Third party contributions (deferred grants)	-	(14,406)	1,029	(13,377)
Deferred tax asset/(liability)	-	-	-	-

Notes to the Financial Statements (continued)

9 Intangible assets

	Software costs £'000
Cost	
At 1 April 2011	12,240
Additions	3,110
At 31 March 2012	**15,350**
Amortisation	
At 1 April 2011	(5,385)
Charge for the year	(4,014)
At 31 March 2012	**(9,399)**
Net book value at 31 March 2012	**5,951**
Net book value at 31 March 2011	6,855

Notes to the Financial Statements (continued)

10 Property, plant and equipment

	Assets under construction	Property, plant and equipment	Total
	£'000	£'000	**£'000**
Cost			
At 1 April 2011	1,074,887	30,785	1,105,672
Additions	918,843	1,666	920,509
Transfers (to)/from other asset classes	(9,272)	9,272	-
At 31 March 2012	**1,984,458**	**41,723**	**2,026,181**
Accumulated depreciation			
At 1 April 2011	-	(18,333)	(18,333)
Charge for the year	-	(9,641)	(9,641)
At 31 March 2012	**-**	**(27,974)**	**(27,974)**
Net book value at 31 March 2012	**1,984,458**	**13,749**	**1,998,207**
Net book value at 31 March 2011	1,074,887	12,452	1,087,339

In accordance with IFRS 1 and IAS 23, the Company has taken the option not to capitalise borrowing costs on assets where expenditure had been incurred and where activities necessary to construct the asset had commenced prior to the date of transition to Adopted IFRSs

At 31 March 2012, the Company had capital commitments which were contracted for but not provided for in the financial statements amounting to £1,830 0 million (31 March 2011 £1,830 4 million)

None of the Company's property, plant and equipment has been pledged as security for liabilities

Notes to the Financial Statements (continued)

11 Trade and other receivables

Non-current

31 March	**2012**	2011
	£'000	£'000
Trade and other receivables	152,611	-
	152,611	-

On 29 March 2012 the Company extended interim funding of £160,371,360 to Network Rail Infrastructure Limited to be repaid on 31 March 2014 In accordance with IAS 39 *Financial instruments recognition and measurement*, this interim funding has been recorded at £152,611,000, which is the present value of the future cash receipts relating to the agreement

The difference between the nominal value and the recorded value of the interim funding (£7,760,000) is recorded as an asset reflecting the significant future cost savings that this arrangement secures for the Company over the life of the agreement The £7,760,000 has instead been recorded in current trade and other receivables and will be unwound over the life of the agreement as the balance is accreted from its current recorded value to its book value

Current

31 March	**2012**	2011
	£'000	£'000
Trade and other receivables	11,309	19
Amounts due from fellow Group undertakings	2,138	314
Other tax and social security	16,157	6,445
Prepayments and accrued income	50,868	22,094
	80,472	28,872

Trade and other receivables relate to current sundry recoverable amounts, and include an allowance for estimated irrecoverable amounts of £nil (31 March 2011 £1,040,000) All other amounts are fully recoverable with no bad debt provision made

12 Cash and cash equivalents

31 March	**2012**	2011
	£'000	£'000
Cash at bank	**174**	113

Notes to the Financial Statements (continued)

13 Trade and other payables

31 March	2012 £'000	2011 £'000
Trade payables	**19,803**	14,150
Amounts due to fellow Group undertakings	**26,599**	38,526
Other creditors including taxation and social security	**723**	749
Accruals for capital works	**234,004**	207,928
Other accruals	**1,540**	2,495
	282,669	263,848

14 Borrowings

31 March	2012 £'000	2011 £'000
Non-current		
Amounts due to Transport for London	**777,880**	357,880

The weighted average interest rates on borrowings were

Year ended 31 March	2012 %	2011 %
Amounts due to Transport for London	**4.4**	4 4

All borrowings are repayable on demand with a two year notice period

15 Deferred grant

	2012 £'000	2011 £'000
At 1 April	**51,451**	-
Third party contributions and other grants to fund capital expenditure	**25,951**	51,451
Released to the income statement	**(583)**	-
At 31 March	**76,819**	51,451

Notes to the Financial Statements (continued)

16 Called up share capital

	Share capital £'000
31 March 2012:	
Authorised , issued and fully paid up:	
550,000,000 "A" shares of £1 each	**550,000**
550,000,000 "B" shares of £1 each	**550,000**
	1,100,000

	Share capital £'000
31 March 2011:	
Authorised , issued and fully paid up.	
225,000,000 "A" shares of £1 each	225,000
225,000,000 "B" shares of £1 each	225,000
	450,000

On 22 March 2012, 325,000,000 "A" shares of £1 each, and 325,000,000 "B" shares of £1 each, were issued at par to CRL's immediate parent company, Transport Trading Limited

17 Pensions

The Company offers retirement plans to its employees CRL contributes to the Railways Pension Scheme ("RPS") The RPS is the defined benefit arrangement for rail industry employees CRL contributes to the Omnibus Section of the RPS, which is a multi-employer scheme and is accounted for as a defined contribution scheme under IAS 19 *Employee Benefits* The Omnibus Section is made up of 41 participating employers, each (apart from CRL) having fewer than 51 active members in the scheme The reporting functions and scheme communications are streamlined for the Omnibus Section There is one quarterly report, one section report and accounts and one valuation report for the whole section rather than individual reports for each individual employer The Omnibus Section is valued as a whole and as a result of this CRL is unable to identify its share of the underlying assets and liabilities

The last actuarial valuation of the Omnibus Section was carried out at 31 December 2007 The actuarial report showed that there was a surplus of the assets over the liabilities of £6,236,000 for the total Omnibus Section The Railway Pension Scheme has indicated that the results of an actuarial valuation as at 31 December 2010 will be published later in the Summer of 2012

The findings of the 2007 valuation report were translated into the current contribution level of 31%, effective from 1 July 2009 Once it has been received, the results of the 2010 valuation will be evaluated to determine future contribution levels The Trustee believes that it would not be prudent to use the surplus disclosed by the 2007 valuation to reduce contributions to less than the future service joint contribution rate The pension charge for the year was £3,263,000 (2010/11 £3,246,000)

Notes to the Financial Statements (continued)

18 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 of cash and cash equivalents, borrowings from Transport for London, interim funding to Network Rail Infrastructure Limited and various items such as trade receivables and payables that arise directly from operations The Company finances operations from these financial instruments The Company does not undertake speculative treasury transactions

Market risk

The Company is exposed to market risk in respect of interest rate, materials and equipment prices and currency fluctuations Mitigation measures have been put in place to manage the potential impact of these risks on the Company

Interest risk

The Company does not have any exposure to interest rate risk on its financial liabilities as the only interest bearing financial instruments are fixed interest loans from Transport for London

The Company does not have any exposure to interest rate risk on its financial assets as all financial assets are interest free

The Company's interest rate risk on cash balances is managed by Transport for London

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

The Company follows the Transport for London 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 the Company's ultimate parent Transport for London provides financial support to the Company

Borrowings from Transport for London are repayable on demand with a two year notice period The likelihood of Transport for London requesting payment for borrowings is considered to be remote

Notes to the Financial Statements (continued)

18 Financial Instruments (continued)

Categorisation of financial instruments

Cash and cash equivalents, loans, short term investments and trade and other receivables are all categorised as loans and receivables Trade and other creditors and borrowings are categorised as amortised cost

Contractual maturity of financial liabilities

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

Contractual maturity of financial assets

The interim funding to Network Rail Infrastructure Limited is due to be repaid to the Company on 31 March 2014 All other financial assets are due within one year

Fair value of financial instruments

The fair value of the interim funding to Network Rail Infrastructure Limited is £152,611,000 (nominal value £160,371,360)

The Company's other financial instruments are all either expected to be settled in the next financial year or are repayable on demand with a two year notice period

The fair values of the Company's financial instruments, excluding the interim funding to Network Rail Infrastructure Limited, are not materially different to their carrying values

Capital management

The capital structure of the Company consists entirely of shareholders' equity and borrowings from the Company's ultimate parent Transport for London

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 loans from its ultimate parent, Transport for London, to fund its activities

The Company does not have a credit rating, but Transport for London, the Company's ultimate parent, which provides financial support to the Company, has a credit rating of AA+ with Fitch and Standard & Poors, and Aa1 with Moodys

Notes to the Financial Statements (continued)

19 Financial commitments and contingencies

Operating leases

The Company's operating lease agreements relate to land and buildings All leases have been entered into on commercial terms

The Company is committed to the following future minimum lease payments under non-cancellable operating leases for land and buildings

	As at 31 March 2012 £'000	As at 31 March 2011 £'000
Within one year	**3,724**	4,418
Between one and five years	**14,894**	17,672
Later than five years	**6,516**	12,149
	25,134	34,239

20 Events occurring after the reporting date

No events have occurred after the reporting date that would have a material impact on these financial statements

21 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 (2010/11 none)

The Company is a wholly owned subsidiary of Transport for London ("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 transactions*, 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

Notes to the Financial Statements (continued)

21 Related party transactions (continued)

The Company has traded with the following related parties that are classified as government entities under IAS 24

- Receipt of funding from TfL in the form of grants, loans or share capital to fund the Crossrail project (the Department for Transport ("DfT") provides funding to the project DfT contributions are routed to the company via TfL),
- Receipts from London Underground Limited for construction work completed on London Underground infrastructure These transactions are collectively but not individually significant
- Receipts from TfL for urban realm work completed on TfL stations These transactions are neither individually nor collectively significant
- Payment of interest in respect of loans from TfL (as disclosed in note 7), and
- Payments to London Underground Limited, a fellow subsidiary of TfL, for construction work completed on the Crossrail project These transactions are collectively but not individually significant
- Payments to Transport Trading Limited, the Company's parent, for rent in respect of the Company's offices These transactions are neither individually nor collectively significant
- Payments to Docklands Light Railway Limited, a fellow subsidiary of TfL, for construction work completed on the Crossrail project These transactions are neither individually nor collectively significant
- Payments to Rail for London Limited, a fellow subsidiary of TfL, for construction work completed on the Crossrail project These transactions are neither individually nor collectively significant

22 Ultimate parent undertaking

The Company is a wholly owned subsidiary of Transport Trading Limited ("TTL"), a company controlled by Transport for London, which is the ultimate parent undertaking The Board of Crossrail Limited has been given assurances of financial support by Transport for London

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 which is incorporated in England and Wales

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