TTL Blackhorse Road Properties Limited

Annual Report and Financial Statements
Year ended 31 March 2022

Registered Office
5 Endeavour Square
Stratford
London
E20 1JN

Registered in England and Wales
Number 11121664

Contents

Directors' Report

Introduction

The directors present their annual report on the affairs of TTL Blackhorse Road Properties Limited (the "Company") together with the Financial Statements for the year ended 31 March 2022. The Company is a subsidiary undertaking of TTL Properties Limited ("TTLP") and is part of the group headed by Transport for London ("TfL"), the "TfL Group".

Principal Activity

The Company was incorporated on 21 December 2017 to invest in a development at Blackhorse Road. The Company has not traded during the period. The Company does not anticipate any changes to its principal activities in the foreseeable future.

Directors

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

H. Carter	
G. Craig	
L. Hampson	
S. Kilonback	Resigned 29 April 2022

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 (2020/21 £nil). No political contributions were made during the year (2020/21 £nil).

Dividends

No interim dividends were paid during the year (2020/21 £nil) and the directors do not recommend the payment of a final dividend (2020/21 £nil).

Directors' Report

Corporate Governance

TTL Blackhorse Road Properties Limited is a wholly owned subsidiary of TTLP, which in turn is controlled by TfL, which appoints all the directors of the Company. The Board of TTL Blackhorse Road Properties 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 the TfL Annual Report and Statement of Accounts.

Additional disclosures

The Company has chosen, in accordance with Section 414c (11) of the Companies Act 2006, to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report.

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

Future developments	page 3
Principal risks and risk management	page 5

Auditor

The members have not required the Company to obtain an audit of its accounts for the period 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:

H. Carter

Director

27 June 2022

Strategic Report

Activities and Future Developments

As stated in the Directors' Report, the Company was incorporated on 21 December 2017 to invest in a development at Blackhorse Road. The Company does not anticipate any changes to its principal activities in the foreseeable future.

Directors' statement, section 172 of the Companies Act (2006)

As the board of directors of TTL Blackhorse Road Properties Limited both collectively and individually we fulfilled our duties, as detailed in section 172 of the Companies Act (2006), to a high standard throughout this reporting period.

Acting fairly between our stakeholders

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 GLA and reports to the Mayor of London. We are focused on promoting the success of the business and benefitting all our stakeholders. As a Local Authority, its activities and engagement are concentrated on delivering the Mayor's Transport Strategy and the needs of its passengers, people, the general public, supply chains and service providers.

Key priorities in the Mayor's Transport Strategy are: creating healthy streets and healthy people, creating a good public transport experience and delivering new homes and jobs. (See the Delivering Mayor's Strategy section of TfL's Accounts for the year ending 31 March 2022).

The TTLP Group, which comprises TTL Properties Limited (a subsidiary of TfL) and its subsidiaries, reports into TfL. Key policies and governance for all TTL Group companies are set by the TfL Board.

High standards of business conduct

Our governance and decision-making arrangements ensure we manage the business responsibly and effectively and to high standards of business conduct (see TfL's Governance Framework in TfL's Accounts for the year end 31 March 2022). This includes operating within the requirements of relevant legislation (including Local Authority legislation), as well as understanding our responsibilities to spend public funds efficiently and manage risks effectively. TfL conducts, at least annually, a review of the effectiveness of its governance framework including the system of internal control, which is reported to the Audit and Assurance Committee. There is also an annual Board Effectiveness Review.

The opinion for the year ending 31 March 2022 concluded that TfL's governance framework was adequate for TfL's business needs and operated in an effective manner. The opinion highlighted work that was in progress to address previously disclosed weaknesses in several audits of governance and financial controls relating to procurement and contract management. These issues are being addressed by the Procurement and Supply Chain team.

TfL has established a committee structure to which we delegate detailed scrutiny of key areas of responsibility. The TfL Board has ensured the right range and depth of knowledge, skills and experiences to run the business effectively. Board membership, in line with best practice, has been refreshed so it remains relevant and up to date (the list of our members is set out in TfL's Accounts for the year end 31 March 2022). At the date of this report 47 per cent of TfL Board members are women. We understand the benefits of diversity and are continually seeking to improve this across our Board and executive teams.

A new Property and Land Committee was approved during the year to oversee the activities of TTLP. This committee is currently being established and will be functional for the 2022/23 financial year. TTLP directors, management and staff act under delegated authorities and Standing Orders established by TfL for day-to-day activities and decisions within the TfL governance framework.

Strategic Report

TfL has a series of policies and guidance setting out expected standards of behaviour and conduct. These policies include the TfL Code of Conduct, Anti-fraud and corruption policy, Slavery and Human Trafficking Statement and the Whistleblowing policy. Management and staff of TTLP comply with all of these requirements.

Coronavirus

Our priority during the coronavirus pandemic has been to follow government recommendations for action.

We oversaw and monitored the response of our executive leadership team to the crisis and ensured that appropriate governance and decision-making frameworks were put in place. We ensured that key decisions were taken in a timely manner to safeguard our people and the public.

We maintained regular and open communications with our people, key stakeholders, and supply chain to support good decision making.

Likely consequences of decisions in the long term

We develop our strategy in consultation with our stakeholders, to improve the services we provide to our suppliers, customers and communities, and our people. We have created our new Vision and Values – a bold, long-term vision for the next era for TfL – that sets out our ambitions for the future and outlines what we need to achieve them. We have developed a set of five Roadmaps that chart our next steps towards becoming London's strong, green heartbeat. These Roadmaps are:

(i) Colleague roadmap: Be a great place to work for everyone to thrive

(ii) Customer roadmap: Give customers more reasons to choose sustainable travel

(iii) Finance roadmap: Rebuild our finances, be more efficient and secure our future

(iv) Green roadmap: Reduce emissions in London and protect and improve our environment

(v) Our Foundation: Operational and project delivery

Interests of the Group's employees

We strive to create a workplace that is safe, secure and contributes to an engaged workforce.

We have now launched our Vision and Values; a culmination of what our people said our future should look like and how they said we should work together to achieve it. This includes our organisational values – caring, open and adaptable.

Our colleague roadmap sets out how we will deliver our ambition to be a great place to work for everyone to thrive. We have recently introduced a new approach to managing talent and career progression, supporting everyone to have regular conversations about their role and their development.

We continue to work closely with our Trade Unions, ensuring that local, functional and company-level meetings take place across different parts of the organization.

Since coronavirus restrictions eased, we continue to support those employees who have been working remotely to come in and spend more time in the office. We are operating a hybrid working approach which offers more flexibility and means we can offer a richer, more enjoyable working experience.

The wellbeing of our employees remains a priority and we continue to offer a range of services and resources to support physical and mental health.
Ensuring we hear the voice of our employees remains important to us. While our Trade Union relationships play a significant role in achieving this, our staff network groups provide employees the chance to share ideas and support each other in developing our equality agenda in all areas of employment.

Strategic Report

Impact of operations on the community and the environment

Streamlined Energy and Carbon Reporting (SECR) helps businesses across the UK in scope of the 2018 Regulations to comply with their legal obligations in respect of energy and carbon usage reporting.

The TfL Accounts for the year ending 31 March 2022 include the required disclosures as per these regulations for the TfL Group. The Company itself has had no carbon emissions, neither has it consumed any electricity, gas, petrol or diesel during the year (2020/21 none).

On an annual basis, the safety, health, and environmental policy and performance reports, containing details of TfL's action plans in relation to furthering the green agenda are published on the TfL website.

Fostering business relationships with suppliers, customers and others

Working alongside our suppliers and Trade Union partners, we have measures put in place to protect staff and customers during the pandemic.

During the year we developed initiatives to make us more dependable and easier to work with by working smarter with our supply chain partners and involving them earlier in the planning phase to help us improve efficiency. The Procurement and Commercial team has seen significant changes in its management, who are leading a programme of transformation activity that will also strengthen commercial and procurement controls.

Financial and Business Review

The Company has invested in Blackhorse Road Properties LLP (BHR LLP), a partnership for the development of Blackhorse Road car park into a mixed use scheme. During the year the Company recouped invested funds of £4,900,000 from BHR LLP, maintaining its 49 per cent holding. The Company recognised loss for the year of £51,000 (2020/21 £106,000).

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 TTL Blackhorse Road Properties Limited Risk Management plan 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, reviewed regularly and that progress on the management of key business risks is tracked.

The principal risks to which the Company is exposed include reputational and financial. All business risks are recorded in 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

Signed on behalf of the Board by:

H. Carter

Director

27 June 2022

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 period in question in accordance with section 476 of the Companies Act 2006.

Income Statement

For the year ended 31 March	Note	2022 £000	2021 £000
Net operating costs		-	(106)
Loss before taxation	1	-	(106)
Income tax expense	4	(51)	-
Loss for the year attributable to the owners of the Company		(51)	(106)

Statement of Comprehensive Income

For the year ended 31 March	2022 £000	2021 £000
Loss for the year	(51)	(106)
Other comprehensive income and expenditure	-	-
Total comprehensive income and expenditure for the year attributable to owners of the Company	(51)	(106)

Statement of Financial Position

	Note	31 March 2022 £000	31 March 2021 £000
Non-current assets			
Investments in associates	5	6,400	11,300
		6,400	11,300
Net assets		6,400	11,300
Equity			
Share capital	7	-	-
Equity loans	6	6,644	11,493
Retained deficit		(244)	(193)
Total equity attributable to the owners of the Company		6,400	11,300

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 2022 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 12 to 22 form part of these Financial Statements. These Financial Statements were approved by the Board on 27 June 2022 and signed on its behalf by:

H. Carter
Director
Company Registration Number 11121664

Statement of Changes in Equity

	Called up share capital	Equity loan notes	Retained earnings	Total
	£000	£000	£000	£000
At 1 April 2020	-	11,387	(87)	11,300
Loss for the year	-	-	(106)	(106)
Other comprehensive income and expenditure	-	-	-	-
Issue of equity loans	-	106	-	106
At 31 March 2021	-	11,493	(193)	11,300
Loss for the year	-	-	(51)	(51)
Other comprehensive income and expenditure	-	-	-	-
Repayment of equity loans	-	(4,849)	-	(4,849)
At 31 March 2022	-	6,644	(244)	6,400

Statement of Cash Flows

For the year ended 31 March	Note	2022 £000	2021 £000
Cash generated from operating activities			
Loss for the year		(51)	(106)
Adjustments for			
Reversal of tax expense	4	51	-
Taxation paid		(51)	-
Net cash utilised by operating activities		(51)	(106)
Cash flows from investing activities			
Return of investment in joint venture		4,900	-
Net cash generated from investing activities		4,900	-
Cash flows from financing activities			
(Decrease)/Increase in equity loans		(4,849)	106
Net cash (utilised by)/generated from financing activities		(4,849)	106
Increase in net cash during the year		-	-
Net cash and cash equivalents at the start of the year		-	-
Net cash and cash equivalents at the end of the year		-	-

Accounting Policies

a) Reporting entity

TTL Blackhorse Road Properties Limited (the "Company") is a Company domiciled in the United Kingdom. The Company's registration number is 11121664. The address of the Company's registered office is 5 Endeavour Square, Stratford, London, E20 1JN. The Company is a subsidiary of TTL Properties Limited ("TTLP") 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 non-current asset.

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.

In accordance with IAS 27 Consolidation and separate Financial Statements and the Companies Act 2006, consolidated Financial Statements have not been prepared because TTL Properties Limited (TTLP) which owns 100 per cent of the share capital of the Company prepares consolidated Financial Statements that comply with Adopted IFRSs.

d) Use 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.

Determining whether an arrangement contains a lease

In determining whether an arrangement contains a lease, as required by IFRS 16 – Leases, there is significant judgement in determining whether the arrangement conveys the right to control the use of an identified asset and in determining the lease term particularly in respect of whether the Company is reasonably certain to exercise extension options.

For arrangements where the Company is a lessor there is significant judgement involved in respect of whether the arrangement is finance or an operating lease.

Provisions

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.

Accounting Policies

Taxes

Deferred tax assets are recognised for unused tax losses only to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Company has tax losses carried forward with a tax value of £nil (2021 £nil). These losses do not expire and may be used to offset future taxable income of the Company. If the Company was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by £nil (2021 £nil).

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:

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The phase 2 amendment addresses financial reporting implications when an existing interest rate benchmark is replaced with an alternative and highlights the following:

- Facilitates a practical expedient when accounting for changes in the basis for determining the contractual cash flows (and resultant carrying value) of financial assets and liabilities measured at amortised cost or fair value through comprehensive income, to allow the effective interest rate to be adjusted
- Relief from discontinuing hedge relationships because of changes to hedge documentation required by the Reform
- Temporary relief from having to meet the separately identifiable requirement when an alternative Risk Free Rate, such as SONIA is designated as a risk component of a hedge relationship as a replacement for the existing interest rate benchmark (LIBOR)
- IFRS 16 lessees are required to remeasure their lease liabilities in similar fashion to any other change in estimate, rather than as a lease modification

The impact of the IBOR reform has been assessed to have no impact on the Company's accounts for the year ending 31 March 2022.

f) New standards and interpretations not yet adopted

The following revisions to IFRS are expected to be applicable in future periods, subject to endorsement where relevant. These have been issued by the EU, but have not been applied in these Financial Statements:

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

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

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (effective for annual periods beginning on or after 1 January 2022)

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment must be applied retrospectively only to assets made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Accounting Policies

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (effective for annual periods beginning on or after 1 January 2022)

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specifies that only directly related costs need to be included when assessing whether a contract is onerous or loss-making. The directly related costs include both incremental costs (e.g. the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g. depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded, unless they are explicitly chargeable to the counterparty under the contract.

The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

Classification of Liabilities as Current or Noncurrent - Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2023)

The amendments clarify the requirements for classifying liabilities as current or non-current.

Reference to the Conceptual Framework – Amendments to IFRS 3 (effective for annual periods beginning on or after 1 January 2022)

The amendment adds an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method)

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3.

Amendment to IAS 8 on Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023)

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (effective for annual periods beginning on or after 1 January 2023)

The amendments aim to make accounting policy disclosures more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and by adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Accounting Policies

Amendment to IAS 12 on Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense).

The Company does not consider that any standards, amendments or interpretations issued by the IASB, but not yet applicable, other than those indicated in the paragraphs above, 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 supported by its immediate parent TTLP. TTLP is well capitalised with £1.65bn of share capital in issue and as at 31 March 2022 has net assets of £1.7bn. It has no external debt. Its Business Plan and latest forecasts indicate an expectation that positive net cash flows will be generated from operations over the period to March 2024. In addition, as set out in section 479A of the Companies Act 2006, TTLP has issued a guarantee over all outstanding liabilities to which the Company is subject as at 31 March 2022; and
- 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.

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

h) 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

Accounting Policies

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.

i) Investments

The Company's investments in joint ventures are accounted for at cost and are recognised net of impairment losses.

j) Impairment

Non-financial assets

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

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

Impairment losses are recognised in the Income Statement.

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

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

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

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

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

Financial assets are measured at amortised cost if:

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

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

Accounting Policies

Financial assets are measured at FVTOCI if:

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

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

Financial assets are measured at FVTPL if they are:

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

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

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

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

Financial liabilities are measured at FVTPL if they are:

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

Cash and cash equivalents

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

Trade and other receivables

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

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

Accounting Policies

Trade and other payables

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

Interest bearing loans and borrowings

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

Impairment of financial assets

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

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

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

Expected credit loss allowances are recognised in the Income Statement.

m) Fair value measurement

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

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

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

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

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

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

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

Notes to the Financial Statements

1 Loss before taxation

Auditors' remuneration

The Company had no audit fees for the years ending 31 March 2022 or 31 March 2021.

2 Employee costs

The Company did not employ staff during the year ended 31 March 2022 or the year ended 31 March 2021.

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 (2020/21 none).

4 Taxation

For the year ended 31 March	2022	2021
	£000	£000
Adjustments in respect of prior years	51	-
Current year UK Corporation Tax	-	-
Total income tax charge for the year	51	-

Reconciliation of tax expense

For the year ended 31 March	2022	2021
	£000	£000
Loss before tax	-	(106)
Loss before tax multiplied by standard rate of Corporation Tax in the UK of 19% (2020/21 19%)	-	(20)
Effects of:		
Non-taxable and non-deductible items	-	20
Prior period adjustment	51	-
Income tax expense for the year	51	-

Unrecognised deferred tax

There were no unrecognised deferred tax assets as at 31 March 2022 or 31 March 2021.

Recognised deferred tax

There were no recognised deferred tax assets or liabilities as at 31 March 2022 or 31 March 2021.

Notes to the Financial Statements

5 Investment in joint ventures

	2022	2021
	£000	£000
Investment in joint ventures at cost		
Carrying value of investment brought forward	11,300	11,300
Return of investment in joint venture	(4,900)	-
Carrying value of investment carried forward	6,400	11,300

Joint venture	Percentage of members' equity held	Nature of business	Country of incorporation
Blackhorse Road Properties LLP	49%	Property development	England

6 Equity loan notes

	2022	2021
	£000	£000
Non-current		
Amounts due to fellow Group undertakings	6,644	11,493

Amounts due to fellow Group undertakings

Loan notes issued 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.

During the year, unsecured, non-interest bearing loan notes issued by the Company to TTL, its parent undertaking, were repaid. As the transaction price of the loan notes was not an approximation of their fair value, the Company determined the fair value by using data from observable inputs. As a result, the initial fair value of the loan notes was valued at an immaterial amount and therefore £6,644,000 (2021 £11,493,000) has been classified as equity.

7 Share capital

	2022	2021
	£	£
Share capital issued and fully paid		
1 ordinary share of £1 each	1	1

Notes to the Financial Statements

8 Financial instruments

Financial risk management

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

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:

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk is low as TfL provides financial support to the Company.

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

Market risk

The Company is not exposed to any material price, currency or interest rate risk.

Interest rate risk

The Company does not have any exposure to interest rate risk on its financial liabilities as none of the Company's financial liabilities are interest bearing.

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 shareholder's equity and equity loan notes. The Company has no external borrowings other than non-interest bearing equity loan notes issued to TTLP and no externally imposed capital requirements. It is not anticipated that the Company will require external borrowings for the foreseeable future as it is provided with grants and borrowings from its parent, TTLP, to fund operations.

Notes to the Financial Statements

9 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 (2020/21 none). Details of directors' emoluments can be found in note 3.

The Company is a wholly owned subsidiary of TTLP, a company controlled by 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:

- Equity loan notes issued to TTLP are disclosed in note 6.

10 Ultimate parent undertaking

The Company is a wholly owned subsidiary of TTLP, 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 TTLP, a company incorporated in England and Wales.

The Board of TTL Blackhorse Road Properties Limited has been given assurances of financial support by TTLP.

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

11 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 2022 that would have a material impact on these Financial Statements.