

Places for London Limited (formerly TTL Properties
Limited)

Annual Report and Financial Statements
Year ended 31 March 2023

Registered Office
5 Endeavour Square
London E20 1JN

Registered in England and Wales
Number 08961151



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Directors' Report

Introduction

The directors present their annual report on the affairs of Places for London Limited (formerly TTL Properties Limited) ("the Company") and its subsidiaries ("Places" or "the Group") together with the audited financial statements for the year ended 31 March 2023. The Company is a subsidiary undertaking of Transport Trading Limited ("TTL") and is part of the group headed by Transport for London ("TfL"), the "TfL Group".

The Group has prepared the financial statements in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006.

Principal activity

The primary activity of the Company is property investment and development. The Company does not anticipate any changes to its principal activities in the foreseeable future.

Directors

The directors who served during the year were:

H. Carter	Resigned 18 May 2022
G. Craig	
P. Doig	Appointed 15 December 2022
L. Hampson	
G. Powell	Appointed 18 May 2022, Resigned 15 September 2022
A Williams	Appointed 20 December 2022

None of the directors had any beneficial interest in the shares of Places or its subsidiaries.

The Group maintains directors' and officers' liability insurance.

Events after the reporting date

On 20 June 2023, the directors agreed and passed a special resolution to change the name of the company to Places for London Limited ("Places").

Employee involvement and communication

Places recognises the role of the workforce in enabling the business to achieve its objectives. This is reflected in the Board's commitment to equal opportunities and effective employee communications.

Consultation on issues affecting the workforce also takes place at regular intervals with representatives from the Group and trade unions.

A strong emphasis is placed on the provision of news through a variety of media, including intranets (both a TfL Group-wide intranet and a Places intranet), poster campaigns, face-to-face briefings, and team meetings. Staff have opportunities to voice their opinions and ask questions through intranet sites and surveys. Face-to-face briefings and team meetings are actively encouraged and are held in all business units across the Group.

Equality and inclusion

Places values the diversity which exists in our city and aspires to this being reflected in our workforce. This is reflected not only in the recruitment and selection processes, but also throughout the employment cycle of every member of staff. Places 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. Places is committed to comply with its legal responsibilities under the Equality Act 2010 to make reasonable adjustments to a person's working conditions wherever possible. In the event of members of staff becoming disabled, every effort is made to ensure that their employment continues and to provide specialised training where this is appropriate.

Directors' Report

Health, safety and environment

Places is committed to continuous improvement in health, safety, security and environmental ("HSSE") performance. In addition to HSSE management as part of normal business activity, HSSE objectives are identified and regularly reviewed to form short- and longer- term plans for improving improvements embracing customers, employees and contractors.

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 Annual Report and Statement of Accounts for the year ended 31 March 2023 includes the required disclosures as per these regulations for the TfL Group.

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.

Places is responsible for managing landlord safety requirements across its portfolio, and also ensures appropriate safety processes and procedures and in place in its partner organisations

Going concern

The Places Group is expected to continue as a going concern from the date of signing these financial statements for the period ending 31 March 2025 (which covers the remainder of 2023/24 and 2024/25 financial years), which is the going concern assessment period. The Group is well capitalised, with £1,850m of share capital in issue, and as at 31 March 2023 has net current assets of £88.5m net assets of £1,799m, as well as a revolving credit facility of £200m, which is undrawn at the year end. It has no external debt as at the end of the financial year. Its latest forecasts, including applied sensitivities and stress testing, indicate an expectation that Places will be able to meet all of its expected cashflow commitments over the next one year during the going concern assessment period.

Political donations

No political donations were made during the year (2021/22: Nil).

Dividends

No dividends have been declared for the year (2021/22: Nil).

Corporate governance

Places for London Limited (formerly TTL Properties Limited) is a wholly owned subsidiary of Transport for London (TfL), which appoints all the directors of the Company. The Board of Places for London Limited (formerly TTL Properties Limited), through standing orders and its management structure, implements the corporate aims and controls laid down by TfL. A Land and Property Committee has been established as a subcommittee of the TfL Board, to oversee the activities of Places for London Limited (formerly TTL Properties Limited). Particulars in respect of corporate governance can be found in TfL's Annual Governance Statement.

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

As at April 1 2022 Places became independent of TfL for financing arrangements only and will to make no further claim on TfL for borrowings. In June 2022 it secured a £200m non-recourse loan facility on the strength of its independent balance sheet and business plans.

Directors' Report (continued)

Auditors and disclosure of information to auditors

Ernst & Young LLP have been appointed as auditor by resolution of the Board.

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and the directors each confirm that that they have taken all of the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Additional disclosures

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

The Strategic report on pages 4 to 8 includes other information related to future developments and the principal risks and risk management of the Group.

Approved by the Board on 05 September 2023 and signed on behalf of the Board by



G. Craig

Director

26 September 2023

Strategic Report

Activities and future developments

The Places Group ("Places"), comprises Places for London Limited (formerly TTL Properties Limited) and its subsidiaries'.

Places manages a commercial property portfolio and has a strategic development plan to build 20,000 new homes, three commercial offices, and to invest in its rental estate. It has an agreed set of objectives to:

- (a) deliver an enhanced financial return to TfL in the form of cash return and capital appreciation, representative of TfL's funding contribution, risk and affordability requirements.
- (b) develop and embed robust financial management practices appropriate for a real estate business of equivalent size, ensuring minimal financial risk back to TfL;
- (c) deliver new housing stock in line with the TfL business plan, agreement with HM Government and support of wider Greater London Authority (GLA) objectives; and
- (d) align with TfL's wider objectives: supporting delivery of operational transport enhancements where there are synergies between TfL and TTLP capital programmes, as well as full alignment with TfL's "Colleague", "Customer" and "Green" objectives.

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

As the board of directors of Places for London Limited (formerly TTL 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

Key policies and governance for all Places companies are set by the TfL Board.

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. As such, it is focused on promoting the success of the business and benefitting all 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 2023). Places supports this strategy through its own growth and investment plans which includes the delivery of 20,000 homes, and local investment in improving public spaces and transport access where appropriate.

High standards of business conduct

TfL's 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 2023). This includes operating within the requirements of relevant legislation (including Local Authority legislation), as well as understanding the 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 TfL Audit and Assurance Committee. There is also an annual Board Effectiveness Review.

The opinion for the year ending 31 March 2023 concluded that TfL's governance framework was satisfactory for TfL's needs and operated in an effective manner. The opinion highlighted the progress to address previously disclosed weaknesses in several audits of governance and financial controls relating to procurement and contract management.

Strategic Report (continued)

TfL has established a committee structure with delegated scrutiny of key areas of responsibility. A new Land and Property Committee was approved to oversee the activities of Places. The committee is made up of members of the TfL Board and representation from the Mayors office, and met for the first time in June 2022. The TfL Board has 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 members is set out in TfL's Accounts for the year end 31 March 2023). At the date of this report just over 47 per cent of TfL Board members are women. The benefits of diversity are recognised with continuous improvement across the Board and executive teams.

Places' 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.

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 Places comply with all of these requirements.

Likely consequences of decisions in the long term

TfL develops its strategy in consultation with its stakeholders, to improve the services it provides to its passengers, suppliers, customers and communities, and our people. Our Vision and Values – a bold, long-term vision for the next era for TfL – that sets out our ambitions for a sustainable, green future and a more inclusive, dynamic, democratic place to work – all for the good of London. TfL has developed a set of five strategies that chart its next steps towards becoming London's strong, green heartbeat. These strategies are:

- (i) Our colleagues - Be a great place to work for everyone to thrive
- (ii) Our customers - Give people more reasons to choose sustainable travel
- (iii) Our finances - Grow our income and control our costs
- (iv) Our green future - Actively tackle the climate and ecological emergency
- (v) Safety and security - Get everyone home safe and healthy, every day

Places supports this through its own strategic plans and policies. These include a long term investment strategy and a business plan which has been prepared based on prioritisation of capital projects; assessment of the sources of capital; review of operating costs; review of rental and other operating income recognising expected changes post pandemic, growth from investment in the existing estate, improving voids performance and growth from delivery of Build to Rent and commercial schemes.

In December 2022, the TfL Board approved the 2023 TfL Business Plan which incorporated Places plan and was the first business plan since the pandemic. The first full year of the business plan is used as the basis for an annual budget, which allocates resources to projects for the year ahead.

Interests of TfL Group employees

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

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

Whilst the majority of TfL colleagues are in roles which require them to be at an operational or project location, for our office-based colleagues we are operating a hybrid-working approach, which offers flexibility and is valued by them.

Strategic Report (continued)

Those who are hybrid working have been expected to be in the office on average two occasions per week, which will increase to three in the near future, for the purpose of what we call the three Cs: Collaboration, Culture and Coaching.

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 – with local, functional and company-level meetings take place across different parts of the organisation – 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.

Impact of operations on the community and the environment

Streamlined Energy and Carbon Reporting 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 Annual Report and Statement of Accounts for the year ended 31 March 2023 includes the required disclosures as per these regulations for the TfL Group.

In 2017, the Taskforce on Climate-related Financial Disclosures (TCFD) released climate-related financial disclosure recommendations designed to help organisations assess and manage climate-related risks and opportunities. The disclosure recommendations are structured around four thematic areas which provide a framework for us to understand and take action on our climate risks and opportunities. These thematic areas represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets. Ultimately, widespread adoption of the recommendations is aimed at enabling financial risks and opportunities, related to climate change, to become a natural part of organisations' risk management and strategic planning processes.

The TfL Annual Report and Statement of Accounts for the year ending 31 March 2023 have voluntarily included climate related financial disclosures for the Group. It is not mandatory for the purposes of these financial statements.

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

Places continues to make improvements that 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.

We work with partners and suppliers to ensure shared objectives and delivery of outcomes.

Sustainability

Places approach to sustainability was pioneered within the TfL Sustainable Development Framework (SDF), which is based on three years of developing, piloting and collaborating. This has now been implemented across our property development portfolio. The SDF will be followed with the creation of the TfL Sustainable Estates Framework (SEF), which adopts the same overarching approach but tailored to the requirements of standing assets under active management.

Places has five overarching principles that guide the mission to build a more sustainable London:

Strategic Report (continued)

- (i) **Place** – making the best use of our property assets by curating well-connected, thriving and smart neighbourhoods that deliver maximum impact for their communities.
- (ii) **Planet** – respecting the environment and combating climate change is a pre-requisite for TTLP and those with whom we work. Decarbonisation will be a core part of how we do business.
- (iii) **Partnerships** – TTLP will act as a leader, convenor and partner, harnessing the scale and breadth of our influence. We will work closely with our shareholders to deliver co-benefits for TfL and for London.
- (iv) **People** – TTLP will value, respect and listen to local communities, taking a customer-led approach in putting people first. This will be enabled by a motivated, highly skilled team that reflects the diversity of London.
- (v) **Productivity** – TTLP will encourage innovation and the exchange of ideas across its activities and work to support the growth of small businesses on our estate. We will invest in technology and use data to inform our decisions.

With 97 sustainability indicators on environmental sustainability, social impact, and economic development, the SDF represents one of the most comprehensive and results-focused frameworks of its kind in the world. This metric-driven tool is helping Places become London's leading sustainable developer, resulting in high-impact projects for the public good.

How we make a difference

- (i) **Reducing carbon emissions** – Across our development portfolio, we are reducing our operational carbon emissions by 54 per cent compared to building regulations – well in excess of the 35 per cent reduction required by the London Plan.
- (ii) **Promoting biodiversity and greening London** – Two thirds of our residential development projects are planned to exceed a 10% Biodiversity Net Gain uplift with a projected average biodiversity net gain of 130% across all residential projects, helping to support London's urban ecosystems. Our projects are designed to intensively green the urban environment. We have a projected average Urban Greening Factor of 0.4 across our residential development portfolio with 40% of projects exceeding the policy target of 0.4.
- (iii) **Home Quality Mark** – Our robust sustainability approach means we have achieved an average Home Quality Mark (HQM) rating of 4.4 Stars across our portfolio, with 44 per cent of our schemes at 4.5 Star – the highest level of certification in the UK to date.
- (iv) **Creating jobs, providing apprenticeships and diversity in employment** – As part of our development programme, we have set up a series of construction skills training academies. These have seen 3,000 apprentices trained for skilled construction work, with 78 per cent of trainees coming from unemployment. Over 1,000 of our former trainees are now in long-term employment in construction. 65% of trainees have been from ethnic minority communities, and 20% were young people not in education, employment or training.

The SDF is published at <https://content.ttl.gov.uk/ttldfhandbook.pdf>

Performance summary

Places' gross income generated totalled £75.1m (2021/22 £69.1m). Income has returned to a more normal level, with new lease activity ticking up. However, our tenants are now experiencing the impact of a combination of inflationary pressures and higher interest rates and we expect this to cause further volatility in property markets over the coming year.

Costs and spend were maintained at an appropriate level during the period.

Strategic Report (continued)

Places saw net revaluation losses on its investment property portfolio for the year of £112.9m, (2021/22 net revaluation gains of £89.0m)

Group loss after tax for the year was £130.5m (2021/22 a profit of £115.3m).

Principal risks and risk management

Places' Risk Management plan provides a framework for the organisation to ensure that business risks are appropriately identified, reviewed regularly and that progress on the management of key business risk is tracked.

The principal risks to which Places is exposed include landlord safety compliance, managing the condition of our stock, maintaining efficiency of our cost base and financial/funding risk. For each risk, an owner has been identified who is responsible for implementing the mitigation strategy that has been identified.

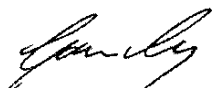
As part of its overall corporate governance brief within the TfL Group, the TfL Audit and Assurance Committee has specific responsibility for assuring the TfL Board that effective risk management arrangements are in place. The risk management process is subject to annual review by the TfL Group's Director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

Funding risk

As at 31 March 2023, the capital structure of the Group consists entirely of shareholder's equity. As April 1st 2022 Places became financially independent of the TfL Group and as such is no longer reliant on TfL for business financing. The Places business plan sets out investment plans for the next 10 years and has been stress tested for range of risk issues. The Places business plan indicated a need for external finance so in June 2022 a £200m funding facility was secured which is backed solely based on assets and income and expected performance of Places, without recourse to TfL. As at 31 March 2023, the Places have no external borrowings and no externally imposed capital requirements.

Associates and joint ventures of the Places are funded through partner equity contributions and debt drawn down directly within the relevant associate or joint venture.

Approved by the Board on 05 September 2023 and signed on behalf of the Board by



G. Craig

Director

26 September 2023

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 in conformity with the requirements of the Companies Act 2006.

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 Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report

Opinion

We have audited the financial statements of Places For London Limited (Formerly TTL Properties Limited) ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Financial Position, Group Statement of Changes in Equity, Group Statement of Cash Flows, Company Statement of Financial Position, Company Statement of Changes in Equity and Company Statement of Cash Flows, Accounting Policies and the related notes 1 to 30, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for the period to 31 March 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Independent Auditor's Report

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.


- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (IFRS and Companies Act 2006) and the relevant tax compliance regulations in the UK.
- We understood how the Group is complying with those frameworks by making enquiries from those charged with governance, those responsible for legal and compliance procedures and internal audit. We understood the oversight of those charged with governance, the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. We corroborated our enquiries through our review of board minutes, papers provided to the TfL Audit and Assurance Committee and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. Where this risk was considered higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements are free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a review of board minutes to identify and noncompliance with laws and regulations, a review of the reporting to the TfL Audit and Assurance Committee on compliance with regulations, enquiries of the Head of Counter-Fraud and Corruption and enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's Report

Use of our report

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.



Caroline Mulley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle Upon Tyne
27 September 2023

Group Income Statement

Year ended 31 March		2023	2022
	Note	£m	£m
Revenue	1	75.1	69.1
Net operating costs		<u>(53.1)</u>	<u>(54.1)</u>
Operating profit	2	22.0	15.0
Other gains and losses	3	<u>(112.9)</u>	<u>89.0</u>
Total (loss)/profit from operations		(90.9)	104.0
Financial income	6	0.3	-
Financial expenses	7	(1.3)	-
Group share of profit after tax of joint ventures	14	8.7	7.9
Group share of (loss)/profit after tax of associated undertakings	15	<u>(41.5)</u>	<u>23.9</u>
Loss/profit before taxation		(124.7)	135.8
Income tax	8	<u>(5.8)</u>	<u>(20.5)</u>
Loss/profit for the year attributable to owners of the Company		<u>(130.5)</u>	<u>115.3</u>

Group Statement of Comprehensive Income

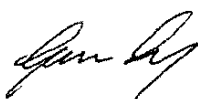
Year ended 31 March	2023	2022
	£m	£m
Loss/profit for the year	(130.5)	115.3
Other comprehensive income and expenditure	<u>-</u>	<u>-</u>
Total comprehensive income and expenditure for the year attributable to owners of the Company	<u>(130.5)</u>	<u>115.3</u>

Group Statement of Financial Position

		31 March 2023	31 March 2022
	Note	£m	£m
Non-current assets			
Intangible assets	9	2.6	2.6
Investment property	12	1,471.2	1,469.4
Joint venture investments accounted for using the equity method	14	79.9	47.3
Associate investment accounted for using the equity method	15	166.9	197.4
Trade and other receivables	18	0.5	-
		<u>1,721.1</u>	<u>1,716.7</u>
Current assets			
Assets classified as held for sale	17	48.8	51.5
Trade and other receivables	18	2.6	1.2
Cash and cash equivalents	19	80.6	9.6
		<u>132.0</u>	<u>62.3</u>
Current liabilities			
Trade and other payables	20	(40.9)	(31.9)
Right-of-use lease liabilities	11	(0.2)	-
Provisions	21	(2.4)	-
		<u>(43.5)</u>	<u>(31.9)</u>
Non-current liabilities			
Trade and other payables	20	(0.3)	-
Right-of-use lease liabilities	11	(7.5)	-
Provisions	21	(2.0)	-
Long-term deferred tax liabilities	8	-	(17.4)
		<u>(9.8)</u>	<u>(17.4)</u>
Net assets		<u>1,799.8</u>	<u>1,729.7</u>
Equity			
Called up share capital	26	1,850.0	1,650.0
Equity loans	27	0.6	-
Retained earnings		(50.8)	79.7
Total equity attributable to owners of the Company		<u>1,799.8</u>	<u>1,729.7</u>

The Accounting Policies and notes on pages 22 to 83 form part of these financial statements.

These financial statements were approved by the Board on 05 September 2023 and signed on its behalf by:



G. Craig
Director

26 September 2023

Company Registration Number 08961151

Group Statement of Changes in Equity

	Note	Share capital £m	Equity loans £m	Revaluation reserve £m	Retained earnings £m	Total £m
At 31 March 2021		1,500.0	516.1	1.8	(333.5)	1,684.4
Profit for the year		-	-	-	115.4	115.4
Total comprehensive income		-	-	-	115.4	115.4
Issuance of share capital	26	150.0	-	-	-	150.0
Equity loans written off by parent	27	-	(296.0)	-	296.0	-
Repayment of equity loans		-	(220.1)	-	-	(220.1)
Release of revaluation to retained earnings		-	-	(1.8)	1.8	-
At 31 March 2022		1,650.0	-	-	79.7	1,729.7
Loss for the year		-	-	-	(130.5)	(130.5)
Total comprehensive loss		-	-	-	(130.5)	(130.5)
Issuance of share capital	26	200.0	-	-	-	200.0
Equity loans received from parent	27	-	0.6	-	-	0.6
Balance at 31 March 2023		1,850.0	0.6	-	(50.8)	1,799.8

Group Statement of Cash Flows

Year ended 31 March	Note	2023	2022
		£m	Restated* £m
Cash flows from operating activities			
Total (loss)/profit from operations		(124.7)	135.8
Adjustments for:			
Revaluation loss/(gain) from investment property	3	121.5	(89.0)
Gain on disposal of investment property	3	(8.8)	-
Financial income	6	(0.3)	-
Financial expense	7	1.3	-
Share of net loss/(profit) from associates and joint venture		32.8	(31.8)
Cash flow from operating activities before movements in working capital		21.8	15.0
Decrease in trade and other receivables		41.7	199.1
Increase in trade and other payables		5.8	29.0
Increase in provisions		4.4	-
Cash generated from operations		73.7	243.1
Taxation (received)/paid		(23.2)	(3.1)
Net cash generated from operating activities		50.5	240.0
Cash flows from investing activities			
Net proceeds from disposal of investment properties		68.4	-
Acquisition of investment property		(14.2)	(6.1)
Interest received		0.3	-
Investment in equity of joint ventures		(23.9)	(4.7)
Investment in equity of associates		(11.0)	-
Net cash utilised by investing activities		19.6	(10.8)
Cash flows from financing activities			
Drawdown/(repayment) of loans from ultimate parent		0.6	(220.1)
Capital grants received		1.7	-
Capital element of lease and PFI liabilities repaid		(0.3)	-
Interest paid		(1.3)	-
Net cash flow generated from/ utilised in financing activities		0.7	(220.1)
Net cash movement in the year		70.8	9.1
Net cash and cash equivalents at the start of the year		9.6	0.5
Net cash and cash equivalents at the end of the year	19	80.4	9.6

*The prior year comparatives have been restated to remove non-cash transactions with other group entities relating to the issue of share capital and acquisition of investment properties. As a result the movement in trade and other receivables has been increased by £7.3m from £191.8m, which has resulted in an increase in the net cash generated from operations of £7.3m from £232.7m. The acquisition of investment properties has been reduced by £142.7m from £148.8m, reducing cash outflow from investing activities by £142.7m from £153.5m. The cashflow from issuance of share capital of £150.0m previously reported has been excluded and as a result the cash out flow from financing activities has increased by £150.0m to £220.1m.

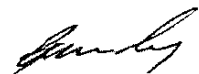
Company Statement of Financial Position

		31 March 2023	31 March 2022
	Note	£m	£m
Non-current assets			
Investment property	12	1,451.0	1,449.4
Investment in subsidiary undertakings	13	1.1	1.1
Equity loans to subsidiaries	16	288.2	233.4
Trade and other receivables	18	0.5	-
		<u>1,740.8</u>	<u>1,683.9</u>
Current assets			
Assets classified as held for sale	17	48.8	51.5
Trade and other receivables	18	4.9	1.3
Cash and cash equivalents	19	80.6	9.6
		<u>134.3</u>	<u>62.4</u>
Current liabilities			
Trade and other payables	20	(43.8)	(31.7)
Right-of-use lease liabilities	11	(0.2)	-
Provisions	21	(2.0)	-
		<u>(46.0)</u>	<u>(31.7)</u>
Non-current liabilities			
Trade and other payables	20	(0.3)	-
Right-of-use lease liabilities	11	(7.5)	-
Provisions	21	(2.4)	-
Deferred tax	8	-	(17.4)
		<u>(10.2)</u>	<u>(17.4)</u>
Net assets		<u>1,818.9</u>	<u>1,697.2</u>
Reserves			
Share capital	26	1,850.0	1,650.0
Equity loans	27	0.6	-
Retained reserves		<u>(31.7)</u>	<u>47.2</u>
Total equity attributable to owners of the Company		<u>1,818.9</u>	<u>1,697.2</u>

The Accounting Policies and notes on pages 22 to 83 form part of these financial statements.

Places for London Company is exempt under section 408 of the Companies Act 2006 from producing an income statement.

These financial statements were approved by the Board on 05 September 2023 and signed on its behalf by:



G. Craig

Director

26 September 2023

Company Registration Number 08961151

Company Statement of Changes in Equity

	Note	Share capital	Equity loans	Revaluation reserve	Retained earnings	Total
		£m	£m	£m	£m	£m
At 1 April 2021		1,500.0	516.1	1.8	(346.2)	1,671.7
Profit for the year		-	-	-	95.6	95.6
Total comprehensive income		-	-	-	95.6	95.6
Issuance of share capital	26	150.0	-	-	-	150.0
Equity loans written off by parent	27	-	(296.0)	-	296.0	-
Repayment of equity loans		-	(220.1)	-	-	(220.1)
Release of PPE revaluation reserve to retained earnings		-	-	(1.8)	1.8	-
Balance at 31 March 2022		1,650.0	-	-	47.2	1,697.2
Loss for the year		-	-	-	(78.9)	(78.9)
Total comprehensive expense		-	-	-	(78.9)	(78.9)
Issuance of share capital	26	200.0	-	-	-	200.0
Equity loan received from parent	27	-	0.6	-	-	0.6
Balance at 31 March 2023		1,850.0	0.6	-	(31.7)	1,818.9

Company Statement of Cash Flows

Year ended 31 March	Note	2023	2022
		£m	Restated*
			£m
Cash flows from operating activities			
(Loss)/profit before tax from continuing operations		(75.6)	116.0
Adjustments for:			
Revaluation loss/(gain) from investment properties	12	120.1	(100.5)
Gain on disposal of investment property		(8.8)	-
Financial income		(14.6)	-
Financial expense		1.3	-
Taxation received		-	(3.0)
Cash flow from operating activities before movements in working capital		22.4	12.5
Decrease in trade and other receivables		41.1	224.7
Increase in trade and other payables		10.2	28.8
Increase in provisions		4.4	-
Net cash generated from/(utilised by) operating activities		78.1	266.0
Taxation paid		(2.8)	-
Net cash generated from operating activities		75.3	266.0
Cash flows from investing activities			
Proceeds from disposal of investment properties		68.4	-
Acquisition of investment properties		(18.2)	(23.8)
Increase in loans to subsidiaries		(54.8)	(13.0)
Net cash utilised by investing activities		(4.6)	(36.8)
Cash flows from financing activities			
Drawdown/(repayment) of loans from parent undertakings		0.6	(220.1)
Capital element of finance leases		(0.3)	-
Net cash flow generated from/(utilised by) financing activities		0.3	(220.1)
Net cash movement in the year		71.0	9.1
Net cash and cash equivalents at the start of the year		9.6	0.5
Net cash and cash equivalents at the end of the year	19	80.6	9.6

*The prior year comparatives have been restated to remove non-cash transactions with other group entities relating to the issue of share capital and acquisition of investment properties. As a result the movement in trade and other receivables has been increased by £32.7m from £192.0m, which has resulted in an increase in the net cash generated from operations of £32.7m from £233.3m. The acquisition of investment properties has been reduced by £117.3m from £154.1m, reducing cash outflow from investing activities by £142.7m from £153.5m. The cashflow from issuance of share capital of £150.0m previously reported has been excluded and as a result the cash out flow from financing activities has increased by £150.0m to £220.1m.

Accounting Policies

a) Reporting entity

Places for London Limited (formerly TTL Properties Limited) ("Places" or the "Company") is a company domiciled in the United Kingdom. The Company's registration number is 08961151 and its registered office is 5 Endeavour Square, London E20 1JN.

The consolidated financial statements as at 31 March 2023 include the financial statements of the Company and its subsidiaries (together referred to as the "Group") and the Group's equity accounted share of the net assets, and net profit or loss of its joint ventures and associates.

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 sterling which is the functional currency of the Group, rounded to the nearest million (£m) and in accordance with UK-adopted International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006.

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 and financial instruments.

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 Group and Company's financial performance.

d) Uses of estimates and judgements

The preparation of financial statements in conformity with UK-adopted IFRS as issued by the International Accounting Standards Board (IASB) requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group and 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 balance sheet at fair value.

Uses of judgement

Determining whether an arrangement contains a lease

In determining whether an arrangement contains a lease, as required by IFRS 16 Leases Standard, 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 Group is reasonably certain to exercise extension options or renewal options.

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

Accounting Policies (continued)

Leases as a lessor

From the lessor's perspective 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 retained by the Group or are transferred to the lessee. Given that assets leased under a finance lease are derecognised from the Statement of Financial Position, and assets leased out under operating leases are not, this can have a significant effect on the reported financial position of the Group.

Uses of estimates and assumptions

Useful economic life of property, plant and equipment

In determining the useful economic life of property, plant and equipment management estimate the length of time that the assets will be operational. In assessing the appropriateness of useful economic lives, the impact of the Group's Climate Change Adaptation Plan has been considered, it was concluded there was no material impact or impairment to the Group's assets.

Post-retirement benefits

The pension costs and defined benefit plan obligations of the Group's defined benefit plans are calculated on the basis of a range of assumptions, including the discount rate, inflation rate, salary growth and mortality. Differences arising as a result of actual experience differing from the assumptions, or future changes in the assumptions will be reflected in subsequent periods. A small change in assumptions can have a significant impact on the valuation of the defined benefit obligation.

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 Group or Company. This can be very complex, especially when there is a wide range of possible outcomes.

Expected credit loss allowance

The expected credit loss allowance recognised in respect of financial assets 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. As at 31 March 2023, management were required to make estimates regarding future losses based on the impact of ongoing economic factors on credit risk. Given the unprecedented nature of a number of the economic factors, a greater than usual level of judgement was involved in reaching this estimate.

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 Group has tax losses carried forward with a tax value of £nil (2021/22 £nil). If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by £8.3m (2021/22 £nil).

Investment property

Investment property, which is property held to earn rentals and/or capital appreciation, is stated at its fair value (open market value), as estimated by external, professionally qualified surveyors in accordance with Royal Institution of

Accounting Policies (continued)

Chartered Surveyors (RICS) guidelines. Gains and losses from changes in the fair value of investment property are included in the Comprehensive Income and Expenditure Statement for the period in which they arise.

Office buildings

Owner-occupied office buildings held within property, plant and equipment are held at their existing use value, as estimated by external, professionally qualified surveyors in accordance with RICS guidelines. Movements in the value of the property are taken to the revaluation reserve.

Leases

When the interest rate implicit in the lease cannot be readily determined, TFL's incremental borrowing rate (IBR) at the lease commencement date is used to calculate the present value of the lease payments. This is the interest rate that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. When no observable inputs are available, the Group estimates the IBR, making assumptions to reflect the terms and conditions of the lease and certain entity-specific estimates. These assumptions include the consideration of a number of components including the risk-free rate, the lease term, the credit spread and adjustments related to the specific nature of the underlying asset.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or change in circumstances occurs which affects this assessment.

e¹ 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 in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The following new amendments have been applied for the first time in these financial statements:

- **Property, Plant and Equipment: Proceeds before Intended Use**

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 amendments to IAS 16 were assessed to have a minimal impact on the Group's financial statements for the year ending 31 March 2023.

- **Onerous Contracts – Costs of Fulfilling a Contract**

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 to IAS 37 were assessed to have a minimal impact on the Group's financial statements for the year ending 31 March 2023.

- **Reference to the Conceptual Framework – Amendments to IFRS 3**

Accounting Policies (continued)

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 to IFRS 3 were assessed to have a minimal impact on the Group's financial statements for the year ending 31 March 2023.

- **Amendments from the 2018-2020 annual improvements cycle consisting of:**

Subsidiary as a first-time adopter of International Financial Reporting Standards (IFRS 1). The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendments to IFRS 1 did not have any impact on the Group's financial statements for the year ending 31 March 2023.

The amendments to IFRS 9 were assessed to have a minimal impact on the Group's financial statements for the year ending 31 March 2023.

- **Reporting requirements of Interest Rate Benchmark Reform**

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform and additional disclosures related to interest rate benchmark reform.

The impact of the IBOR reform has been assessed to have no impact on the Group's Accounts for year ending 31 March 2023.

(f) New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and, in some cases, are not in conformity with the requirements of the Companies Act 2006.

- **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 entity is now required to disclose its 'material' accounting policy information.
- **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

Accounting Policies (continued)

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).

- Amendments to IAS 1 on classification of liabilities as current or non-current (effective for annual periods beginning on or after 1 January 2024) – further guidance is included to specify that a liability should be recorded as non-current if the entity has the right to defer settlement for at least 12 months after the reporting date.
- Amendments to IAS 1 on non-current liabilities with covenants (effective for annual periods beginning on or after 1 January 2024) The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current.
- Amendments to IFRS 16 on lease liabilities in a sale and leaseback transaction (effective for annual periods beginning on or after 1 January 2024). The amendments focus on providing additional guidance as to how a seller-lessee should measure the right-of-use asset arising from a leaseback with variable lease payments. The amendments clarify that the seller-lessee must only record a gain or loss relating to the rights transferred to the buyer-lessor.

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

g) Going concern

The financial statements have been prepared on a going concern basis

The Places Group is expected to continue as a going concern from the date of signing these financial statements for the period ending 31 March 2025 (which covers the remainder of 2023/24 and 2024/25 financial years), which is the going concern assessment period. The Group is well capitalised, with £1,850m of share capital in issue, and as at 31 March 2023 has net current assets of £88.5m net assets of £1,799m, as well as a revolving credit facility of £200m, which is undrawn at the year end. It has no external debt as at the end of the financial year. Its latest forecasts, including applied sensitivities and stress testing, indicate an expectation that Places will be able to meet all of its expected cashflow commitments over the next one year during the going concern assessment period.

h) Revenue recognition

Revenue is measured after the deduction of value added tax (where applicable).

Rental income

Rental income from operating leases of properties and ATMs is recognised on a straight-line basis over the term of the lease. Rent-free periods, incentives, or fixed annual increases in the lease payments are spread on a straight-line basis over the lease term. Any inflation linked annual increases in rentals are treated as contingent rents and are recognised as income when they occur. Rental income based on tenant turnover is considered to be variable income and is therefore recognised as income in the period in which it is earned.

For finance leases, where the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the customer, a lease receivable is recognised. Finance income is recognised over the term of the lease, based on a pattern reflecting a constant periodic rate of return on the lease receivable. Lease receipts are allocated between reducing the principal balance and interest.

Car parking income

Car parking income from operating leases of car parks is recognised on a straight-line basis over the term of the contractual arrangement with the car park management company. Incentives, or fixed annual increases in the lease

Accounting Policies (continued)

payments are spread on a straight-line basis over the lease term. Any inflation linked annual increases are treated as contingent rents and are recognised as income when they occur.

ii) Employee benefits

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.

Defined benefit plans

The defined benefit plans, of which the majority of staff are members, provide benefits based on final pensionable pay. The assets of schemes are held separately from those of the Group.

On retirement, members of the schemes are paid their pensions from a fund which is kept separate from the Group. The Group makes cash contributions to that fund in advance of members' retirement.

Pension scheme assets are measured using current market bid values. Pension scheme liabilities are measured using a projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The difference between the value of the pension scheme assets and pension scheme liabilities is a surplus or a deficit. A pension scheme surplus is recognised to the extent that it is recoverable and a pension scheme deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total comprehensive income, actuarial gains and losses. Generally, amounts are charged to operating expenditure on the basis of the current service cost of the present employees that are members of the Schemes.

Defined benefit plans – multi-employer exemption

For certain defined benefit schemes it is not possible for the Company or Group to identify its share of the underlying assets and liabilities 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 IAS 19 (revised 2011) Employee benefits ("IAS 19R"), these schemes are accounted for as defined contribution schemes and contributions are charged to the Income Statement as incurred.

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.

iii) Leases (the Group as lessee)

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

The lease liabilities arising from a lease are initially measured on a present value basis comprising the following lease payments:

Accounting Policies (continued)

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option, and
- lease payments to be made under reasonably certain extension options.

The lease payments are discounted using the Group's incremental borrowing rate, being the rate the TTL Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The interest rate implicit in the lease is only used when that rate is readily determinable. All the Group's former operating leases have been discounted using the TfL Group's incremental borrowing rate. TfL Group's incremental borrowing rate is used for the TTL Group as all TTL borrowings are passed down from TTL's parent, TfL, which is the body that raises financing from external parties on behalf of its operating subsidiaries.

TfL's incremental borrowing rate for each tenor consists of Public Works Loan Board (PWLb) as this is the current source of borrowing.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate takes effect, then the lease liability is re-measured using the changed cash flows and changed discount rate. Further, a corresponding adjustment is also made to the right-of-use asset.

Lease payments are allocated between the repayment of principal and a finance cost. The finance cost is charged to the Income and Expenditure Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use assets are measured at cost comprising the following:

- the amount of initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

The right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If it is reasonably certain that the Group will exercise a purchase option, then the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and with low-value assets are recognised on a straight-line basis as an expense in the Income and Expenditure Statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

IFRS 16 allows a practical expedient that permits lessees to make an accounting policy election, by class of underlying asset, to account for each separate lease component of a contract and any associated non-lease components as a single

Accounting Policies (continued)

lease component. Contracts for bus services contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The Group's Accounting Policy is to apply this expedient to other equipment as a class of underlying asset. If the total non-lease components over the contract duration is less than 5 per cent of the total contract value or £500,000 whichever is lower, then the non-lease and lease components can be treated as a single lease.

k) Leases (the Group as lessor)

Lease income from operating leases is recognised as income on a straight-line basis over the lease term. Rent free periods, incentives, or fixed annual increases in the lease payments are spread on a straight-line basis over the lease term. Any inflation linked annual increases in rentals are treated as contingent rents and are recognised as income when they occur. Rental income based on turnover is considered variable and is therefore recognised in the period it is earned. The respective leased assets are included on the Statement of Financial Position within property, plant and equipment based on their nature. Any lease modifications are treated as new leases from the date of the modification.

Lease income in respect of property leases was adversely impacted by the coronavirus pandemic. Bespoke support was provided to tenants on a case-by-case basis and includes the grant of rent-free periods and other arrangements reflecting the position of each customer. The accounting treatment for the tenant support, which results in some divergence between net rental income on a reported basis and cash flow basis, is as follows:

- Rent-free periods are generally considered to constitute a lease modification under IFRS 16, with the lease incentive deferred over the remaining lease term. The lease incentive balance is assessed for impairment at each reporting date. If the pandemic continues and if the level of tenant failures is higher than expected, the impairment of tenant incentives and bad debt expense is also expected to increase
- Lease income from finance leases is recognised over the lease term at an amount that produces a constant periodic rate of return on the remaining balance of the net investment in the lease. The net investment in the lease is the sum of lease payments receivable during the lease term discounted at the interest rate implicit in the lease
- On lease commencement the carrying value of the asset is derecognised, the net investment in the lease is recognised as a finance lease receivable and any selling profit or loss is recognised in the Comprehensive Income and Expenditure Statement

l) Financial income

Financing and investment income consists of interest income on funds invested and expected return on pension assets and interest receivable on leases. Interest income is recognised as it accrues in the Income Statement, using the effective interest rate method.

m) 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 income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

Accounting Policies (continued)

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 disclosed net to the extent that they relate to taxes levied by the same tax authority and the Group has the right of set off.

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

m) Intangible assets

Goodwill

Where the cost of a business combination exceeds the fair values attributable to the net assets acquired, the resulting goodwill is capitalised and tested for impairment at each Statement of Financial Position date. Goodwill is allocated to income-generating units for the purpose of impairment testing.

n) Property, plant and equipment

Recognition and measurement

Property, plant and equipment consists of land, office buildings and assets in the course of construction.

Assets in the course of construction are measured at cost less accumulated impairment losses.

Office property consists of business properties, used by the Company for its own purposes, which are not limited in their future use by operational constraints or requirements and which are not integral to the infrastructure (e.g. offices).

Owner-occupied office buildings are valued at existing use value by external, professionally qualified surveyors in accordance with RICS Guidelines. Existing use value is the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at the measurement date. In determining the existing use value, the capitalisation of net income method and the discounting of future cash flows to their present value has been used. This is based upon various assumptions including the anticipated future rental income, maintenance costs and the appropriate discount rate, making reference to market evidence of transaction prices for similar properties. A deduction is made to reflect purchaser's acquisition costs. Properties are therefore categorised as Level 3 in the fair value hierarchy, as the measurement technique uses significant unobservable inputs to determine the fair value measurements.

Valuations are performed annually. Movements in the fair value of the property are taken to the revaluation reserve, with the exception of permanent diminutions in value which are recognised in the Income Statement.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, borrowing costs on qualifying assets for which the commencement date

Accounting Policies (continued)

for capitalisation is on or after 1 April 2009, and any other costs directly attributable to bringing the assets to a working condition for their intended use. Where there is a legal obligation to remove the asset and/or restore the site on which it is located at the end of its useful economic life, the costs of dismantling and removing the items and restoring the site on which they are located are also included in the cost of that asset. Proceeds generated from an asset prior to its intended use are not deducted from the cost of the asset and are instead charged to the Comprehensive Income and Expenditure Statement as generated.

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

Subsequent costs

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

Depreciation

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

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

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

Office buildings	up to 120 years
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Assets under construction and freehold land are not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. In assessing the appropriateness of useful economic lives, the impact of the Group's Climate Change Adaptation Plan has been considered, it was concluded there was no material impact or impairment to the Group's assets.

Gains and losses on disposal

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

ii. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. Investment property acquired under finance lease arrangements are initially measured at the amount of the lease liability and any initial direct costs incurred

Accounting Policies (continued)

by the group. Subsequent to initial recognition, investment property is measured at fair value with any changes therein recognised in the Income Statement in the period in which they arise.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Investment properties held at fair value are not subject to depreciation.

Investment properties are valued annually at fair value by external, professionally qualified surveyors in accordance with RICS Guidelines. Fair value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The methodology assumes the valuation is based on the highest and best use of the asset. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value has been used. This is based upon various assumptions including the anticipated future rental income, maintenance costs and the appropriate discount rate, making reference to market evidence of transaction prices for similar properties. A deduction is made to reflect purchaser's acquisition costs. Properties are therefore categorised as Level 3 in the fair value hierarchy, as the measurement technique uses significant unobservable inputs to determine the fair value measurements.

p) Investment in subsidiaries

The Company's investment in subsidiaries is accounted for at cost and is recognised net of impairment losses.

q) Equity loans to subsidiaries

The Company has made equity loans to its subsidiary undertakings. These loans are non-interest bearing and are repayable by the subsidiaries on demand with two years' notice. The directors consider these loans to be an in-substance equity contribution from the Company to its subsidiaries. They are therefore recognised at cost net of a provision for impairment.

r) Investment in associated undertakings

An associate is an entity over which the Group has significant influence, but not control. The results and assets and liabilities of associates are incorporated in these consolidated accounts using the equity method of accounting from the date on which the investee becomes an associate. Under the equity method, the investment is initially recognised on the Statement of Financial Position at cost and is thereafter adjusted to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

s) Investment in joint ventures

A joint venture is a type of joint arrangement wherein the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The results and assets and liabilities of joint ventures are incorporated in these consolidated accounts using the equity method of accounting from the date on which the investee becomes a joint venture. Under the equity method, the investment is initially recognised on the Statement of Financial Position at cost and is thereafter adjusted to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

t) Assets classified as Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Depreciation is not charged on Assets Held for Sale.

Accounting Policies (continued)

u. 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 Group 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.

Where an impairment loss is reversed subsequently, the reversal is credited to the Impairment line of the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

v. Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group 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.

w. Financial Instruments

Financial instruments within the scope of IFRS 9 Financial Instruments (IFRS9) 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 Group determines the classification of its financial instruments at initial recognition. Financial assets may be reclassified only when the Group 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:

The 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.

Accounting Policies (continued)

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 applied, as well as through the amortisation process.

Financial assets are measured at FVTOCI if:

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and investments 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.

Trade and other creditors

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

Fair value measurement of financial instruments

The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date, within Level 1 of the fair value hierarchy as defined within IFRS 7.

Accounting Policies (continued)

Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length transactions; reference to the current market value of another instrument which is substantially the same; and discounted cash flow analysis and pricing models.

Impairment of financial assets

At each reporting date, the Group 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.

No loss allowance for expected credit loss is recognised on a financial asset where the counterparty is central government or a local authority and where relevant statutory provisions prevent default. Expected credit loss allowances are recognised in the Income Statement.

Reserves

Share capital

The balance classified as share capital includes total net proceeds (nominal value) on issue of the Group's share capital, comprising £1 ordinary shares.

Equity loans

During the year and prior year the Group and Company was in receipt of non-interest bearing loan funding from its parent undertaking. These loans were repayable on demand with two-years' notice. As such they were classified as a form of equity funding by the directors. During the year an element of these loans was formally forgiven by TTL with the related credit being recognised directly in reserves, and the remaining balance was repaid.

Revaluation reserve

The revaluation reserve contains the accumulated gains made arising from increases in the value of office property. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost; or
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are transferred to retained earnings.

Retained earnings reserve

All other accumulated net gains and losses and transactions less any amounts distributed to shareholders not recognised elsewhere.

Notes to the Financial Statements

1 Group revenue

<i>Year ended 31 March</i>	2023	% of	2022	% of
	£m	total	£m	total
Rental income	58.6	78.0	58.3	84.4
Car parking income	14.6	19.5	9.1	13.2
Other	1.9	2.5	1.7	2.5
	<u>75.1</u>	<u>100.0</u>	<u>69.1</u>	<u>100.1</u>

2 Group operating results

<i>Year ended 31 March</i>		2023	2022
	Note	£m	£m
The operating results are stated after charging:			
Employee costs	5	17.4	16.4
Employee services			

Auditor's remuneration

Audit fees for the year are £55,000 (2021/22 £50,000). There are no fees for non-audit services (2021/22 £nil). The TfL Audit and Assurance Committee reviews and notes the nature and extent of non-audit services provided by the Group's external auditor to ensure that independence is maintained.

3 Group other gains and losses

<i>Year ended 31 March</i>	2023	2022
	£m	£m
Net (loss)/gain on fair value of investment properties	(121.5)	88.2
Net (loss)/gain on fair value of investment properties classified as held for sale	(0.2)	0.8
Net gain on disposal of investment properties	<u>8.8</u>	<u>-</u>
	<u>(112.9)</u>	<u>89.0</u>

Notes to the Financial Statements (continued)

4 Directors' emoluments

<i>Year ended 31 March</i>	2023	2022
	Number	Number
Number of directors who were remunerated by the Group during the year:	2	-
The Group made contributions to a defined contribution scheme on behalf of the following number of directors	2	-
Number of directors who were members of a defined benefit scheme	<u>2</u>	<u>-</u>

The following remuneration was paid to the directors by the Group.

<i>For the year ended 31 March</i>	2023	2022
	£	£
Salaries, fees and benefits in kind	381,949	-
Pension costs	95,555	-
	<u>477,504</u>	<u>-</u>

Directors' emoluments and benefits were borne by Transport for London for four directors (2021/22 three directors).

Total remuneration paid to directors of group by Transport for London was £504,102 (2021/22 £770,928) and by its fellow subsidiaries was £441,366 (2021/22 £nil).

	2023	2022
	£	£
The highest paid director received the following remuneration from the Group:		
Salaries, fees and benefits in kind	194,140	-
Defined contribution pension costs	<u>49,024</u>	<u>-</u>

At 31 March the highest paid director had accrued defined benefit pension benefits valued at:

TfL defined benefit scheme	<u>57,769</u>
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Notes to the Financial Statements (continued)

5 Group employee costs

<i>Year ended 31 March</i>		2023	2022
		Number	Number
The average number of persons (including directors) employed in the year were:			
Average number of employees (including directors) in the year		<u>185</u>	<u>183</u>
Their aggregate remuneration comprised:	Note	£m	£m
Wages and salaries		13.1	11.8
Social security costs		1.6	1.4
Pension cost	24	<u>2.7</u>	<u>3.2</u>
		<u>17.4</u>	<u>16.4</u>

Contracts of employment for employees are held by a fellow group company of Places for London Limited. All costs in relation to these employees are included in the numbers above as Places for London is recharged in full.

6 Group financial income

<i>Year ended 31 March</i>	2023	2022
	£m	£m
Interest receivable	<u>0.3</u>	<u>-</u>

7 Group financial expenses

<i>Year ended 31 March</i>	2023	2022
	£m	£m
Other interest payable	<u>1.3</u>	<u>-</u>

Notes to the Financial Statements (continued)

8 Taxation

The Company and its subsidiaries are assessable individually to taxation in accordance with current tax legislation. All companies are able to claim group relief.

a) Corporation tax – Group

The Group tax charge for the year, based on the rate of corporation tax of 19 per cent (2021/22 19 per cent) comprised:

	Group 2023 £m	Group 2022 £m
Year ended 31 March		
Current tax		
UK corporation tax	21.5	3.0
Prior period adjustment	1.7	0.1
Total current tax charge for the year	23.2	3.1
Deferred tax		
Deferred tax – current year	(17.4)	17.4
Total tax charge for the year	5.8	20.5

Reconciliation of tax charge/(credit)

	Group 2023 £m	Group 2022 £m
Year ended 31 March		
(Loss)/profit before tax	(124.7)	135.8
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2021/22 19%)	(23.7)	25.8
Effects of:		
Non-taxable and non-deductible items	11.0	(3.7)
Amount charged to current tax for which no deferred tax was recognised	16.8	(1.7)
Prior period adjustment	1.7	0.1
Total tax charge for the year	5.8	20.5

b) Unrecognised deferred tax assets – Group

The Group has a potential net deferred tax asset in respect of the following items:

	Group 2023 £m	Group 2022 £m
Year ended 31 March		
Deductible temporary differences	8.3	-

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not considered probable that there will be sufficient future taxable profits available against which the benefits can be utilised.

Notes to the Financial Statements (continued)

8 Taxation (continued)

c) Movements in recognised deferred tax assets and liabilities during the year - Group

Deferred tax assets have been recognised to the extent of the deferred tax liabilities at the Balance Sheet date. Their movements during the years were in respect of the following items:

	Balance at 1 April	Movement in income statement	Balance at 31 March
	£m	£m	£m
For the year ended 31 March 2023			
Deferred tax assets			
Investment property	-	-	-
Property, plant and equipment	-	-	-
	-	-	-
Deferred tax liabilities			
Property, plant and equipment	(2.5)	2.5	-
Investment properties	(14.9)	14.9	-
	(17.4)	17.4	-
Net deferred tax liability	(17.4)	17.4	-
For the year ended 31 March 2022			
Deferred tax assets			
Investment property	4.9	(4.9)	-
	4.9	(4.9)	-
Deferred tax liabilities			
Property, plant and equipment	(4.9)	2.4	(2.5)
Investment properties	-	(14.9)	(14.9)
	(4.9)	(12.5)	(17.4)
Net deferred tax liability	-	(17.4)	(17.4)

Notes to the Financial Statements (continued)

8 Taxation (continued)

The key movements in the period were due to the following:

- The deferred tax liability arising on investment properties, including those held as available for sale, has decreased due to revaluation movements in the year.
- The property, plant and equipment deferred tax asset and liability have changed in the period due to assets acquired in the year.

d) Unrecognised deferred tax assets – Company

The Company has a potential net deferred tax asset in respect of the following items:

	2023	2022
	£m	£m
Deductible temporary differences	8.3	-
Deferred tax asset	8.3	-

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not considered probable that there will be sufficient future taxable profits available against which the benefits can be utilised.

e) Movements in recognised deferred tax assets and liabilities during the year – Company

Deferred tax assets have been recognised to the extent of the deferred tax liabilities at the Balance Sheet date. Their movements during the years were in respect of the following items:

	Balance at 1 April	Movement in income statement	Balance at 31 March
	£m	£m	£m
For the year ended 31 March 2023			
Deferred tax assets			
Investment property	-	-	-
	-	-	-
Deferred tax liabilities			
Property, plant and equipment	(2.5)	2.5	-
Investment properties	(14.9)	14.9	-
	(17.4)	17.4	-
Net deferred tax liability	(17.4)	17.4	-
For the year ended 31 March 2022			
Deferred tax assets			
Investment property	4.9	(4.9)	-
	4.9	(4.9)	-
Deferred tax liabilities			

Notes to the Financial Statements (continued)

Property, plant and equipment	(4.9)	2.4	(2.5)
Investment properties	-	(14.9)	(14.9)
	(4.9)	(12.5)	(17.4)
Net deferred tax liability	-	(17.4)	(17.4)

UK Corporation Tax is calculated at a rate of 19 per cent (2021/2022 19 per cent). An increase in the tax rate to 25 per cent, with effect from 1 April 2023, was substantively enacted in May 2021 and confirmed in October 2022. Deferred tax balances at 31 March 2023 have therefore been calculated at a rate of 25 per cent.

Notes to the Financial Statements (continued)

9 Intangible assets

Group intangible assets

	Goodwill
Cost	£m
At 31 March 2022	<u>2.6</u>
At 31 March 2023	<u>2.6</u>

Notes to the Financial Statements (continued)

10 Property, plant and equipment

a) Group property, plant and equipment at 31 March 2022 comprised the following elements:

	Note	Land and office buildings £m	Assets under construction £m	Total £m
Cost or valuation				
At 1 April 2021		23.7	3.6	27.3
Transfers to investment properties	12	(23.7)	(3.6)	(27.3)
At 31 March 2022		-	-	-
Depreciation				
At 1 April 2021		1.2	-	1.2
Transfers to investment properties	12	(1.2)	-	(1.2)
At 31 March 2022		-	-	-
Net book value at 31 March 2022		-	-	-

During the year, there were no additions to property, plant and equipment.

b) Company property, plant and equipment at 31 March 2022 comprised the following elements:

		Land and office buildings £m	Assets under construction £m	Total £m
Cost or valuation				
At 1 April 2021		23.7	3.6	27.3
Transfers to other investment properties		(23.7)	(3.6)	(27.3)
At 31 March 2022		-	-	-
Depreciation				
At 1 April 2021		1.2	-	1.2
Transfers to investment properties		(1.2)	-	(1.2)
At 31 March 2022		-	-	-

During the year, there were no additions to property, plant and equipment.

Notes to the Financial Statements (continued)

11 Right-of-use lease liabilities

This note provides information for leases where the Group and/or Company is a lessee.

a) Group lease liabilities in relation to right-of-use assets

	Group 2023 £m	Group 2022 £m
Principal outstanding		
Current liabilities	0.2	-
Non-current liabilities	7.5	-
Total	7.7	-

b) Group lease liabilities in relation to right-of-use assets

	Group 2023 £m	Group 2022 £m
Contractual undiscounted payments due in:		
Not later than one year	0.2	-
Later than one year but not later than two years	0.2	-
Later than two years but not later than five years	0.7	-
Later than five years	15.8	-
	16.9	-
Less:		
Present value discount	(9.2)	-
Present value of minimum lease payments	7.7	-

Notes to the Financial Statements (continued)

11 Right-of-use lease liabilities (continued)

c) Analysis of amounts included in the Group Comprehensive Income and Expenditure Statement

	Group 2023 £m	Group 2022 £m
Interest payable on right-of-use lease liabilities	<u>0.3</u>	<u>-</u>

Details of the corresponding right-of-use asset have been disclosed in note 12.

d) Analysis of amounts included in the Statement of Cash Flows

The total cash outflow for leases in 2022/23 was £0.3m (2021/22: Enil)

e) The Group's leasing activities and how these are accounted for

As a lessee, the Group leases buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The accounting of the above leases is described within Accounting Policies sections (j) and (k).

Notes to the Financial Statements (continued)

11 Right-of-use lease liabilities (continued)

f) Future cash flows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities

Variable lease payments:

Most of the Group's leased assets have variable lease payments linked to a consumer price index. When there is a change in cash flows because of the change in consumer price index or change in floating rate, then the lease liability is re-measured to reflect those revised lease payments and corresponding adjustments are made to the right-of-use asset.

Extension and termination options:

Some of the Group's lease contracts have extension and termination options. These options and related payments are only included when the Group is reasonably certain that it will exercise these options. At the date of these financial statements, there are no facts and circumstances that create an economic incentive for the Group to extend or terminate the lease.

Leases not yet commenced to which the Group as a lessee is committed:

As at 31 March 2023 the Group is not party to any lease arrangements to which the Group as a lessee is committed but for which it has not yet recognised any right-of-use asset or liability on the Balance Sheet.

Notes to the Financial Statements (continued)

11 Right-of-use lease liabilities (continued)

g) Company lease liabilities in relation to right-of-use-assets

	Company 2023 £m	Company 2022 £m
Principal outstanding		
Current liabilities	0.2	-
Non-current liabilities	7.5	-
Total	7.7	-

h) Company lease liabilities in relation to right-of-use-assets

	Company 2023 £m	Company 2022 £m
Contractual undiscounted payments due in:		
Not later than one year	0.2	-
Later than one year but not later than two years	0.2	-
Later than two years but not later than five years	0.7	-
Later than five years	15.8	-
	16.9	-
Less:		
Present value discount	(9.2)	-
Present value of minimum lease payments	7.7	-

Notes to the Financial Statements (continued)

11 Right-of-use lease liabilities (continued)

ii Analysis of amounts included in the Company Comprehensive Income and Expenditure Statement

	Company 2023 £m	Company 2022 £m
Interest payable on right-of-use lease liabilities	<u>0.3</u>	<u>-</u>

Notes to the Financial Statements (continued)

12 Investment properties

a) Movements in investment properties in the Group comprised:

	Note	Group £m
Valuation		
At 1 April 2021		1,202.1
Additions		6.2
Transfers from fellow subsidiary undertakings of the TfL Group		141.4
Transfers from property, plant and equipment	10	26.1
Transfers from assets held for sale	17	5.4
Revaluation	3	<u>88.2</u>
At 31 March 2022		1,469.4
Additions		16.3
Transfers from fellow subsidiary undertakings of the TfL Group		138.7
Transfer from assets held for sale	17	5.2
Disposals		(36.9)
Revaluation	3	<u>(121.5)</u>
At 31 March 2023		<u>1,471.2</u>

During the year ended 31 March 2023, the Group entered into a new lease agreement for asset which are classified as investment property. Included within the balance above are right-of-use assets with a carrying value of £nil (2021/22: £nil), details of the right-of-use liability have been disclosed in note 11.

The fair value of the Group and Company's investment properties has been arrived at on the basis of valuations at that date by CBRE, a real estate advisory business not connected with the Group. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value has been used. This is based upon various assumptions including the anticipated future rental income, maintenance costs and the appropriate discount rate, making reference to market evidence of transaction prices for similar properties. A deduction is made to reflect purchaser's acquisition costs. Values are therefore calculated under level 3 of the fair value hierarchy. In estimating fair value, the highest and best use of the properties is assumed to be their current use. There were no transfers of properties in or out of level 3 of the fair value hierarchy during the year (2021/22 none).

Properties are valued annually in accordance with the Red Book, RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors.

In the year to 31 March 2023, a total net revaluation loss of £121.5m (2021/22 gain of £88.2m) on group's investment properties and loss of £0.2m (2021/22 gain of £0.8m) on investment properties classified as held for sale, was recognised within other gains and losses in the Income Statement. Details of investment properties held for sale are disclosed in note 17.

Rental income earned in relation to investment properties is disclosed in note 1. Operating expenditure for the year in respect of investment properties totalled £31.4m for the Group (2021/22 £39.8m).

Information about the impact of changes in unobservable inputs (level 3) on the fair value of the Group's investment portfolio is set out in the table overleaf.

All other factors being equal:

- a higher equivalent yield or discount rate would lead to a decrease in the valuation of an asset

Notes to the Financial Statements (continued)

- an increase in the current or estimated future rental stream would have the effect of increasing the capital value

However, there are interrelationships between the unobservable inputs which are partially determined by market conditions, which would impact on these changes.

Notes to the Financial Statements (continued)

12. Investment properties (continued)

Information about fair value measurements for the Places Group using unobservable inputs (level 3) for the year ended 31 March 2023

	Estimated value		% change from baseline		Estimated value		% change from baseline		Estimated value		% change from baseline		Estimated value		% change from baseline	
	Yield shift	10.51%	Yield shift	10.251%	Yield shift	10.251%	Yield shift	10.251%	Yield shift	0.25%	Yield shift	0.25%	Yield shift	0.25%	Yield shift	0.5%
(10)%	1,439.4	(2.16)%	1,455.6	(1.06)%	1,369.1	(6.94)%	1,342.5	(8.75)%	1,256.7	(14.58)%						
(5)%	1,497.5	1.79%	1,431.9	(2.67)%	1,420.3	(3.46)%	1,396.2	(5.10)%	1,305.8	(11.24)%						
0%	1,555.5	5.73%	1,486.8	1.06%	1,471.2	0.00%	1,450.2	(1.43)%	1,355.4	(7.87)%						
5%	1,613.3	9.66%	1,541.7	4.79%	1,522.3	3.47%	1,503.7	2.21%	1,404.6	(4.53)%						
10%	1,671.1	13.59%	1,596.5	8.52%	1,573.3	6.94%	1,557.4	5.86%	1,454.0	(1.17)%						

Estimated rental value

The table above shows the sensitivity of the valuation of the investment property portfolio to a 5 or 10 per cent increase/(decrease) in estimated rental values, combined with a 0.5 or 0.25 per cent increase/(decrease) in yield from the baseline assumptions used to calculate the values as recorded in these accounts.

Notes to the Financial Statements (continued)

12 Investment properties (continued)

b) Movements in investment properties in the Company comprised:

	Company £m
Valuation	
At 1 April 2021	1,178.4
Additions	6.2
Transfer from fellow subsidiary undertakings of the TFL Group	133.6
Transfer (to)/from property, plant and equipment	26.1
Transfer from assets held for sale	5.4
Revaluation	99.7
At 31 March 2022	1,449.4
Additions	16.1
Transfer from fellow subsidiary undertakings of the TFL Group	137.1
Transfer from assets held for sale	5.2
Disposals	(36.9)
Revaluation	(119.9)
At 31 March 2023	1,451.0

c) Capital commitments – Group & Company

At 31 March 2023, the Group and Company had capital commitments which are contracted for but not provided for in the financial statements amounting to £8.4m (2021/22 £11.1m).

13 Investment in subsidiary undertakings

	Company 2023 £m	Company 2022 £m
At 1 April	1.1	1.1
At 31 March	1.1	1.1

The Company's subsidiaries are:

Subsidiaries	Principal activity	Percentage holding	Registered number
TTL Blackhorse Road Properties Limited *	Holding company	100%	11121664
TTL Build to Rent Limited*	Holding company	100%	12098343
TTL Earls Court Properties Limited *	Holding company	100%	08951012
TTL Office Properties Limited *	Dormant company	100%	12526777
TTL Kidbrooke Properties Limited *	Holding company	100%	10768138
TTL Landmark Court Properties Limited *	Holding company	100%	11121741
TTL Northwood Properties Limited *	Dormant company	100%	11607897
TTL South Kensington Properties Limited *	Property investment	100%	11403981

Notes to the Financial Statements (continued)

TTL Southwark Properties Limited *	Property investment	100%	08212651
TTL Wembley Park Properties Limited *	Property investment	100%	12372143
TTL West London Properties Limited *#	Property investment	100%	14743259

The financial statements of all the above companies are lodged at Companies House. All companies are limited by shares and incorporated in the United Kingdom. The registered office of all companies is 5 Endeavour Square, London E20 1JN.

Incorporated during the year

* All outstanding liabilities of these undertakings as at 31 March 2023 have been provided with a parent company guarantee under s.479C of the Companies Act 2006. Their individual financial statements for the year ended 31 March 2023 were therefore entitled to exemption from audit under s.479A of the Companies Act 2006.

Notes to the Financial Statements (continued)

14 Interest in joint ventures

Carrying amount of the Group's equity interest in joint ventures at 31 March

	Note	Group 2023 £m	Group 2022 £m
Connected Living London (BTR) Limited	a	44.2	9.6
Kidbrooke Partnership LLP	b	18.3	18.3
Blackhorse Road Properties LLP	c	0.8	1.7
Landmark Court Partnership Limited	d	4.7	2.4
Wembley Park Properties (WPP) LLP	e	11.9	-
		<u>79.9</u>	<u>47.3</u>

Group's share of gain/(loss) for the year at 31 March

	2023 £m	2022 £m
Connected Living London (BTR) Limited	(0.7)	(1.7)
Kidbrooke Partnership LLP	(0.1)	(0.1)
Blackhorse Road Properties LLP	7.2	7.3
Landmark Court Partnership Limited	<u>2.3</u>	<u>2.4</u>
	<u>8.7</u>	<u>7.9</u>

Notes to the Financial Statements (continued)

14 Interest in joint ventures (continued)

a) Connected Living London (BTR) Limited

The Group via its subsidiary, TTL Build to Rent Limited, holds a 49 per cent interest in a joint arrangement called Connected Living London (BTR) Limited (CLL), which was set up as a partnership together with Grainger Plc, to fund the development of a major build to rent portfolio across London. The principle place of business of the joint operation is the United Kingdom.

The Group has invested in non-interest bearing loans into the joint arrangement. The loan notes are non-interest bearing and have no fixed repayment date. They have therefore been treated in these financial statements as an investment in the equity. As at 31 March 2023 the Group had invested £46.6m (2022 £11.6m) in loan notes.

As the Group has joint control over the net assets and operations of its investment through equal representation on the board and equal voting rights, it has equity accounted for its investment as a joint venture in these consolidated financial statements. The financial year end of CLL is 30 September.

Summarised financial information in respect of the Group's investment is set out below. For the purposes of applying the equity method of accounting, unaudited management accounts made up to 31 March have been employed.

Balance Sheet of Connected Living London (BTR) Limited at the 100% level at 31 March

	Group 2023 £m	Group 2022 £m
Cash	9.6	4.5
Other current assets	0.5	-
Current assets	10.1	4.5
Investment property under construction	80.3	17.9
Non-current assets	80.3	17.9
Creditors	(0.1)	(2.9)
Current liabilities	(0.1)	(2.9)
Non-current liabilities	-	-
Total net assets	90.3	19.5

Notes to the Financial Statements (continued)

14 Interest in joint ventures (continued)

Reconciliation of net assets to amounts included in the consolidated Group accounts

	Group 2023 £m	Group 2022 £m
Net assets at 100%	90.3	19.5
Percentage held by the Group	49%	49%
Carrying amount of the Group's equity interest in CLL	<u>44.2</u>	<u>9.6</u>

Group share of comprehensive income and expenditure of CLL

	Group 2023 £m	Group 2022 £m
Group share of loss from continuing operations	(0.7)	(1.7)
Total Group share of comprehensive income and expenditure for the year	<u>(0.7)</u>	<u>(1.7)</u>

The share of loss from continuing operations reflects administrative expenditure relating to the operations of the company.

b) Kidbrooke Partnership LLP

The Group, through its subsidiary, TTL Kidbrooke Properties Limited, holds a 49 per cent holding in the members' interest of Kidbrooke Partnership LLP (KP LLP), a property development partnership. The principal place of business of the joint operation is the United Kingdom. Through a combination of its voting rights, Board representation and other rights embedded in the relevant management agreements, the Group is assessed as having joint control. The investment has therefore been accounted for as a joint venture using the equity method.

KP LLP has a 299 year lease over the land lying to the South East of Kidbrooke Park Road and is developing the site as a mixed use development incorporating affordable housing. The financial year end of KP LLP is 31 March.

Summarised financial information in respect of the Group's investment in KP LLP is set out below. Amounts presented are taken from unaudited management accounts made up to 28 February.

Notes to the Financial Statements (continued)

14 Investment in joint ventures (continued)

Balance sheet of Kidbrooke Partnership LLP at the 100% level

	Group 2023 £m	Group 2022 £m
Cash	2.0	8.9
Other short term assets	39.7	31.0
Current assets	41.7	39.9
Current liabilities	(4.4)	(2.5)
Total net assets	37.3	37.4

Reconciliation of net assets to amounts included in the consolidated Group accounts

	Group 2023 £m	Group 2022 £m
Net assets at 100%	37.3	37.4
Percentage held by the Group	49%	49%
Carrying amount of the Group's equity interest in Kidbrooke Partnership LLP	18.3	18.3

Group share of comprehensive income and expenditure of Kidbrooke Partnership LLP

	Group 2023 £m	Group 2022 £m
Group share of loss from continuing operations	(0.1)	(0.1)
	(0.1)	(0.1)

c) Blackhorse Road Properties LLP

The Group via its subsidiary TTL Blackhorse Road Properties Limited, holds a 49 per cent holding in the members' interest of Blackhorse Road Properties LLP (BRP LLP), a property development partnership. The principal place of business of the joint operation is the United Kingdom. Through a combination of its voting rights, Board representation and other rights embedded in the relevant management agreements, the Group is assessed as having joint control. The investment has therefore been accounted for as a joint venture using the equity method.

The Group has invested in non-interest bearing loans into the joint arrangement. The loan notes are non-interest bearing and have no fixed repayment date. They have therefore been treated in these financial statements as an investment in the equity. As at 31 March 2023 the Group had invested £3.6m (2022 £6.6m) in loan notes.

The Group granted a 999 year lease over land at Blackhorse Road to BRP LLP for a consideration of £15.9m. The financial year end of BRP LLP is 30 June.

Summarised financial information in respect of the Group's investment in BRP LLP is set out below. Amounts presented are taken from unaudited management accounts made up to 28 February.

Notes to the Financial Statements (continued)

14 Investment in joint ventures (continued)

Balance sheet of BRP LLP at the 100% level

	Group 2023 £m	Group 2022 £m
Cash	2.5	21.5
Other short term assets	1.5	21.5
Current assets	4.0	42.8
Current liabilities	(2.4)	(8.2)
Total net assets	1.6	34.6

Reconciliation of net assets to amounts included in the consolidated Group accounts

	Group 2023 £m	Group 2022 £m
Net assets at 100%	1.6	34.6
Percentage held by the Group	49%	49%
Carrying amount of the Group's equity interest in BRP LLP	0.8	17.0

Group share of comprehensive income and expenditure of BRP LLP

	Group 2023 £m	Group 2022 £m
Group share of profit from continuing operations	7.2	7.3
Total Group share of comprehensive income and expenditure for the year	7.2	7.3

d) Landmark Court Partnership Limited

The Group via its subsidiary, TTL Landmark Court Properties Limited, holds a 49 per cent interest in a joint arrangement called Landmark Court Partnership Limited. The principal place of business of the joint operation is the United Kingdom. Through a combination of its voting rights, Board representation and other rights embedded in the relevant management agreements, the Group is assessed as having joint control. The investment has therefore been accounted for as a joint venture using the equity method.

During 2021/22, the Group granted a 299 year lease over land at Liberty, Southwark site, at 15-33 Southwark Street to LCP Limited for a consideration of £41.8m. The financial year end of LCP Limited is 31 March.

Summarised financial information in respect of the Group's investment in LCP Limited is set out below. Amounts presented are taken from unaudited management accounts made up to 31 March.

Notes to the Financial Statements (continued)

14 Investment in joint ventures (continued)

Balance sheet of LCP at the 100% level

	Group 2023 £m	Group 2022 £m
Cash	-	1.3
Other current assets	24.9	46.5
Current assets	24.9	47.8
Current liabilities	(15.3)	(38.2)
Total net assets	9.6	9.6

Reconciliation of net assets to amounts included in the consolidated Group accounts

	Group 2023 £m	Group 2022 £m
Net assets at 100%	9.6	9.6
Percentage held by the Group	49%	49%
Group share of net assets	4.7	4.7
Adjustment for distribution of land receipt*	-	(2.3)
Carrying amount of the Group's equity interest in LCP	4.7	2.4

* Available profits in relation to the land receipt are distributed at 25% to TTL Landmark Court Properties Limited

Group share of comprehensive income and expenditure of LCP

	Group 2023 £m	Group 2022 £m
Group share of profit from continuing operations adjusted for distribution of land receipts	2.3	2.4
Total Group share of comprehensive income and expenditure for the year	2.3	2.4

Notes to the Financial Statements (continued)

e) Wembley Park Properties (WPP) LLP

In 2022/23 the Group acquired a 49 per cent holding in the members' interest of Wembley Park Properties LLP (WPP LLP), a newly created property development partnership, for a cash consideration of £12.0m. The investment was purchased through investment in non-interest bearing loan notes of newly incorporated subsidiary of the Group, TTL Wembley Park Properties Limited. The loan notes are non-interest bearing and have no fixed repayment date. The principle place of business of the joint operation is the United Kingdom. Through a combination of its voting rights, Board representation and other rights embedded in the relevant management agreements, the Group is assessed as having joint control. The investment has therefore been accounted for as a joint venture using the equity method.

During 2022/23, the Group granted a 999 year lease over land at Wembley Park station car park to WPP LLP for a consideration of £16.3m. The financial year end of WPP LLP is 30 June.

Summarised financial information in respect of the Group's investment in WPP LLP is set out below. Amounts presented are taken from unaudited management accounts made up to 31 March.

Notes to the Financial Statements (continued)

14 Investment in joint ventures (continued)

Balance sheet of WPP at the 100% level

	Group 2023	Group 2022
	£m	£m
Cash	7.9	-
Other current assets	23.3	-
Current assets	31.2	-
Current liabilities	(6.7)	-
Total net assets	24.5	-

Reconciliation of net assets to amounts included in the consolidated Group accounts

	Group 2023	Group 2022
	£m	£m
Net assets at 100%	24.5	-
Percentage held by the Group	49%	-
Carrying amount of the Group's equity interest in WPP LLP	11.9	-

Group share of comprehensive income and expenditure of WPP LLP

	Group 2023	Group 2022
	£m	£m
Group share of profit from continuing operations adjusted for distribution of land receipts	-	-
Group share of other comprehensive income	-	-
Total Group share of comprehensive income and expenditure for the year	-	-

Notes to the Financial Statements (continued)

15 Interest in associated undertakings

Earls Court Partnership Limited

The Group holds a 37 per cent holding in the ownership and voting rights of Earls Court Partnership Limited (ECPL), a property development company incorporated in England and Wales. Through its voting rights and representation on the Board of Directors of ECPL, the Group has significant influence but not control over the relevant activities of ECPL. The Group's investment is therefore accounted for using the equity method in these consolidated accounts.

The Group has invested share capital and non-interest bearing loans into ECPL. The loan notes are non-interest bearing and have no fixed repayment date. They have therefore been treated in these financial statements as an investment in the equity of ECPL. As at 31 March 2023 the Group had invested £44.4m (2022 £44.4m) in share capital and a further £434.0m (2022 £423.0m) in loan notes.

The financial year end of ECPL is 31 December. For the purposes of applying the equity method of accounting, the unaudited management accounts of ECPL for the year ended 31 March 2023 have been used (2021/22: year ended 31 December 2021).

Summarised financial information in respect of the Group's investment in ECPL is set out below:

Balance Sheet of Earls Court Partnership Limited at the 100% level

At 31 March (2021/22: 31 December)	Group 2023 £m	Group 2022 £m
Cash	15.7	6.4
Other short term assets	1.9	1.7
Current assets	17.6	8.1
Investment properties	540.9	596.0
Property, plant and equipment	0.3	-
Non-current assets	541.2	596.0
Current liabilities	(9.5)	(1.7)
Non-current liabilities	(98.3)	(74.7)
Total net assets	451.0	527.7

Non-current liabilities represent third-party borrowings and deferred consideration on termination of an obligation to building a train stabling area.

Notes to the Financial Statements (continued)

15. Investment in associated undertakings (continued)

Reconciliation of net assets to amounts included in the consolidated Group accounts

	Group 2023 £m	Group 2022 £m
Net assets at 100% at 31 March (2021/22: 31 December 2021)	451.0	527.7
Percentage held by the Group	37%	37%
Group share of net assets	166.9	195.2
Investment in equity loan notes between 31 December and 31 March	-	2.2
Carrying amount of the Group's equity interest in Earls Court Partnership Limited at 31 March	166.9	197.4

Group share of comprehensive income and expenditure of Earls Court Partnership Limited

	Group 2023 £m	Group 2022 £m
Group share of (loss)/profit from continuing operations	(41.5)	23.9
Total Group share of comprehensive income and expenditure for the year	(41.5)	23.9

The share of (loss)/profit from continuing operations primarily reflects fair value gains/(losses) recognised in respect of the revaluation of the Earls Court development site.

16 Equity loans to subsidiaries

	Company 2023 £m	Company 2022 £m
Non-current		
Equity loans to subsidiary companies	288.2	233.4
	Company 2023 £m	Company 2022 £m
Balance at 1 April	529.4	516.4
New loans issued	57.9	13.0
Repayments	(3.1)	-
	584.2	529.4
Less provisions for impairment:		
Balance at 1 April	(296.0)	(296.0)
As at 31 March	(296.0)	(296.0)
Net book value at 31 March	288.2	233.4

Equity loans to subsidiaries are non-interest bearing and are repayable on demand with a two year notice period.

Notes to the Financial Statements (continued)

17 Assets classified as held for sale

a) Assets held for sale: Group

		Group 2023	Group 2022
	Note	£m	£m
Balance outstanding at start of year		51.5	54.8
Acquisition of assets held for sale			
Investment properties		25.4	1.3
Revaluation (loss)/gain		-	
Investment properties		(0.2)	0.8
Transfers		-	
To investment properties	12	(5.2)	(5.4)
Disposals			
Investment properties		(22.7)	-
Balance outstanding at end of year		<u>48.8</u>	<u>51.5</u>

b) Assets held for sale: Company

		Company 2023	Company 2022
	Note	£m	£m
Balance outstanding at start of year		51.5	54.8
Acquisition of assets classified as held for sale			
Investment properties		25.4	1.3
Revaluation (loss)/gain			
Investment properties		(0.2)	0.8
Transfers			
Investment properties	12	(5.2)	(5.4)
Disposals			
Investment properties		(22.7)	-
Balance outstanding at end of year		<u>48.8</u>	<u>51.5</u>

As at 31 March 2023, certain development sites and surplus land were being actively marketed for sale. Disposals are expected to complete within the next 12 months, or, where agreements to sell have already been put in place, in line with the timing of those arrangements.

Notes to the Financial Statements (continued)

18 Trade and other receivables

a) Trade and other receivables in the Group comprised:

	Group 2023	Group 2022
	£m	£m
Current		
Trade receivables	0.5	0.2
Other tax and social security	0.3	-
Prepayments	0.4	-
Contract assets: accrued income	1.4	0.9
	<u>2.6</u>	<u>1.1</u>
Non-current		
Prepayments	0.5	-

Trade receivables are non-interest bearing and are generally paid within 28 days. In 2023, Enil (2022 Enil) was recognised as provision for expected credit losses on trade receivables and contract assets (see note 25).

Contract assets balances represent the accrued income recognised but not yet invoiced to the customer. Upon completion of the terms of the contract and agreement with the customer/third party contribution, the amounts recognised as contract assets are reclassified to trade receivables.

b) Trade and other receivables in the Company comprised:

	Company 2023	Company 2022
	£m	£m
Current		
Trade receivables	0.5	0.2
Amounts due from fellow Group undertakings	2.2	0.2
Other tax and social security	0.3	-
Prepayments	0.4	-
Contract assets: accrued income	1.5	0.9
	<u>4.9</u>	<u>1.3</u>
Non-current		
Prepayments	0.5	-
	<u>0.5</u>	<u>-</u>

Trade receivables are non-interest bearing and are generally received within 28 days. In 2023, Enil (2022 Enil) was recognised as provision for expected credit losses on trade receivables and contract assets (see note 25).

Contract assets balances represent the accrued income recognised but not yet invoiced to the customer. Upon completion of the terms of the contract and agreement with the customer/third party contribution, the amounts recognised as contract assets are reclassified to trade debtors.

Notes to the Financial Statements (continued)

19 Cash and cash equivalents

a. Cash balances in the Group comprised:

	Group	Group
	2023	2022
	£m	£m
Cash at bank	80.6	9.6
	<u>80.6</u>	<u>9.6</u>

b. Cash balances in the Company comprised:

	Company	Company
	2023	2022
	£m	£m
Cash at bank	80.6	9.6
	<u>80.6</u>	<u>9.6</u>

20 Trade and other payables

a) Trade and other payables in the Group comprised:

	Group	Group
	2023	2022
	£m	£m
Current		
Trade payables	1.8	0.4
Capital works	2.1	-
Amounts due to ultimate parent	12.8	16.2
Wages and salaries	2.5	-
Contract liabilities: other deferred income	12.5	11.3
Other taxation and social security	0.3	0.2
Capital grants received in advance	1.4	-
Accruals and other payables	7.5	3.8
	<u>40.9</u>	<u>31.9</u>

Non-current

Capital grants received in advance	0.3	-
	<u>0.3</u>	<u>-</u>

Notes to the Financial Statements (continued)

20 Trade and other payables (continued)

bi Trade and other payables in the Company comprised:

	Company 2023	Company 2022
	£m	£m
Current		
Trade payables	1.8	0.4
Capital works	2.1	-
Amounts due to fellow Group undertakings	15.6	16.2
Wages and salaries	2.5	0.7
Contract liabilities: other deferred income	12.5	11.3
Other taxation and social security	0.3	0.2
Capital grants received in advance	1.4	-
Accruals and other payables	7.6	2.9
	43.8	31.7
Capital grants received in advance	0.3	-

Notes to the Financial Statements (continued)

21 Provisions

a) Group provisions

	At 1 April 2022	Payments in the year	Charge for the year	Releases in the year	At 31 March 2023
	£m	£m	£m	£m	£m
Contractual provisions	-	-	2.4	-	2.4
Severance provisions	-	-	2.0	-	2.0
	-	-	4.4	-	4.4

	2023 £m	2022 £m
Due		
Current	2.0	-
Non-current	2.4	-
At 31 March	4.4	-

b) Company provisions

	At 1 April 2022	Payments in the year	Charge for the year	Releases in the year	At 31 March 2023
	£m	£m	£m	£m	£m
Contractual provisions	-	-	2.4	-	2.4
Severance provisions	-	-	2.0	-	2.0
	-	-	4.4	-	4.4

	2023 £m	2022 £m
Due		
Current	2.0	-
Non-current	2.4	-
At 31 March	4.4	-

Notes to the Financial Statements (continued)

21 Provisions (continued)

c) Nature of provisions

Contractual provisions

The Group has provisions for expected compensation and contractual claims that arise in respect of disputes arising in the ordinary course of business. The provisions recorded as at 31 March are based on management's best estimate at the balance sheet date of the likely loss to be incurred through settlement. Reflecting the inherent uncertainty with many legal proceedings and claim settlements, the timing and amount of the outflows could differ from the amount provided. Based on current estimates management expects that these amounts, which are based on known facts and take account of past experience for similar items, will be settled within the next one to five years. Where material the provision held is discounted to its present value.

Severance and other

Severance and other provisions include voluntary severance costs arising from reorganisations and other smaller claims. Management expects these provisions to be settled within the next year.

Notes to the Financial Statements (continued)

22 Contingencies

There are a number of uncertainties surrounding projects, including claims in the course of negotiations, which may affect the Group's financial performance. Where claims are possible but not probable, or unquantifiable, such claims are treated as contingent liabilities. Contingent liabilities are not recognised in the financial statements, but are monitored to ensure that, where a possible obligation has become probable or a transfer of economic benefits has become probable, a provision is made.

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

The Company has also provided a guarantee under section 479C of the Companies Act 2006 in respect of all liabilities outstanding at 31 March 2023 of the majority of its subsidiary undertakings, in order that those subsidiaries may take advantage of the exemption from audit of their individual financial statements. Those subsidiaries for which a guarantee has been provided are as listed in note 13.

23 Financial commitments

a) Operating leases – The Group as lessor

The Group leases out commercial, retail and office property and land.

At the Statement of Financial Position date, the Group had contracted with customers for the following future minimum lease payments:

	Group 2023	Group 2022
	£m	£m
Investment properties		
Within one year	49.0	44.3
Between one and two years	42.5	38.3
Between two and five years	98.5	83.8
Later than five years	766.5	539.0
	<u>956.5</u>	<u>705.4</u>

Notes to the Financial Statements (continued)

23 Financial commitments (continued)

b. Operating leases - The Company as lessor

The Group leases out commercial, retail and office property and land.

At the Statement of Financial Position date, the Group had contracted with customers for the following future minimum lease payments:

	Company 2023	Company 2022
	£m	£m
Investment properties		
Within one year	49.0	44.3
Between one and two years	42.5	38.3
Between two and five years	98.5	83.8
Later than five years	766.5	539.0
	<u>956.5</u>	<u>705.4</u>

24 Pensions

The Group offers retirement plans to its employees.

Public Sector Section of the TfL Pension Fund

The majority of the Group's staff are members of the Public Sector Section of the TfL Pension Fund, a defined benefit scheme.

The TfL Pension Fund is a final salary scheme established under trust. The Fund's Trustee is the TfL Trustee Company Limited, a wholly owned subsidiary of TfL. Under the rules of the Fund, its 18 Trustee Directors are nominated in equal numbers by TfL and on behalf of the Fund's membership.

Every three years, the TfL Pension Fund actuary makes valuations and recommends the level of contributions to be made by the participating employers to ensure the long-term solvency of the Fund. The latest available valuation of the Fund was carried out as at 31 March 2021 by the Actuary, a partner of consulting actuaries Willis Towers Watson, using the projected unit method. A revised Schedule of Contributions was agreed between the Trustee and the employers following the formal funding valuation of the Public Sector Section.

Under the valuation report, the Fund held a surplus of £179m as at 31 March 2021. Assets totalled £13,085m and the defined benefit obligation totalled £12,906m. A revised Schedule of Contributions was agreed between the Trustee and the employers following the formal funding valuation. This set out a future service contribution rate of 27.3 per cent for the employers and five per cent for members.

The underlying assets and defined benefit obligation of the TfL Pension Fund cover a number of Group entities and cannot be readily split between each undertaking. No contractual agreement is in place to allocate the total net obligation between the member entities. Thus, in accordance with IAS 19, the Corporation, as the Scheme sponsor, has recognised the total net defined benefit obligation in its own individual accounts.

A separate valuation of the TfL Pension Fund has been prepared, by actuaries at the XPS Pensions Group, for accounting purposes on an IAS 19 basis as at 31 March 2023. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, while the present value of the schemes' defined benefit obligation is derived from cash flow projections. Due to the timescale covered, neither the assumptions nor the cash flow

Notes to the Financial Statements (continued)

projections may necessarily be borne out in practice. Management has assessed that TFL has an unconditional right to a refund of surplus assets for accounting purposes under IAS 19 assuming the gradual settlement of plan liabilities after consideration of the Trust Deed and Rules. Therefore, any net surplus is recognised in full.

The defined benefit obligation for the TFL Pension Fund has been calculated using the mortality assumptions adopted for the latest available funding valuation as at 31 March 2021. Standard mortality tables were used, adjusted to reflect the recent mortality experience of the Fund's pensioners at that date. An allowance was made for future mortality improvements based on the CMI 2021 projections with a long-term improvement rate of 1.25 per cent per annum. No weighting has been given to 2020 or 2021 mortality experience, given the exceptional impact of the coronavirus pandemic on these years.

The discounted scheme liabilities have an average duration of 16 years.

It is not possible to identify the Company's share of the underlying assets and defined benefit obligation of the Public Sector Section of the TFL Pension Fund. 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. Thus, in accordance with IAS 19, the Company accounts for contributions to the Public Sector Section as if they were contributions to a defined contribution plan. The Company's contributions to the Fund of £2.7m (2021/22 £3.2m) have been charged to the Income Statement.

Actuarial assumptions at 31 March

	2023	2022
	%	%
Inflation - RPI	3.20	3.50
Inflation - CPI	2.80	3.10
Rate of increase in salaries	2.95	3.25
Rate of increase in pension payments and deferred pensions	3.15	3.43
Discount rate	4.75	2.60

Fair value of Section assets and liabilities at 31 March

	2023	2022
	£m	£m
Equities	12,669.50	10,883.6
Bonds	1,329.20	3,198.8
Cash, property and other assets	1.30	166.4
Total market value of assets	14,000.0	14,248.8
Actuarial value of Section liabilities	(12,370.0)	(17,245.8)
Closing Section net assets	1,630.0	(2,997.0)

Notes to the Financial Statements (continued)

25 Funding and financial risk management

Introduction

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

The Group's principal financial instruments comprise trade and other receivables, trade and other payables and cash and cash equivalents. The Group finances operations from these financial instruments.

The Group does not undertake speculative treasury transactions.

Financial Risks and Risk Management

The Group is exposed to a number of financial risks in the normal course of its business operations, the key ones being:

- Credit risk
- Market risk
- Liquidity risk

Each of these risks is managed in accordance with the Group's comprehensive risk management process. The TfL Board, through its Finance Committee, approves and monitors the risk management processes, including documented treasury policies, counterparty limits, and controlling and reporting structures.

Notes to the Financial Statements (continued)

25 Funding and financial risk management (continued)

Credit risk

Credit risk is managed on a Group-wide basis. Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet contractual obligations. The following categories comprise the main credit exposures of the Group and Company.

Trade and other receivables

The Group earns the majority of its revenue through property rentals. The maximum exposure of the Group to credit risk at the reporting date is the carrying value disclosed in note 16 and 18.

A significant portion of the financial assets arising in the Company are with other Group companies. The maximum exposure of the Company to credit risk at the reporting date is the carrying value disclosed in both notes 16 and 18.

The Group outsources its rental collection activity to a fellow subsidiary undertaking of the TFL Group, which remits net cash recovered from third parties to the Group a month in arrears. Any intercompany receivable in respect of its rental activity is therefore already net of the expected credit loss provision recognised by the collection agent. As the Group acts as principal in these transactions the revenues are shown gross in these financial statements, with the cost of expected credit loss provisions and bad debt expense being included within operating expenditure.

The Group assesses the credit worthiness of all new customers, performing credit checks and obtaining additional security when required.

At each reporting date, the Group applies the IFRS 9 simplified approach to measuring expected credit losses. This approach uses a lifetime expected loss allowance for all trade receivables and contract assets. In determining the expected loss rates, trade receivables and contract assets are considered together based on shared credit risk characteristics. Historical loss rates over the short to medium term are applied to groupings of various customer segments within trade receivables and contract assets. These rates are adjusted to reflect expectations about future credit losses. There is a rebuttable presumption that default has occurred if assets are more than 90 days past due.

Despite the application of this allowance, these balances remain subject to enforcement activity and recoveries will be credited against the same line item as the expected credit loss within operating profit. On that basis, the loss allowance as at 31 March 2023 was determined as follows for both trade receivables and contract assets:

Notes to the Financial Statements (continued)

25 Funding and financial risk management (continued)

Age of trade and other receivables Group

	Not overdue £m	Overdue by less than 3 months £m	Overdue by between 3 and 6 months £m	Overdue by between 6 months and 1 year £1m	Overdue by more than 1 year £m	Total £m
At 31 March 2023						
Expected credit loss rate	0.0%	0.0%	n/a	0.0%	n/a	0.0%
Estimated total gross carrying amount at default	2.0	0.1	-	0.1	-	2.2
Expected credit loss allowance	-	-	-	-	-	-

	Not overdue £m	Overdue by less than 3 months £m	Overdue by between 3 and 6 months £m	Overdue by between 6 months and 1 year £1m	Overdue by more than 1 year £m	Total £m
At 31 March 2022						
Expected credit loss rate	0.0%	0.0%	n/a	n/a	n/a	0.0%
Estimated total gross carrying amount at default	1.0	0.1	-	-	-	1.1
Expected credit loss allowance	-	-	-	-	-	-

Notes to the Financial Statements (continued)

25 Funding and financial risk management (continued)

Age of trade and other debtors: Company

	Not overdue £m	Overdue by less than 3 months £m	Overdue by between 3 and 6 months £m	Overdue by between 6 months and 1 year £1m	Overdue by more than 1 year £m	Total £m
At 31 March 2023						
Expected credit loss rate	0.0%	0.0%	n/a	0.0%	n/a	0.0%
Estimated total gross carrying amount at default	4.2	0.1	-	0.1	-	4.4
Expected credit loss allowance	-	-	-	-	-	-
	Not overdue £m	Overdue by less than 3 months £m	Overdue by between 3 and 6 months £m	Overdue by between 6 months and 1 year £1m	Overdue by more than 1 year £m	Total £m
At 31 March 2022						
Expected credit loss rate	0.0%	n/a	n/a	n/a	n/a	n/a
Estimated total gross carrying amount at default	1.2	0.1	-	-	-	1.3
Expected credit loss allowance	-	-	-	-	-	-

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there may be no reasonable expectation of recovery include, amongst other things; failure of a debtor to engage in a repayment plan or advice from TfL's legal department.

Notes to the Financial Statements (continued)

25 Funding and financial risk management (continued)

Cash and Cash Equivalents

All cash balances are invested in accordance with TFL's Treasury Management Strategy which was developed with regard to the Treasury Management Code and the Investment Guidance, and which requires a prudent approach to the investment of surplus funds with priority given to security and liquidity.

Cash and investments are considered to have low credit risk; the counterparties are highly rated by major rating agencies, have a low risk of default and a strong capacity to meet obligations in the near term. While low risk, these remain subject to the impairment requirements of IFRS 9 at each reporting date. The identified 12 month expected loss allowance as at 31 March 2023 and 31 March 2022 was immaterial.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and inflation will affect the Group's income, expenditure or the value of its holdings of financial instruments. The Group is not directly exposed to material foreign exchange or interest rate risk.

Inflation risk

The Group has a number of exposures to inflation including staff pay and construction costs. The Group has not entered into any derivative instrument to manage its exposure to inflation risk. At present, the risk is partially offset with index linked revenues and index linked costs creating a natural hedge within the Group.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Maintaining cash reserves and access to funding sources are key to ensuring the Group has sufficient liquidity to meet its liabilities, in both normal and stressed conditions.

The Group is well capitalised, with £1.1850bn of share capital issued, and as at 31 March 2023 has net assets of £1.799bn. It currently has no external debt. Its Business Plan and latest forecasts indicate an expectation that positive net cashflows will be generated from operations over the period to March 2025.

The group has secured a revolving credit facility of £200m providing access to funds to manage forecast liquidity requirements.

Due to liquidity management and risk mitigations in place, there is no significant risk that the Company or Group will be unable to meet planned financial commitments.

Notes to the Financial Statements (continued)

25 Funding and financial risk management (continued)

Contractual maturity of financial liabilities

All of the Group and Company's financial liabilities are due within 12 months.

Fair values

In accordance with IFRS 13, the fair values of the financial assets and liabilities are calculated as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of the Group and Company's financial instruments is not materially different to their carrying value.

Capital management

As at 31 March 2023, the capital structure of the Group and Company consisted entirely of shareholder's equity. The Group has no external borrowings and no externally imposed capital requirements.

The Group does not have a credit rating, but TFL, the Company's ultimate parent has a credit rating of AA- with Fitch, A+ with S&P Global and Baa1 with Moody's

26 Called up share capital

Company and Group	2023	2022
	£m	£m
As at 1 April	1,650.0	1,500.0
Issued during the year	200.0	150.0
As at 31 March	<u>1,850.0</u>	<u>1,650.0</u>

During the year the Company issued 200 million fully paid £1 ordinary shares (2021/22 150 million fully paid £1 ordinary shares). These were issued to acquire investment properties from TFL group. These transactions have been settled through intercompany balances.

Notes to the Financial Statements (continued)

27 Equity loans

Group and Company	2023	2022
	£m	£m
As at 1 April	-	516.1
Received during the year	0.6	-
Loans written off by parent	-	(296.0)
Repayment during the year	-	(220.1)
As at 31 March	<u>0.6</u>	<u>-</u>

As at 31 March 2023, the Group and Company has received non-interest bearing "equity" loans from their parent, TTL, totaling £0.6m (2021/22: £nil). These loans are repayable on demand with a two year notice period, and as such their fair value for accounting purposes could not be estimated. They are therefore recorded in these financial statements as a form of equity funding received.

28 Related party transactions

During the year none of Group's directors, key management personnel or parties related to them, have undertaken any material transactions with the Company or its subsidiaries (2021/22 none).

The Company is a wholly owned subsidiary of TTL, which is in turn a subsidiary of TfL. TfL is a statutory corporation established by section 154 of the Greater London Authority 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* ("IAS 24") and the Company and its subsidiaries are therefore also classified as government entities 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. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. Material transactions however between the Company and its subsidiaries and other related parties are outlined below:

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

- The Group purchased property assets from fellow subsidiaries of TfL (see notes 12 and 17)
- Receipt of funding from TTL in the form of share capital (note 26)
- Receipt, forgiveness and repayments of equity loan funding from TTL (note 27)
- Payment of management fees to and from TTL and TfL for various services

Notes to the Financial Statements (continued)

29 Ultimate parent undertaking

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

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

Copies of the consolidated accounts for TfL, which consolidate this Group's results, are available on the TfL website (tfl.gov.uk).

30 Events after the reporting date

Management do not consider that there has been any post-Balance Sheet event that would require a further adjustment being made to the carrying values at 31 March 2023 as reported in these financial statements.

On 20 June 2023, the directors agreed and passed a special resolution to change the name of the company from TTL Properties Limited (TTLP) to Places for London Limited ("Places").