TTL Properties Limited

Annual Report and Financial Statements
Year ended 31 March 2022

Registered Office
5 Endeavour Square
London E20 1JN

Registered in England and Wales
Number 08961151

Contents

Directors' Report

Introduction

The directors present their annual report on the affairs of TTL Properties Limited ("the Company") and its subsidiaries ("TTLP" or "the Group") together with the audited financial statements for the year ended 31 March 2022. 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 accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Principal activity

The Group has acquired a portfolio of properties from the wider TfL Group, creating an estate of commercial, income-producing assets and development opportunities. 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. Powell	Appointed 18 May 2022, Resigned 15 September 2022
G. Craig	
L. Hampson	

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

The Group maintains directors' and officers' liability insurance.

Employee involvement and communication

Employee services are provided to TTLP by another member of the TfL Group. TTLP has no direct contracts of services with staff.

TTLP supports TfL Group in recognising the role of the workforce in enabling the business to achieve its objectives.

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 TTLP 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

TTLP 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. TTLP 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. TTLP 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 (continued)

Health, safety and environment

TTLP 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 2022 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.

TTLP 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.

Political donations

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

Directors' Report (continued)

Dividends

No dividends have been declared for the year (2020/21 £nil).

Corporate governance

TTL Properties Limited is a wholly owned subsidiary of Transport for London (TfL), which appoints all the directors of the Company. The Board of 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 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.

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(11) of the Companies Act 2006, to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' report.

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 6 September 2022 and signed on behalf of the Board by

G. Craig

Director
26 September 2022

Strategic Report

Activities and future developments

TTLP 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. The objective is to produce a growing and sustainable income stream. It does not anticipate any changes to its principal activities in the foreseeable future.

The coronavirus pandemic has had a significant impact on TTLP's finances. Income levels were reduced and cost control initiatives continued throughout 2021/22. Following reviews with the Department for Transport as part of TfL's overall finances, an agreed 20,000 home development target was agreed along with steps to ensure that TTLP has financial independence and resources. The Company has been suitably capitalised and has arranged appropriate debt facilities to support its strategic plan.

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

As the board of directors of 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

The TTLP Group, which comprises TTL Properties Limited and its subsidiaries, reports into TfL. Key policies and governance for all TTLP Group 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 2022). TTLP supports this strategy through its own growth and investment plans. New developments include the delivery of 20,000 homes, and local investment in improving public spaces and transport access where appropriate.

High standards of business conduct

Our governance and decision-making arrangements ensure we manage the business responsibly and effectively and to high standards of business conduct (see TfL's Governance Framework in TfL's Accounts for the year end 31 March 2022). This includes operating within the requirements of relevant legislation (including Local Authority legislation), as well as understanding 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 2022 concluded that TfL's governance framework was adequate for TfL's business needs and operated in an effective manner. The opinion highlights work that was in progress to address previously disclosed weaknesses in several audits of governance and financial controls relating to procurement and contract management. These issues are being addressed by the Procurement and Supply Chain team, including elements relating to TTLP.

Strategic Report (continued)

TfL has established a committee structure with delegated scrutiny of key areas of responsibility. A new Property and Land Committee was approved during the year to oversee the activities of TTLP. The committee is made up of members of the TfL Board and representation from the Mayor's 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 2022). 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.

TTLP directors, management and staff act under delegated authorities and Standing Orders established by TfL for day-to-day activities and decisions within the TfL governance framework.

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

Coronavirus

TfL priority during the coronavirus pandemic has been to follow government recommendations for action. The Board oversaw and monitored the response of the executive leadership team to the crisis, ensuring that appropriate governance and decision-making frameworks were put in place, and that key decisions were taken in a timely manner to safeguard our people and the public.

TTLP supported its tenants financially during this time with rent concessions, support and advice. Our customer base is largely SME's and it was important for us to protect those people's livelihoods to ensure viable businesses were maintained as far as possible post pandemic.

We maintained regular and open communications with our people, and like most businesses continued to balance working from home arrangements with the need for on-site activity.

Likely consequences of decisions in the long term

TfL has created a new Vision and Values that sets out ambitions for the future and outlines what is needed to achieve them. A set of five Roadmaps that chart next steps towards becoming London's strong, green heartbeat have been developed. These Roadmaps are:

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

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

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

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

(v) Our Foundation: Operational and project delivery

TTLP 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 across the portfolio at a sector level; 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. The Business Plan is forward-looking, covering a nine-year period running from 1 April 2022 to 31 March 2031

Projections have been stress tested for affordability.

Strategic Report (continued)

Interests of the Group's employees

TfL strives to create a workplace that is safe, secure and contributes to an engaged workforce.

TfL has launched a Vision and Values statement, 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.

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

We continue to work closely with our Trade Unions as required. Local, functional and company-level have recently been introduced.

As coronavirus restrictions ease, we are supporting staff who have been working remotely to come in and spend more time in the office. We are operating a hybrid working approach which offers more flexibility and means we can offer a richer, more enjoyable working experience.

Staff wellbeing remains a priority and a range of services and resources to support physical and mental health continues to be offered.

Ensuring we hear the voice of employees remains important to us. While the trade union relationships play a significant role in achieving this, staff network groups provide the chance to share ideas and to support each other in developing the equality agenda in all areas of employment.

Impact of operations on the community and the environment

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

The TfL Annual Report and Statement of Accounts for the year ending 31 March 2022 includes the required disclosures as per these regulations for the TfL Group. The relevant disclosures for TTLP are made within the Directors' Report of this Annual Report and 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

TTLP supports its customers through local engagement, including communication with representative groups, to ensure we are responding to local requirements and delivering sustainable outcomes. Support for the SME sector remains a key driver.

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

Sustainability

TTLP's approach to sustainability was pioneered in its Sustainable Development Framework (SDF), which has been piloted and now implemented across our property development portfolio. The SDF will be followed this year with the creation of the TfL Sustainable Estates Framework (SEF), which will adopt the same overarching approach but tailored to the requirements of standing assets under active management.

Strategic Report (continued)

TTLP has five overarching principles that guide TTLP's mission to build a more sustainable London:

(i) **Build a Better London** – As the stewards of London's property estate, everything we do must embody the vision for London set out by the Mayor, TfL, and the London Recovery Programme.

(ii) **Deliver Real Results** – Whether we lease, manage, or develop new assets we apply rigorous methods and commit to delivering measurable results. We endeavour to work collaboratively with our partners and supply chain to ensure our projects deliver sustainability on the ground.

(iii) **Think Long Term** – We respect our role as public stewards and act in the long-term interests of Londoners. This means ensuring our developments are designed and built to safeguard the capital's future as a sustainable, inclusive, and economically resilient city.

(iv) **Take a Holistic View** – While acknowledging the huge importance of carbon reduction, the SDF goes further, exploring a much wider definition of sustainability. Our approach is about promoting vibrant and diverse communities, developing local economies, and creating healthy places that are good for people and the planet. By bringing together these interlinked aspects of the built environment together, we hope we can create a sustainable solution that is greater than the sum of its parts.

(v) **Respond to Local Context** – Development has a significant impact on local communities. To ensure that impact is a positive one, it is important to consider local opportunities and challenges. We therefore assess the context of each site individually to address local needs and priorities. These principles are the foundation on which the SDF was built.

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 TTLP become London's leading sustainable developer, resulting in high-impact projects for the public good. In 2020, as a first time applicant we received a five-star rating from GRESB, the industry's leading international sustainability benchmark. We have gone one better in 2021 and we are now recognised as the leading diversified development company in Europe.

How we make a difference

(i) **Reducing carbon emissions** – Across our development portfolio, we are reducing our operational carbon emissions by 56 per cent compared to building regulations - and well in excess of the 35 per cent reduction required by the London Plan.

(ii) **Promoting biodiversity and greening London** – On average, our sites are delivering 590 per cent biodiversity net gain, helping to support London's urban ecosystems. Our projects seek to intensively green the urban environment, and we have achieved an average Urban Greening Factor of 0.42 across our portfolio.

(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 45 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 2,500 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.

Strategic Report (continued)

The SDF is published at https://content.tfl.gov.uk/tflsdfhandbook.pdf

Performance summary

The Group gross income generated totalled £69.1m (2020/21 £61.1m). Income continued to be impacted by Covid, as footfall and thus trade was reduced for our tenants and at our car parks. The Group's focus throughout the pandemic has been to support and retain tenants, enabling them to continue trading over the long term as far as possible. Towards the later part of the year, trade started returning to more normal levels, with new lease activity ticking up.

Costs and spend were constrained during the period.

The Group saw net revaluation gains on its investment property portfolio for the year of £89m, (2020/21 net revaluation losses of £69.4m)

The Company's parent, Transport Trading Limited, formally released TTLP's indebtedness in relation to a proportion of intercompany equity loans owed by TTLP. A related gain of £296.0m was recognised directly within reserves. Remaining equity loans held by the Group were repaid. The transactions were part of clarifying the capital structure of the Company.

Group profit after tax for the year was £115.3m (2020/21 a loss of £73.2m).

Principal risks and risk management

The Group's 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 TTLP is exposed include landlord safety compliance, managing the condition of our stock, maintaining efficiency of our cost base and financial/funding risk. All risks are recorded in a risk register. For each risk, an owner has been identified who is responsible for implementing the mitigation strategy that has been identified.

As part of its overall corporate governance brief within the TfL Group, the TfL Audit and Assurance Committee has specific responsibility for assuring the TfL Board that effective risk management arrangement 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 2022, the capital structure of the Group consists entirely of shareholder's equity. As at 31 March 2022, the Group and Company have no external borrowings and no externally imposed capital requirements. The business plan sets out investment plans for the next 10 years. These indicate a need for external finance. Plans are currently well advanced to secure initial bank funding in the Group which will be backed solely on the basis of assets and income of the Group, without recourse to TfL.

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

Approved by the Board on 6 September 2022 and signed on behalf of the Board by

G. Craig

Director
26 September 2022

Statement of Directors' Responsibilities

In Respect of the Directors' Report, the Strategic Report and the Financial Statements

The directors are responsible for preparing the Directors' report, the Strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards 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 TTL Properties Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 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 Change in Equity, Company Statement of Cash Flows, Accounting Policies and the related notes 1 to 26, 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 2022 and of the group's profit 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 to 31 March 2024.

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.

Other matter

The corresponding figures for the year ended 31 March 2021 are unaudited.

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.

Our approach was as follows:

- 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 this those charged with governance, those responsible 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 Group'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 non-compliance 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.

Ernst + Young LLP

Caroline Mulley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne
27 September 2022

Group Income Statement

Year ended 31 March	Note	**2022** £m	2021 £m
Revenue	1	**69.1**	61.1
Net operating costs		**(54.1)**	(70.6)
Operating profit/(loss)	2	**15.0**	(9.5)
Grant income	3	**-**	0.2
Other gains and losses	4	**89.0**	(69.4)
Exceptional items	5	**-**	(0.4)
Total profit/(loss) from operations		**104.0**	(79.1)
Group share of profit after tax of joint ventures	12	**7.9**	0.7
Group share of profit/(loss) after tax of associated undertakings	13	**23.9**	(3.5)
Profit/(loss) before taxation		**135.8**	(81.9)
Income tax	7	**(20.5)**	8.7
Profit/(loss) for the year attributable to owners of the Company		**115.3**	(73.2)

Group Statement of Comprehensive Income

Year ended 31 March	Note	**2022** £m	2021 £m
Profit/(loss) for the year		**115.3**	(73.2)
Other comprehensive income and expenditure		-	-
Revaluation of property, plant and equipment	9	-	1.8
Total comprehensive income and expenditure for the year attributable to owners of the Company		**115.3**	(71.4)

Group Statement of Financial Position

	Note	31 March 2022 £m	31 March 2021 £m
Non-current assets			
Intangible assets	8	**2.6**	2.6
Property, plant and equipment	9	-	26.1
Investment property	10	**1,469.4**	1,202.1
Equity accounted investment in joint ventures	12	**47.3**	41.3
Equity accounted investment in associated undertakings	13	**197.4**	166.9
		1,716.7	1,439.0
Current assets			
Assets classified as held for sale	15	**51.5**	54.8
Trade and other receivables	16	**1.2**	193.0
Cash and cash equivalents	17	**9.6**	0.5
		62.3	248.3
Current liabilities			
Trade and other payables	18	**(31.9)**	(2.9)
		(31.9)	(2.9)
Non-current liabilities			
Long-term deferred tax liabilities	7	**(17.4)**	-
		(17.4)	-
Net assets		**1,729.7**	1,684.4
Equity			
Called up share capital	22	**1,650.0**	1,500.0
Equity loans	23	-	516.1
Revaluation reserve		-	1.8
Retained reserves		**79.7**	(333.5)
Total equity attributable to owners of the Company		**1,729.7**	1,684.4

The Accounting Policies and notes on pages 21 to 65 form part of these financial statements.

These financial statements were approved by the Board on 6 September 2022 and signed on its behalf by:

G. Craig
Director
26 September 2022

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 2020		-	506.5	-	(260.3)	246.2
Loss for the year		-	-	-	(73.2)	(73.2)
Net surplus on revaluation of property, plant and equipment		-	-	1.8	-	1.8
Total comprehensive income/(expense)		-	-	1.8	(73.2)	(71.4)
Issue of share capital	22	1,500.0	-	-	-	1,500.0
New equity loans issued to parent	23	-	9.6	-	-	9.6
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	22	150.0	-	-	-	**150.0**
Equity loans written off by parent	23	-	(296.0)	-	296.0	-
Repayment of equity loans	23	-	(220.1)	-	-	(220.1)
Release of PPE revaluation reserve to retained earnings		-	-	(1.8)	1.8	-
Balance at 31 March 2022		**1,650.0**	**-**	**-**	**79.7**	**1,729.7**

Group Statement of Cash Flows

Year ended 31 March	Note	2022 £m	2021 £m
Cash flows from operating activities			
Profit/(loss) for the year		**115.3**	(73.2)
Adjustments for:			
Depreciation, impairment and amortisation of non-current assets	9	**-**	1.1
Revaluation (gain)/loss from investment property	4	**(89.0)**	69.4
Reversal of share of net (profit)/loss from associates and joint venture		**(31.8)**	2.8
Reversal of taxation credit/(charged)		**20.5**	(8.7)
Taxation (received)/paid		**(3.1)**	1.3
Cash flow from operating activities before movements in working capital		11.9	(7.3)
Decrease/(increase) in trade and other receivables		**191.8**	(191.3)
Increase/(decrease) in trade and other payables		**29.0**	(1,237.1)
Net cash generated from/(utilised in) operating activities		**232.7**	(1,435.7)
Cash flows from investing activities			
Acquisition of investment property		**(148.8)**	(64.2)
Investment in equity of joint ventures and associates		**(4.7)**	(9.2)
Net cash utilised by investing activities		**(153.5)**	(73.4)
Cash flows from financing activities			
Issuance of share capital	22	**150.0**	1,500.0
Increase in equity loans from ultimate parent		**-**	9.6
Repayment of loans from ultimate parent		**(220.1)**	-
Net cash flow (utilised in)/generated from financing activities		**(70.1)**	1,509.6
Net cash movement in the year		**9.1**	0.5
Net cash and cash equivalents at the start of the year		**0.5**	-
Net cash and cash equivalents at the end of the year	17	**9.6**	0.5

Issuance of share capital £150m (2020/21 £1,500m), and acquisition of investment properties £141.4m (2020/21 £52.3m), were settled through intercompany loan accounts.

Company Statement of Financial Position

	Note	31 March 2022 £m	31 March 2021 £m
Non-current assets			
Property, plant and equipment	9	-	26.1
Investment property	10	**1,449.4**	1,178.4
Investment in subsidiary undertakings	11	**1.1**	1.1
Equity loans to subsidiaries	14	**233.4**	220.4
		1,683.9	1,426.0
Current assets			
Assets classified as held for sale	15	**51.5**	54.8
Trade and other receivables	16	**1.3**	193.3
Cash and cash equivalents	17	**9.6**	0.5
		62.4	248.6
Current liabilities			
Trade and other payables	18	**(31.7)**	(2.9)
		(31.7)	(2.9)
Non-current liabilities			
Deferred tax	7	**(17.4)**	-
		(17.4)	-
Net assets		**1,697.2**	1,671.7
Reserves			
Share capital	22	**1,650.0**	1,500.0
Equity loans	23	-	516.1
Revaluation reserve		-	1.8
Retained reserves		**47.2**	(346.2)
Total equity attributable to owners of the Company		**1,697.2**	1,671.7

The Accounting Policies and notes on pages 21 to 65 form part of these financial statements.

TTLP 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 6 September 2022 and signed on its behalf by:

G. Craig

Director
26 September 2022

Company Registration Number 08961151

Company Statement of Changes in Equity

	Note	Share capital	Equity loans	Revaluation reserve	Retained reserves	Total
		£m	£m	£m	£m	£m
At 1 April 2020		-	-	-	31.6	31.6
Loss for the year		-	-	-	(377.8)	(377.8)
Net surplus on revaluation of property, plant and equipment		-	-	1.8	-	1.8
Total comprehensive income/(expense)		-	-	1.8	(377.8)	(376.0)
Issuance of share capital	22	1,500.0	-	-	-	1,500.0
Issuance of equity loans	23	-	516.1	-	-	516.1
Balance at 31 March 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	22	150.0	-	-	-	**150.0**
Equity loans written off by parent	23	-	(296.0)	-	296.0	-
Repayment of equity loans	23	-	(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**

Company Statement of Cash Flows

Year ended 31 March	Note	**2022**	2021
		£m	£m
Cash flows from operating activities			
Profit/(loss) for the year		**95.6**	(377.8)
Adjustments for:			
Depreciation	9		1.1
Reversal of movements in value of investment property	10	**(100.5)**	82.3
Reversal of impairment of equity loans to subsidiaries	14	**-**	296.0
Reversal of taxation charge		**20.4**	(8.7)
Taxation received		**(3.0)**	1.4
Cash flow from operating activities before movements in working capital		**12.5**	(5.7)
Increase in trade and other receivables		**192.0**	(191.6)
Decrease in trade and other payables		**28.8**	(1,237.6)
Net cash generated from/(utilised by) operating activities		**233.3**	(1,434.9)
Cash flows from investing activities			
Acquisition of investment properties		**(141.1)**	(64.3)
Increase in loans to subsidiaries		**(13.0)**	(516.4)
Net cash utilised by investing activities		**(154.1)**	(580.7)
Cash flows from financing activities			
Issue of share capital		**150.0**	1,500.0
(Repayment)/drawdown of loans from parent undertakings		**(220.1)**	516.1
Net cash flow generated from financing activities		**(70.1)**	2,016.1
Net cash movement in the year		**9.1**	0.5
Net cash and cash equivalents at the start of the year		**0.5**	-
Net cash and cash equivalents at the end of the year	17	**9.6**	0.5

Issuance of share capital £150m (2020/21 £1,500m), and acquisition of investment properties £133.6m (2020/21 £52.3m), were settled through intercompany loan accounts.

Accounting Policies

a) Reporting entity

TTL Properties Limited ("TTLP" 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 2022 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 IFRS in accordance 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 International Accounting Standards 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 TfL is a lessor there is significant judgement involved in respect of whether the arrangement is finance or an operating lease.

Accounting Policies (continued)

Leases

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.

Capitalisation of assets with third party interest

In assessing situations where TTLP assets are constructed on, or have significant involvement with, external third parties, judgment is exercised in determining whether substantially all the risks and rewards of ownership of the asset are held by the Group or Company.

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.

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 2022, management were required to make estimates regarding future losses in the face of significant macro-economic uncertainty arising as a result of the coronavirus pandemic. Given the unprecedented nature of these events, 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 £nil). If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by £nil (2021 £7.1m).

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 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

Accounting Policies (continued)

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.

Valuation of peppercorn leases

The Group has a number of leases over property under which it pays £nil or peppercorn rents. It has undertaken an exercise to assess the fair value of the assets leased under these arrangements and has concluded that they have no material value. No amounts have therefore been recorded in these financial statements in respect of these leases.

e) New standards and interpretations adopted for the first time in these financial statements

Standards and interpretations issued by the International Accounting Standards Board ("IASB") are only applicable if 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:

- **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 2022.

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:

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

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

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

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

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

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

Accounting Policies (continued)

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

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

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

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

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

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

  (i) **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.

  An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

  (ii) **Fees in the '10 per cent' test for derecognition of financial liabilities under IFRS 9**. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- **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.

Accounting Policies (continued)

- **Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements** (effective for annual periods beginning on or after 1 January 2023) - The amendments aim to make accounting policy disclosures more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and by adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

- **Amendment to IAS 12 on Deferred Tax related to Assets and Liabilities arising from a Single Transaction** (effective for annual periods beginning on or after 1 January 2023) - The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense).

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 TTLP Group is well capitalised, with £1.65bn of share capital in issue, and as at 31 March 2022 has net assets of £1.73bn. It has no external debt as at the end of the financial year. Its Business Plan and latest forecasts indicate an expectation that positive net cashflows will be generated from operations over the period to 31 March 2024. In addition, since the year end, TTLP has secured a revolving credit facility amounting to £200m which gives it secure access to funds to manage any short-term liquidity challenges. On this basis, the directors believe it remains appropriate to prepare the Financial Statements on a going concern basis.

h) Revenue recognition

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

Rental income

Rental income from operating leases of properties, ATMs and car parks 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.

As a result of the pandemic, there have been instances where credit notes have been issued to tenants after the invoice has been issued. In such instances, it is our accounting policy to account for the rent forgiveness as a loss (that is, not a reduction in lease income) in the income statement, with a corresponding reduction to the lease receivable in the period in which the reduction is contractually agreed.

i) Exceptional items

Exceptional costs are costs that are unusual, infrequent and which do not occur in the normal course of operations. An unusual event or transaction has a high degree of abnormality and is clearly unrelated to (or only incidentally related to) the ordinary activities of the organisation, taking into account the operating environment. Infrequent refers to events and transactions that would not reasonably be expected to recur in the foreseeable future, taking into account the operating environment.

The significant costs incurred in relation to the coronavirus pandemic, such as costs incurred in bringing construction projects to a safe stop, have been considered exceptional items. These costs have been identified separately on the face of the Income Statement

Accounting Policies (continued)

j) Leases (the Group as lessee)

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.

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.

Lease income in respect of property leases has been adversely impacted by the coronavirus pandemic. Bespoke support has been 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 will be 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.

l) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Income Statement except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable 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.

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.

Accounting Policies (continued)

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) 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, use in the supply of services or for administrative purposes.

Investment property is measured initially at cost, including transaction costs. 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.

o) Investment in subsidiaries

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

Accounting Policies (continued)

p) 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.

q) Investment in associates

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.

r) 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.

s) 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.

t) 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.

u) 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.

Accounting Policies (continued)

v) 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.

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

Accounting Policies (continued)

- 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.

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.

Accounting Policies (continued)

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.

w) 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

Year ended 31 March	**2022**	***% of***	2021	*% of*
	£m	***total***	£m	*total*
Rents receivable	**58.3**	***84.4***	56.2	*92.0*
Car parking income	**9.1**	***13.2***	2.8	*4.6*
Other	**1.7**	***2.5***	2.1	*3.4*
	69.1	**100.1**	61.1	100.0

2 Group operating profit/(loss)

Year ended 31 March		**2022**	2021
	Note	**£m**	£m
The operating profit/(loss) is stated after charging:			
Capital items			
Depreciation of property, plant and equipment	9	**-**	1.1

Employee services

Employee services were provided by the Company's ultimate parent, Transport for London. Costs of £16.4m (2020/21 £17.4m) were recharged to the Group in respect of these services.

Auditor's remuneration

Audit fees for the year are £50,000 (2020/21 £nil). There are no fees for non-audit services. 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.

Notes to the Financial Statements (continued)

3 Group grant income

Year ended 31 March	**2022**	2021
	£m	£m
Other revenue grant	-	0.2
	-	0.2

4 Group other gains and losses

Year ended 31 March	**2022**	2021
	£m	£m
Net gain/(loss) on fair value of investment properties	**89.0**	(69.4)
	89.0	(69.4)

5 Exceptional items

Year ended 31 March	**2022**	2021
	£m	£m
Exceptional costs relating to the coronavirus pandemic	-	0.4

Exceptional costs included in the table above comprise costs relating to the safe stop of capital projects during the lockdown phase of the pandemic.

Notes to the Financial Statements (continued)

6 Directors' emoluments

	Number	Number
Number of directors who were remunerated by the Group during the year:	-	-
The Group made contributions to a defined contribution scheme on behalf of the following number of directors	-	-
Number of directors who were members of a defined benefit scheme	-	-

The directors received no emoluments or benefits from the Company

Directors' emoluments and benefits were borne by Transport for London for three directors (2020/21 one).

Total remuneration paid to directors of TTL Properties Limited by Transport for London was £770,928 (2020/21 £614,515).

The proportion of cost recharged to TTL Properties Limited, based on time spent, was £451,730 (2020/21 £363,337).

Notes to the Financial Statements (continued)

7 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 credit for the year, based on the rate of corporation tax of 19 per cent (2020/21 19 per cent) comprised:

	Group	Group
Year ended 31 March	**2022**	2021
	£m	£m
Current tax		
UK corporation tax	**3.0**	(1.3)
Prior period adjustment	**0.1**	-
Total current tax charge/(credit) for the year	**3.1**	(1.3)
Deferred tax		
Deferred tax - current year	**17.4**	(7.4)
Total tax charge/(credit) for the year	**20.5**	(8.7)

Reconciliation of tax charge/(credit)

	Group	Group
Year ended 31 March	**2022**	2021
	£m	£m
Profit/(loss) before tax	**135.8**	(80.1)
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 19% (2020/21 19%)	**25.8**	(15.2)
Effects of:		
Non-taxable and non-deductible items	**(3.7)**	(2.0)
Amount charged to current tax for which no deferred tax was recognised	**(1.7)**	8.5
Prior period adjustment	**0.1**	-
Total tax charge/(credit) for the year	**20.5**	(8.7)

b) Unrecognised deferred tax assets - Group

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

	Group	Group	Group
Year ended 31 March	**2022**	2021	2020
	£m	£m	£m
Deductible temporary differences	**-**	7.1	-

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)

7 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
For the year ended 31 March 2022	£m	£m	£m
Deferred tax assets			
Investment property	4.9	(4.9)	-
Property, plant and equipment	-	-	-
	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)**
For the year ended 31 March 2021			
Deferred tax assets			
Investment property	-	4.9	4.9
	-	4.9	4.9
Deferred tax liabilities			
Property, plant and equipment	(4.1)	(0.8)	(4.9)
Investment properties	(3.3)	3.3	-
	(7.4)	2.5	(4.9)
Net deferred tax liability	(7.4)	7.4	-

Notes to the Financial Statements (continued)

7 Taxation (continued)

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

- An increase in the UK Corporation Tax rate to 25 per cent, with effect from 1 April 2023, was substantively enacted in the period. As the deferred tax balances are not expected to be settled until after 1 April 2023, they have been calculated at a rate of 25 per cent (2020/21 19 per cent). This change in tax rate has led to an increase in all deferred tax assets and liabilities.
- The deferred tax liability arising on investment properties, including those held as available for sale, has increased due to revaluation movements in the year. Due to the level of deferred tax liability arising on investment properties and the nature of the Group's deferred tax assets it is not considered that sufficient deferred tax assets will be available to offset the deferred tax liability in full.
- 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:

	2022	2021	2020
	£m	£m	£m
Deductible temporary differences	-	7.1	-
Deferred tax asset	-	7.1	-

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
For the year ended 31 March 2022	£m	£m	£m
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)

For the year ended 31 March 2021			
Deferred tax assets			
Investment property	-	4.9	4.9
	-	4.9	4.9
Deferred tax liabilities			
Property, plant and equipment	(4.1)	(0.8)	(4.9)
Investment properties	(3.3)	3.3	-
	(7.4)	2.5	(4.9)
Net deferred tax liability	(7.4)	7.4	-

UK Corporation Tax is calculated at a rate of 19 per cent (2020/21 19 per cent). In the Spring Budget 2021, it was announced that the main rate of Corporation Tax will increase to 25 per cent with effect from 1 April 2023, this amendment was substantively enacted in May 2021. As the Company's deferred tax balances are not expected to be settled until after 1 April 2023, deferred tax balances at 31 March 2022 have been calculated at a rate of 25 per cent.

Notes to the Financial Statements (continued)

8 Intangible assets

Group intangible assets

	Goodwill	Total
Cost or valuation	£m	£m
At 31 March 2021	2.6	2.6
At 31 March 2022	**2.6**	**2.6**

9 Property, plant and equipment

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

		Infrastructure and office buildings	Assets under construction	Total
		£m	£m	£m
Cost or valuation				
At 1 April 2021		23.7	3.6	27.3
Transfers to investment properties	10	(23.7)	(3.6)	(27.3)
At 31 March 2022		-	-	-
Depreciation				
At 1 April 2021		1.2	-	1.2
Transfers to investment properties	10	(1.2)	-	(1.2)
At 31 March 2022		-	-	-
Net book value at 31 March 2022		-	-	-
Net book value at 31 March 2021		22.5	3.6	26.1

Notes to the Financial Statements (continued)

9 Property, plant and equipment (continued)

b) Group property, plant and equipment at 31 March 2021 comprised the following elements:

	Note	Land and office buildings £m	Assets under construction £m	Total £m
Cost or valuation				
At 1 April 2020		22.9	0.2	23.1
Additions		-	3.4	3.4
Revaluation		0.8	-	0.8
At 31 March 2021		23.7	3.6	27.3
Depreciation				
At 1 April 2020		1.1	-	1.1
Charge for the year	2	1.1	-	1.1
Revaluation		(1.0)	-	(1.0)
At 31 March 2021		1.2	-	1.2
Net book value at 31 March 2021		**22.5**	**3.6**	**26.1**
Net book value at 31 March 2020		21.8	0.2	22.0

Notes to the Financial Statements (continued)

9 Property, plant and equipment (continued)

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

		Infrastructure and office buildings	Assets under construction	Total
		£m	£m	£m
Cost or valuation				
At 1 April 2021		23.7	3.6	27.3
Transfers to investment properties	10	(23.7)	(3.6)	(27.3)
Depreciation				
At 1 April 2021		1.2	-	1.2
Transfers to investment properties	10	(1.2)	-	(1.2)
Net book value at 31 March 2022		-	-	-
Net book value at 31 March 2021		22.5	3.6	26.1

f) Company property, plant and equipment at 31 March 2021 comprised the following elements:

	Land and office buildings	Assets under construction	Total
	£m	£m	£m
Cost or valuation			
At 1 April 2020	22.9	0.2	23.1
Additions	-	3.4	3.4
Revaluation	0.8	-	0.8
At 31 March 2021	23.7	3.6	27.3
Depreciation			
At 1 April 2020	1.1	-	1.1
Charge for the year	1.1	-	1.1
Revaluation	(1.0)	-	(1.0)
At 31 March 2021	1.2	-	1.2
Net book value at 31 March 2021	22.5	3.6	26.1
Net book value at 31 March 2020	21.8	0.2	22.0

Notes to the Financial Statements (continued)

10 Investment properties

a) Movements in investment properties in the Group comprised:

	Note	Group £m
Valuation		
At 1 April 2020		1,189.6
Additions		2.0
Transfers from fellow subsidiary undertakings of the TfL Group		52.3
Transfers from assets held for sale	15	18.4
Revaluation	4	(60.2)
At 31 March 2021		1,202.1
Additions		6.2
Transfers from fellow subsidiary undertakings of the TfL Group		141.4
Transfer from property, plant and equipment	9	26.1
Transfer from assets held for sale	15	5.4
Revaluation	4	88.2
At 31 March 2022		**1,469.4**

The fair value of the Group'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 (2020/21 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 2022, a total net revaluation loss of £89m (including movements on investment properties held for sale) was recognised within other gains and losses in the Income Statement (2020/21 a net loss of £69.4m).

Rental income earned in relation to investment properties is disclosed in note 1. Operating expenditure for the year in respect of investment properties totalled £39.8m for the Group (2020/21 £55.7m).

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
- 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.

10. Investment properties (continued)

Information about fair value measurements for the TTLP Group using unobservable inputs (level 3) for the year ended 31 March 2022

		Estimated value £m	% change from baseline	Estimated value £m	% change from baseline	Estimated value £m	% change from baseline	Estimated value £m	% change from baseline	Estimated value £m	% change from baseline
		Yield shift (0.5)%	Yield shift (0.5)%	Yield shift (0.25)%	Yield shift (0.25)%	Yield shift 0.0%	Yield shift 0.0%	Yield shift 0.25%	Yield shift 0.25%	Yield shift 0.5%	Yield shift 0.5%
Estimated rental value	(10)%	1,437.7	(2.16)%	1,453.8	(1.06)%	1,367.4	(6.94)%	1,340.8	(8.75)%	1,255.2	(14.58)%
	(5)%	1,495.7	1.79%	1,430.2	(2.67)%	1,418.6	(3.46)%	1,394.5	(5.10)%	1,304.2	(11.24)%
	0%	1,553.6	5.73%	1,485.0	1.06%	1,469.4	0.00%	1,448.4	(1.43)%	1,353.8	(7.87)%
	5%	1,611.3	9.66%	1,539.8	4.79%	1,520.4	3.47%	1,501.9	2.21%	1,402.8	(4.53)%
	10%	1,669.1	13.59%	1,594.6	8.52%	1,571.4	6.94%	1,555.5	5.86%	1,452.2	(1.17)%

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)

10 Investment properties (continued)

b) Movements in investment properties in the Company comprised:

	Company
	£m
Valuation	
At 1 April 2020	1,178.8
Additions	2.0
Transfer from fellow subsidiary undertakings of the TfL Group	52.3
Transfer from assets held for sale	18.4
Revaluation	(73.1)
At 31 March 2021	1,178.4
Additions	6.2
Transfer from fellow subsidiary undertakings of the TfL Group	133.6
Transfer 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**

c) Capital commitments – Group & Company

At 31 March 2022, the Group and Company had capital commitments which are contracted for but not provided for in the financial statements amounting to £1.1m (2020/21 £1.4m).

11 Investment in subsidiary undertakings

	Company	Company
	2022	2021
	£m	£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 FCHB 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 *	Dormant company	100%	12372143

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.

* All outstanding liabilities of these undertakings as at 31 March 2022 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 2022 were therefore entitled to exemption from audit under s.479A of the Companies Act 2006.

Notes to the Financial Statements (continued)

12 Interest in joint ventures

Connected Living London (BTR) Limited

In 2019/20, the Group via its subsidiary, TTL Build to Rent Limited, acquired 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 registered office address of CLL is Citygate, St James Boulevard, Newcastle Upon Tyne, Tyne & Wear, United Kingdom, NE1 4JE.

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.

During the 2021/22 the Group invested a further £2.8m in the equity of CLL (31 March 2021 £1.6m). 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 2022 £m	Group 2021 £m
Cash	**4.5**	3.2
Other current assets	-	0.2
Current assets	**4.5**	3.4
Investment property under construction	**17.9**	15.5
Non-current assets	**17.9**	15.5
Creditors	**(2.9)**	(1.8)
Current liabilities	**(2.9)**	(1.8)
Non-current liabilities	-	-
Total net assets	**19.5**	17.1

Notes to the Financial Statements (continued)

12 Interest in joint ventures (continued)

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

	Group 2022 £m	Group 2021 £m
Net assets at 100%	**19.5**	17.1
Percentage held by the TTL Group	**49%**	49%
Carrying amount of the Group's equity interest in CLL	**9.6**	8.4

Group share of comprehensive income and expenditure of CLL

	Group 2022 £m	Group 2021 £m
Group share of loss from continuing operations	**(1.7)**	(0.4)
Group share of other comprehensive income	**-**	-
Total Group share of comprehensive income and expenditure for the year	**(1.7)**	(0.4)

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. 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.

During 2021/22 the Group had no additional investment in the equity of KP LLP (2020/21 £3.6m). 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)

12 Investment in joint ventures (continued)

Balance sheet of Kidbrooke Partnership LLP at the 100% level

	Group	Group
	2022	2021
	£m	£m
Cash	**8.9**	2.3
Other short term assets	**31.0**	36.6
Current assets	**39.9**	38.9
Other creditors	**(2.5)**	(1.3)
Current liabilities	**(2.5)**	(1.3)
Total net assets	**37.4**	37.6

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

	Group	Group
	2022	2021
	£m	£m
Net assets at 100%	**37.4**	37.6
Percentage held by the TfL Group	**49%**	49%
Carrying amount of the Group's equity interest in Kidbrooke Properties LLP	**18.3**	18.4

Group share of comprehensive income and expenditure of Kidbrooke Properties LLP

	Group	Group
	2022	2021
	£m	£m
Group share of loss from continuing operations	**(0.1)**	-
	(0.1)	-

c) Blackhorse Road Properties LLP

In 2019/20 the Group acquired a 49 per cent holding in the members' interest of Blackhorse Road Properties LLP (BRP LLP), a newly created property development partnership, for a cash consideration of £11.3m. The investment was purchased through a newly incorporated subsidiary of the Group, TTL Blackhorse Road Properties Limited. 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 2019/20, 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)

12 Investment in joint ventures (continued)

Balance sheet of BRP LLP at the 100% level

	Group 2022 £m	Group 2021 £m
Cash	**21.3**	9.4
Other short term assets	**21.5**	28.8
Current assets	**42.8**	38.2
Other creditors	**(8.2)**	(8.7)
Current liabilities	**(8.2)**	(8.7)
Total net assets	**34.6**	29.5

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

	Group 2022 £m	Group 2021 £m
Net assets at 100%	**34.6**	29.5
Percentage held by the TfL Group	**49%**	49%
Carrying amount of the Group's equity interest in BRP LLP	**17.0**	14.5

Group share of comprehensive income and expenditure of BRP LLP

	Group 2022 £m	Group 2021 £m
Group share of profit from continuing operations	**7.3**	1.1
Group share of other comprehensive income	**-**	-
Total Group share of comprehensive income and expenditure for the year	**7.3**	1.1

d) Landmark Court Partnership Limited

In 2021/22 the Group acquired a 49 per cent holding in the members' interest of Landmark Court Partnership Limited (LCP Limited), a newly created property development partnership, for a cash consideration of £1. The investment was purchased through a newly incorporated subsidiary of the Group, TTL Landmark Court Properties Limited. 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)

12 Investment in joint ventures (continued)

Balance sheet of LCP at the 100% level

	Group 2022 £m	Group 2021 £m
Cash	**1.3**	-
Other current assets	**46.5**	-
Current assets	**47.8**	-
Other current liabilities	**(38.2)**	-
Current liabilities	**(38.2)**	-
Total net assets	**9.6**	-

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

	Group 2022 £m	Group 2021 £m
Net assets at 100%	**9.6**	-
Percentage held by the TfL Group	**49%**	n/a
TfL Group share of net assets	**4.7**	-
Adjustment for distribution of land receipt*	**(2.3)**	-
Carrying amount of the Group's equity interest in LCP	**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 2022 £m	Group 2021 £m
Group share of profit from continuing operations adjusted for distribution of land receipts	**2.4**	-
Group share of other comprehensive income	**-**	-
Total Group share of comprehensive income and expenditure for the year	**2.4**	-

Notes to the Financial Statements (continued)

13 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 2022 the Group had invested £44.4m (2021 £44.4m) in share capital and a further £423m (2021 £416.2m) in loan notes.

The financial year end of ECPL is 31 December. For the purposes of applying the equity method of accounting, the financial statements of ECPL for the year ended 31 December have been used. There were no material movements in net income/expenditure or in the net assets of ECPL between 31 December 2021 and 31 March 2022.

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 December

	Group 2022 £m	Group 2021 £m
Cash	**6.4**	5.7
Other short term assets	**1.7**	1.2
Current assets	**8.1**	6.9
Investment properties	**596.0**	516.2
Non-current assets	**596.0**	516.2
Other creditors	**(1.7)**	(1.8)
Current liabilities	**(1.7)**	(1.8)
Non-current liabilities	**(74.7)**	(73.4)
Total net assets	**527.7**	447.9

Non-current liabilities represent third-party borrowings.

Notes to the Financial Statements (continued)

13. Investment in associated undertakings (continued)

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

	Group 2022 £m	Group 2021 £m
Net assets at 100% at 31 December	**527.7**	447.9
Percentage held by the TfL Group	**37%**	37%
TfL Group share of net assets	**195.2**	165.7
Investment in equity loan notes between 31 December and 31 March	**2.2**	1.2
Carrying amount of the Group's equity interest in Earls Court Partnership Limited at 31 March	**197.4**	166.9

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

	Group 2022 £m	Group 2021 £m
Group share of profit/(loss) from continuing operations	**23.9**	(3.5)
Total Group share of comprehensive income and expenditure for the year	**23.9**	(3.5)

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

14 Equity loans to subsidiaries

	Company 2022	Company 2021	Company 2020
Non-current	**£m**	£m	£m
Equity loans to subsidiary companies	**233.4**	220.4	-

	Company 2022 £m	Company 2021 £m	Company 2020 £m
Balance at 1 April	516.4	-	-
New loans issued	13.0	516.4	-
	529.4	516.4	-
Less provisions for impairment:			
Balance at 1 April	(296.0)	-	-
Impairment	-	(296.0)	-
As at 31 March	**(296.0)**	(296.0)	-
Net book value at 31 March	**233.4**	220.4	-

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

Notes to the Financial Statements (continued)

15 Assets classified as held for sale

a) Assets held for sale: Group

	Note	**Group 2022 £m**	Group 2021 £m
Balance outstanding at start of year		**54.8**	75.9
Acquisition of assets held for sale			
Investment properties		**1.3**	6.5
Revaluation gain/(loss):		**-**	
Investment properties		**0.8**	(9.2)
Transfers:		**-**	
To investment properties		**(5.4)**	(18.4)
Balance outstanding at end of year		**51.5**	54.8

b) Assets held for sale: Company

	Note	**Company 2022 £m**	Company 2021 £m
Balance outstanding at start of year		**54.8**	75.9
Acquisition of assets classified as held for sale:			
Investment properties		**1.3**	6.5
Revaluation gain/(loss):			
Investment properties		**0.8**	(9.2)
Transfers:			
Investment properties	10	**(5.4)**	(18.4)
Balance outstanding at end of year		**51.5**	54.8

As at 31 March 2022, 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)

16 Trade and other receivables

a) Trade and other receivables in the Group comprised:

	Group	Group
	2022	2021
Current	**£m**	£m
Trade receivables	**0.2**	0.2
Amounts due from fellow TfL Group undertakings	-	192.4
Other tax and social security	-	0.1
Contract assets: accrued income	**0.9**	0.3
	1.1	193.0
Non-current		

Trade receivables are non-interest bearing and are generally paid within 28 days. In 2022, £nil (2021 £nil) was recognised as provision for expected credit losses on trade receivables and contract assets (see note 21). The significant majority of the Group's receivables are due from other members of the TfL Group.

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	Company
	2022	2021
Current	**£m**	£m
Trade receivables	**0.2**	0.1
Amounts due from fellow TfL Group undertakings	**0.2**	192.8
Other tax and social security	-	0.1
Contract assets: accrued income	**0.9**	0.3
	1.3	193.3
Non-current		

Trade receivables are non-interest bearing and are generally received within 28 days. In 2022, £nil (2021 £nil) was recognised as provision for expected credit losses on trade receivables and contract assets (see note 21).

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)

17 Cash and cash equivalents

a) Cash balances in the Group comprised:

	Group	Group
	2022	2021
	£m	£m
Cash at bank	**9.6**	0.5
	9.6	0.5

b) Cash balances in the Company comprised:

	Company	Company
	2022	2021
	£m	£m
Cash at bank	**9.6**	0.5
	9.6	0.5

18 Trade and other payables

a) Trade and other payables in the Group comprised:

	Group	Group
	2022	2021
Current	**£m**	£m
Trade payables	**0.4**	0.4
Amounts due to ultimate parent	**16.2**	-
Contract liabilities: other deferred income	**11.3**	-
Other taxation and social security	**0.2**	0.2
Accruals and other payables	**3.8**	2.3
	31.9	2.9

Notes to the Financial Statements (continued)

18 Trade and other payables (continued)

b) Trade and other payables in the Company comprised:

	Company	Company
	2022	2021
Current	**£m**	£m
Trade payables	**0.4**	0.4
Amounts due to fellow Group undertakings	**16.2**	-
Wages and salaries	**0.7**	1.8
Contract liabilities: other deferred income	**11.3**	-
Other taxation and social security	**0.2**	0.2
Accruals and other payables	**2.9**	0.5
	31.7	2.9

Notes to the Financial Statements (continued)

19 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 2022 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 11.

20 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 2022	Group 2021
Investment properties	**£m**	£m
Within one year	**44.3**	45.4
Between one and two years	**38.3**	40.9
Between two and five years	**83.8**	85.1
Later than five years	**539.0**	539.4
	705.4	710.8

Notes to the Financial Statements (continued)

20 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 2022	Company 2021
Investment properties	**£m**	£m
Within one year	**44.3**	45.4
Between one and two years	**38.3**	40.9
Between two and five years	**83.8**	85.1
Later than five years	**539.0**	539.4
	705.4	710.8

21 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)

21 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 14 and 16.

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 14 and 16.

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 TTLP 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 2022 was determined as follows for both trade receivables and contract assets:

Notes to the Financial Statements (continued)

21 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 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	-	-	-	-	-	-

	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 2021						
Expected credit loss rate	0.0%	n/a	n/a	n/a	n/a	n/a
Estimated total gross carrying amount at default	193.0	-	-	-	-	193.0
Expected credit loss allowance	-	-	-	-	-	-

Notes to the Financial Statements (continued)

21 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 2022						
Expected credit loss rate	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Estimated total gross carrying amount at default	**1.2**	**0.1**	-	-	-	**1.3**

	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 2021						
Expected credit loss rate	0.0%	n/a	n/a	n/a	n/a	n/a
Estimated total gross carrying amount at default	193.3	-	-	-	-	-
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)

21 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 2022 and 31 March 2021 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 TTLP Group is well capitalised, with £1.65bn of share capital issued, and as at 31 March 2022 has net assets of £1.73bn. 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 2024.

Since the year end, TTLP 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)

21 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 2022, 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 A+ with Fitch, A+ with Standard & Poor's and A3 with Moody's.

22 Called up share capital

Company and Group	**2022**	2021	2020
	£m	£m	£m
As at 1 April	**1,500.0**	-	-
Issued during the year	**150.0**	1,500.0	-
As at 31 March	**1,650.0**	1,500.0	-

During the year the Company issued 150 million fully paid £1 ordinary shares (2020/21 1,500 million fully paid £1 ordinary shares). These were settled for consideration of £150m of cash.

Notes to the Financial Statements (continued)

23 Equity loans

Group and Company	2022	2021	2020
	£m	£m	£m
As at 1 April	**516.1**	506.5	-
Issued during the year	-	9.6	506.5
Loans written off by parent	**(296.0)**	-	-
Repayment during the year	**(220.1)**	-	-
As at 31 March	**-**	516.1	506.5

As at 1 April 2021, the Group and Company had in issue non-interest bearing "equity" loans from their parent, TTL, totalling £516.1m. These loans were repayable on demand with a two year notice period, and as such their fair value for accounting purposes could not be estimated. They were therefore recorded in these financial statements as a form of equity funding received. Of amounts outstanding at 1 April £296.0m was formally released by TTL during the year, and a corresponding gain has been recognised directly within reserves. The remaining balance was settled by the Company.

24 Related party transactions

During the year none of TTLP's directors, key management personnel or parties related to them, have undertaken any material transactions with the Company or its subsidiaries (2020/21 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 10 and 15)
- Receipt of funding from TTL in the form of share capital (note 22)
- Receipt, forgiveness and repayments of equity loan funding from TTL (note 23)
- Payment of management fees to and from TTL and TfL for various services

Notes to the Financial Statements (continued)

25 Ultimate parent undertaking

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

Copies of the consolidated accounts for TfL, which consolidate this Group's results, are available from 5 Endeavour Square, London, E20 1JN.

26 Events after the reporting date

In June 2022, the Group secured a revolving credit facility of £200m which gives it secure access to funds to manage any short-term liquidity challenges.