

# **TTL Properties Limited**

## **TREASURY MANAGEMENT POLICIES**

### **1 BACKGROUND**

- 1.1 This document sets out TTL Properties Limited policies and practices, authorities and delegations of its treasury management activities which apply to TTL Properties Limited and its subsidiaries (TTLP).
- 1.2 Transport for London (TfL) will provide borrowing, investment, liquidity and banking services to TTLP in line with the policies set out in this document.
- 1.3 This document is an appendix to the main TfL Treasury Management Policies. TTLP is subject to the same policies and practices as they apply to TfL and all its subsidiaries save where specified otherwise in this Appendix.

### **2 LIQUIDITY**

- 2.1 TTLP will produce each period a cash flow forecast that will show liquidity demand each period over the next 18 months. TTLP will ensure that it can meet short-term and long-term liquidity requirements through a combination of its existing cash balances, operating cashflows, undrawn committed facilities and planned asset disposals.
- 2.2 For prudent financial management purposes, TTLP will aim to maintain a minimum level of cash reserves of £10m. Cash reserves include cash and short-term investments.
- 2.3 Actual cash balances fluctuate on a daily basis and could temporarily fall below the minimum requirement. In this event, an assessment will be made as to whether any action is required by the Director of Corporate Finance and/or the Group Treasurer to address such temporary fluctuations, taking into account any undrawn credit facilities and forecast cash movements.
- 2.4 The statutory and managing Chief Finance Officers<sup>1</sup> will be notified of any expected material liquidity issues.

### **3 BORROWING**

- 3.1 Subject to and in accordance with paragraph 3.3 and/or 3.4 TTLP can enter into borrowing facilities and drawdown borrowings provided this is without recourse to TfL.
- 3.2 Subject to and in accordance with paragraph 3.3 and/or 3.4 TTLP can enter into short term loan arrangements with TfL Group entities for working capital purposes.

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<sup>1</sup> References to statutory Chief Finance Officer in this document mean the Chief Finance Officer under sections 114 and 115 of the Local Government and Finance Act 1988 and section 127 of the Greater London Authority Act 1999. References to managing Chief Finance Officer mean the managing Chief Finance Officer.

- 3.3 The managing Chief Finance Officer is authorised to approve, notwithstanding the value of the borrowing, any new borrowings (subject to this falling within TfL's Authorised Limit). The Director and Chief Executive TTLP or the Chief Finance Officer TTLP or Director of Corporate Finance is authorised to approve, notwithstanding the value of the borrowing, any new borrowings (subject to this falling within TfL's Authorised Limit) for a tenor of not more than 12 months.
- 3.4 The Director and Chief Executive TTLP, Chief Finance Officer TTLP, Director of Corporate Finance and Group Treasurer are authorised to approve and enter into any required agreements or other documentation in relation to the implementation of permitted borrowing.
- 3.5 Authorised Treasury officers may execute drawdowns under existing debt facilities.
- 3.6 Subject to and in accordance with paragraph 3.3 and/or 3.4 the Director and Chief Executive TTLP, Chief Finance Officer TTLP or the Director of Corporate Finance are authorised to approve the pre-payment, refinancing re-purchase or redeeming of existing loans, leases, debt securities or any other debt instruments.
- 3.7 TTLP may not, without the written consent of the managing or statutory Chief Finance Officer or Director of Corporate Finance or Group Treasurer and in accordance with paragraph 6.6, enter into any financial guarantee, that may have the commercial effect of a borrowing or be otherwise classified as borrowings or debt liabilities including any performance bond, letter of credit or any other product or instrument.

## **4 INVESTMENTS**

- 4.1 Surplus cash will be invested in accordance with the TfL Treasury Management Strategy, TfL Treasury Management Policies and TTLP Treasury Management Strategy.

## **5 BANKING**

- 5.1 The Director of Corporate Finance or the Group Treasurer shall as and when necessary be authorised to:
- (a) supply to financial institutions, lists of officials authorised to sign in respect of each and any account(s) of TTLP with specimen signatures;
  - (b) open further accounts for and on behalf of TTLP and supply to the financial institutions, details of the signatories together with specimen signatures in respect of such account(s);
  - (c) notify the financial institutions of any restrictions on the operation of any such accounts; and
  - (d) agree on behalf of TTLP the terms of any facility or service provided by the financial institutions including but not limited to general banking services, bonds, guarantees and credit limits.
- 5.2 The financial institutions shall be entitled to rely on any such details or notifications supplied by the Director of Corporate Finance, Group Treasurer or any Treasury

officer confirmed in writing as having the same authority as the Director of Corporate Finance or the Group Treasurer.

## **6 RESPONSIBLE OFFICERS**

- 6.1 The TTLP Treasury Management Policies will apply to TTLP. The TTLP Treasury Management Policies will be implemented, operated and administered through the Treasury team within the Corporate Finance Directorate of TfL, in collaboration with the TTLP Finance team.
- 6.2 The Chief Finance Officer TTLP is responsible for advising the Finance Committee on investments, borrowing, derivatives, financial risk management, capital financing and also for banking arrangements necessary for TTLP. On an operational basis, this will be discharged through the Director of Corporate Finance and the Group Treasurer.
- 6.3 The Chief Finance Officer TTLP is responsible for ensuring the execution of the TTLP Treasury Management Policies. On an operational basis, this will be discharged through the Director of Corporate Finance and the Group Treasurer.
- 6.4 The Chief Finance Officer TTLP will be responsible for advising the managing Chief Finance Officer of TfL that it is in full compliance with all of the TTLP Treasury Management Policies. The managing Chief Finance Officer is responsible for ensuring that TTLP is in compliance with the TTLP Treasury Management Policies and updating the TfL Finance Committee accordingly. In practice the Finance Committee will be updated by the Director of Corporate Finance or the Group Treasurer.
- 6.5 The statutory or managing Chief Finance Officers or the Director of Corporate Finance or the Group Treasurer will appoint relevant Treasury officers to be authorised signatories for the purposes of paragraph 3.5.
- 6.6 Subject as otherwise provided for within these policies, no investments, borrowings or entry into credit arrangements (including, but not limited to any lease or other such arrangement that might count towards TfL debt or liabilities under relevant accounting standards) shall be permitted without the consent of the statutory or managing Chief Finance Officer or Director of Corporate Finance or Group Treasurer.
- 6.7 The managing Chief Finance Officer or Director of Corporate Finance or Group Treasurer will provide guidance for accepting financial guarantees, performance bonds, letters of credit and other credit enhancing products, and this must be followed by TTLP at all times.

## **7 TREASURY MANAGEMENT PRACTICES**

### **Treasury Management Reporting**

- 7.1 The following reports will be produced
  - (i) an annual report to the Finance Committee on the TTLP Treasury Management Strategy for the coming year and;

- (ii) a periodic cash flow report to the Chief Finance Officer TTLP and to the Director of Corporate Finance that will show liquidity demand for the next 18 months.

### **Cash Flow and Cash Flow Management**

- 7.2 Cash flow projections and cash management will be managed outside of the TfL Group aggregation.