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Appendix I

Annual Report and Statement of Accounts

2023/24 – XX November 2024

MAYOR OF LONDON

TRANSPORT FOR LONDON
EVERY JOURNEY MATTERS

Contents

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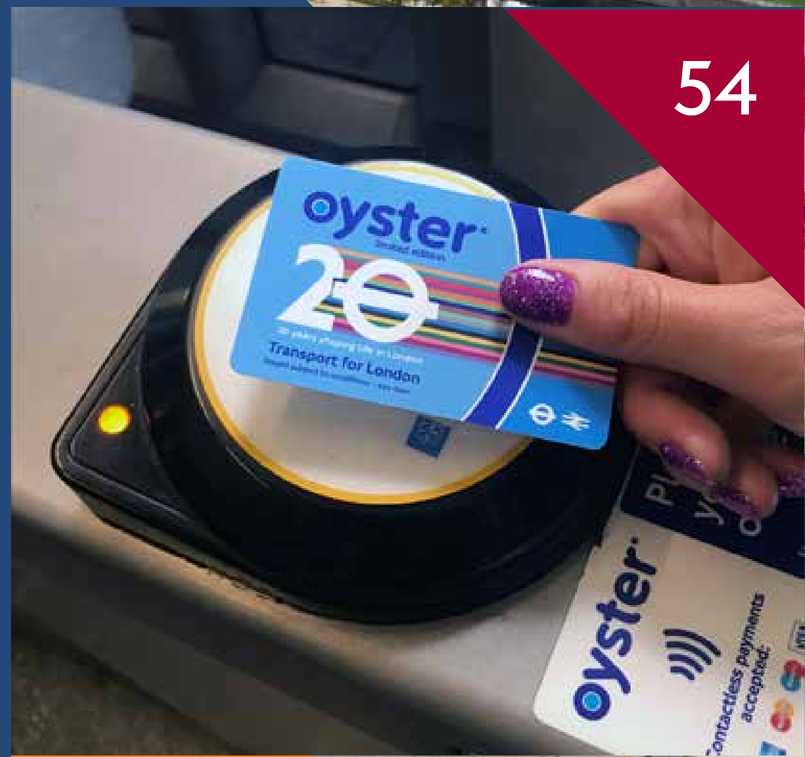

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Andy Lord
Commissioner

Commissioner's foreword

We want to become London's strong, green heartbeat

Throughout 2023/24, we have delivered a number of vital transport improvements and taken important steps to make our city safer, more inclusive and more sustainable. I am particularly proud that for the first time in TfL's history, we met our target of being financially sustainable in our day-to-day operations, meaning we can now cover most of our costs. However, a prolonged and continuing period of uncertainty over long-term Government capital investment, and smaller levels of investment than needed, means we remain in a constrained environment. This requires us to make tough choices about what we can afford and what vital work can be done.

Safety is always our number one priority and we will never let up on our efforts to improve it. We have introduced a range of important new initiatives this year to further improve safety in London, including a new Bus safety strategy, lower speed limits and improvements to junctions at Battersea Bridge and elsewhere.

Putting customers first

We have remained laser-focused on customer experience and I am pleased that the number of customer journeys continues to grow, increasing by nine per cent from last year. One of the most exciting improvements has been the introduction of the Superloop, a network of express bus routes in outer London. It has been a great success, with demand growing above the network average level, supporting customers in all parts of the city to make quicker and more sustainable journeys. We have moved forward with our larger capital projects too, with the first newly built Piccadilly line train tested in November and work on the Old Street project nearing completion.

Significantly, May 2023 saw the first anniversary of the opening of the Elizabeth line and the introduction of the final operating timetable, a huge moment for London and for us. A few months later saw the substantial completion of the Crossrail project, the culmination of almost two decades of joint working with the Department for Transport. The organised and efficient finish to the project was an incredible achievement, and we can see the huge benefits that the Elizabeth line is bringing to our customers every day.

We launched Equity in Motion, our ambitious plan to create a more accessible and inclusive network. This is a vital piece of work, focused on taking tangible actions and making a difference to customers' daily journeys.

We have continued to deliver a range of improvements this year

Sustainable future
Sustainability has become core to everything we do as we play our role in tackling the climate emergency. I am delighted that more than 4,000 colleagues have now been trained in Carbon Literacy, raising awareness throughout the organisation of how we can all play a part in reducing carbon. We have met some key milestones this year in our work towards achieving net-zero carbon operations by 2030. We continued our rollout of LED lighting in Tube stations and at bus stops and in August 2023 we introduced the 1,000th zero-emission bus to our fleet. We continued to improve the biodiversity of our network, with more wildflower verges and sustainable urban drainage systems. Tackling poor air quality across the whole city remains a key priority and the expansion of the Ultra Low Emission Zone in August 2023 was a vital step towards this.

As always, none of this would be possible without our brilliant colleagues. While they make a difference every single day, I was particularly proud of the role they played in supporting the Coronation of Their Majesties King Charles III and Queen Camilla. This was a truly momentous occasion and colleagues across the organisation were at the heart of making it a success. As well as supporting our customers to get where they needed to be over the weekend, we marked the moment by wrapping our buses and Santander cycles, as well as adorning our stations with specially designed 'crowndels'.

> 'We have achieved a lot this year, which is testament to the commitment and dedication of all our colleagues and partners. I would like to extend my heartfelt thanks to everyone involved'

Funding boost
Finally, I was pleased to secure £250m of capital investment from Government in December 2023 for 2024/25. While it is only half of what we asked for, we have taken tough choices and succeeded in delivering our full Business Plan this year. However, the shortfall has only been mitigated in the near term and will reduce the amount of investment we can make in future years. We now stand ready to work together with Government to agree the long-term funding certainty London desperately needs to turbocharge the economy, unlock much-needed housing and play a central role in decarbonising our country.

We have achieved a lot this year, which is testament to the commitment and dedication of all our colleagues and partners. I would like to extend my heartfelt thanks to everyone involved.

4,000
colleagues have been trained in Carbon Literacy

9%
increase in customer journeys from 2022/23

We have seen many great events and celebrations this year

Background to this report

All our work is underpinned by our key pillars and the Mayor's priorities for London

Our values

Our mission is to be the strong, green heartbeat for London. To achieve this, we developed our strategy, which sets out our targets and ambitions over the years to 2030. It explains what we are doing to help turn the Mayor's Transport Strategy from an ambitious plan into London's reality. Our strategy is underpinned by three key values that we are focusing on to ensure that Every Journey Matters.

Caring

This means that we care about our colleagues, our customers and our work.

Open

This means that we are open to each other, and we are open to new ideas and ways of working.

Adaptable

We will adapt to the diverse needs of the organisation and we are willing to innovate.

Our Annual Report details our achievements and updates from the last financial year, which runs from 1 April 2023 to 31 March 2024. It shows the progress we have made against our scorecard targets.

As a publicly funded organisation, it is important that we are transparent with our finances, our investments and the work we are doing to help shape our city. This report outlines our achievements under a number of areas. Safety is our number one priority as we aim to get everybody home safely, every day. We also have a focus on the achievements of our people, and how we work to ensure that we are a great place to work for everybody.

Sustainability and our environmental impact are at the heart of our decisions and a key thread throughout everything we do.

Our reporting is also shaped by the ambitions of the Mayor's Transport Strategy, which acknowledges the key role transport plays in shaping London and making it a world leader for sustainable transport. It also emphasises the way that effective and well-planned transport projects and improvements can play a vital part in improving the health, opportunities and quality of life of those who live and work in our city. The central aim of the strategy is to create a place that is not only home to more people but is a better space for them to live, work and visit. This means a safer, healthier, cleaner, greener, more inclusive and better-connected city.

Achieving the Mayor's vision

All our work, from our daily running to our investment programmes, follows the key themes as set out in the Mayor's Transport Strategy. These are Healthy Streets and healthy people, a good public transport experience and new homes and jobs. We have showcased our achievements and project milestones against these key areas and reported on the progress we are making towards achieving the Mayor's vision for the future of London.

Healthy Streets and healthy people

We aim to improve the experience of being in the places where people live, work, spend time and travel. We will reduce traffic dominance and encourage people to walk, cycle and use public transport.

A good public transport experience

We will ensure public transport is an increasingly attractive alternative to the car, through whole-journey planning to help integrate public transport in our schemes and projects

New homes and jobs

Transport is vital for creating the new homes and jobs London needs. This includes creating communities where amenities are within walking and cycling distance.

Year at a glance

We have achieved a number of notable milestones and launched some game-changing initiatives during the year

April 2023
New priority seating installed on buses

May 2023
We supported visitors for the Coronation weekend events

June 2023
Order placed for 11 additional DLR trains

July 2023
Contracts issued for next phase of our rental e-scooter trial

August 2023
Ultra Low Emission Zone expanded across all London boroughs

September 2023
Further rollout of 4G and 5G across Tube stations

October 2023
Places for London secures planning permission for Kilburn Mews

November 2023
Our licensed busking scheme celebrates 20 years

December 2023
First Elizabeth line stations get high-speed 4G and 5G coverage

January 2024
Santander Cycles day pass and more e-bikes announced for the summer

February 2024
New names for London Overground lines are revealed

March 2024
We completed the Superloop orbital bus loop

Financial overview

Our financial and performance overview

Rachel McLean
Chief Finance Officer

'Achieving our first operating surplus is testament to the hard work taking place every day to deliver a safe and reliable transport network. With a multi-year capital funding deal and a growing surplus, we could strengthen our national supply chains and deliver even better outcomes for lower costs'

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Chief Finance Officer foreword

We continue to work hard to secure our financial future

With long-term capital funding, we could deliver more for London

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Rachel McLean
Chief Finance Officer

We completed a remarkable turnaround in our finances, but our work to secure our financial future is not yet complete. For the first time, we can fully cover our day-to-day costs from our income, delivering an operating surplus of £138m, £59m above budget. Every penny of that is already committed to maintaining and improving our network and we will strive to further improve so that we can invest even more. I thank all of our colleagues and partners who played a part in enabling us to recover from the difficult financial position that arose as a consequence of the pandemic.

We have now met the test set by the last Government to achieve operational financial sustainability. As we exit the period of extraordinary funding support, we remain grateful for the financial support from the previous Government during the tough times, and for its recognition of our progress. We have started 2024/25 with a £250m contribution from the previous Government for our major capital investment programmes. In June 2024, the Government confirmed funding for 10 new Elizabeth line trains, which will enable us to increase capacity in the coming years.

Customer journeys grew by nine per cent from 2022/23, with 3.6 billion people travelling in 2023/24. This is an increase from 80 per cent of pre-pandemic levels to 88 per cent. Passenger income grew by 20 per cent, from £4.4bn to £5.2bn.

One strand of our roadmap to financial sustainability is to diversify and grow our income. Compared to pre-pandemic levels, our passenger income has grown by nine per cent, with other income sources growing by 27 per cent, and we drew our first dividend of £15m from Places for London Limited which launched in 2023.

As well as challenges like inflation, from 2024/25, we will no longer receive a revenue top-up from the Department for Transport. To mitigate this and keep transport affordable, we continuously work to control our costs and improve efficiency. Our savings programme reached its eighth year in 2023/24. We have reduced like-for-like costs from £5.8bn in 2021/22 to £5.6bn in 2021/22 prices. We made £138m of recurring savings in 2023/24, taking the total delivered since 2016 to £1.4bn. A further £130m of recurring savings is budgeted in 2024/25 contributing to our 2025/26 target of £650m. We have maintained cash reserves at an average of £1.2bn throughout 2023/24, so we can make payments and protect against shocks. This level is in line with Government conditions, our own assessment of need and was achieved while keeping the amount of outstanding borrowing stable year-on-year.

Although we are now delivering an operating surplus, like all major transport operators in the UK and around the world, we still need support from central Government to meet our major capital investment needs. We could deliver this investment more efficiently and effectively with a long-term capital funding settlement – as is in place for Network Rail, National Highways and other local authorities. We look forward to discussions with the new Government around the need for support for major investments and the opportunity to support growth throughout the UK from that investment.

Investing in London's infrastructure benefits more than just London. It means we can continue to support jobs and growth throughout the UK with our supply chain and open up new areas for development. We will continue to play our part for a more sustainable and green future and maintain London's position as a competitive global city which supports the national economy.

Our scorecard

We assess our progress against a range of agreed measures

The TfL scorecard is our primary tool for tracking progress against our strategic objectives and is structured around our vision and values. It provides a clear line of sight between the Mayor's Transport Strategy, our Business Plan and our Budget, and helps drive our in-year performance. The metrics are designed to be stretching and realistic. In 2023/24, we achieved 76.1 per cent against the scorecard target. The results reflect some notable achievements in a challenging economic and funding environment, and the highlighted areas to focus on next year.

In December 2023, we received £250m of Government capital funding, half of what we asked for, to enable us to deliver our investment programme and work with our supply chain towards our objectives. However, longer-term funding certainty is still needed to allow us to plan as effectively and efficiently as possible.

On safety and security, we made many improvements on the network, such as lowering speed limits on 183km of London's roads and improving bus safety. While our scorecard performance improved year-on-year, we fell short of our 2023/24 target. We are focused on working towards the Mayor's Vision Zero goal and while we didn't achieve the target, we are making progress.

Metrics related to our colleagues show engagement with our staff survey score increased, attendance went up compared with the previous year, and we improved representation at senior levels, meaning TfL is looking more like the city we serve. Highlights for colleagues have included launching a new flexible working approach, improved welfare facilities for our operational colleagues, and the launch of Action on Inclusion with its supporting training for all. We have made it easier to fill vacancies more quickly, embedded Our People Leaders Framework, and welcomed more graduates, apprentices and interns than in previous years.

We continued to deliver for customers, completing the Superloop bus network in outer London and the Elizabeth line, which is now the most popular railway line in the country. Naming London Overground routes will make navigating the network clearer, there's now 4G and 5G mobile coverage in around 25 per cent of stations across London, and we launched Equity in Motion to ensure our city is more fairly connected to accessible, affordable public transport services. Despite operational challenges on the Central line, we still surpassed our floor target for journey time on buses and beat our target for journey time on rail.

We have made strides in our green future with the expansion of ULEZ to all of Greater London and training more than 4,000 colleagues in Carbon Literacy, well above the 3,000 we were aiming for. We reduced carbon emissions from our assets by more than expected, which is great news for our decarbonisation journey, especially given our key role in driving the UK towards net zero. Our first Green Infrastructure and Biodiversity Plan set out how we care for environments across our 2,300-hectare estate and we beat our target for water run-off into sustainable urban drainage systems

On our finances, we achieved operational financial sustainability, with a healthy income of £8,970m that included £500m from new sources. Every penny is reinvested in the network and means we're able to fund most of our 2024/25 investment programme ourselves with the rest covered by the £250m capital funding we secured from Government. We reduced costs across the organisation and have plans for more next year. We now need to focus on growing an operating surplus each year to invest in delivering everything London needs.

4,000

colleagues trained in Carbon Literacy so far

£500m

of our income is now coming from new sources

25%

of our stations now have 4G and 5G mobile coverage

Measure	Results	Target	Floor target
Safety and security			
People killed or seriously injured on our roads (absolutes)	3,722	3,541	3,822
Customers killed or seriously injured (absolutes)	202	201	218
Colleagues killed or seriously injured (absolutes)	18*	22	23
Work-related violence and aggression incidents (absolutes)	10,493	n/a	n/a
Colleague			
Total engagement (%)	60	61	59
Attendance (%)	93.86	94.25	93.75
Women represented at senior leadership (%)	34	34.6	33.8
Black, Asian or minority ethnic people represented at senior leadership (%)	20	18.5	17.3
Disabled people represented at senior leadership (%)	6.47	6.45	5.8
People from minority faiths or beliefs represented at senior leadership (%)	12.6	12.2	11.6
LGBTQ+ people represented at senior leadership (%)	6.1	5.5	5.1
Customer			
Percentage of Londoners who agree we care about our customers (%)	54	55	5.1
Investment programme milestone delivery (%)	83	90	75
Customer journey time on London Underground (minutes)	28.3	27.9	28.9
Customer journey time on buses (minutes)	34.1	33.8	35.3
Customer journey time on rail (minutes)	25.8	26.9	27.9
Green			
Carbon dioxide emissions from our operations and buildings (ktonnes)	823	845	879
London-wide ULEZ delivery milestone (date)	29-Aug-23	29-Aug-23	29-Aug-23
Number of colleagues trained in Carbon Literacy	4.044	18-Mar-08	1,500
Finance			
Total income against budget, excluding extraordinary revenue grant (£m)	8,970	8,872	8,822
Operating surplus/deficit against budget (£m)	138	79	0
Capital expenditure against budget, excluding Crossrail and Places for London (£m)	1,871	1,879	2% + or -

Achieved   Partially achieved   Not achieved

* This measure is automatically marked as 'not achieved' in the event of a fatality. Owing to a contractor fatality, this measure displays as not achieved.

A sustainable future for London

We are working to ensure our priorities support a sustainable future for the capital

We made significant progress across our sustainability objectives during 2023/24, but more still needs to be done. We have a mandatory requirement to report under the Task Force on Climate-related Financial Disclosures (TCFD), which is a pivotal framework for effective disclosure, and improves our management of climate risks and opportunities. Understanding these risks and opportunities, both now and in the future, is vital to making cost-effective decisions on investment, strategic planning and operations.

In September 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) was released to assess nature-related risks and opportunities. While this is not yet mandatory, we are trialling reporting under both disclosures. More detail on both disclosures can be viewed in our Statement of Accounts on page XX.

We are preparing our assets and systems for a changing climate

Environment

In 2023/24, we took bold steps towards achieving net-zero operations by decarbonising our fleet, paving the way towards using 100 per cent renewable energy, and removing the use of fossil fuels in our buildings.

By March 2024, around 15 per cent of our bus fleet operated with zero-emission buses, and we reached the final stages of our first Power Purchase Agreement tender, which supports the increase in renewable energy supplying the national grid.

One year on from publishing our Climate Change Adaptation Plan, we continue our collaboration with regional, national and global groups to better understand how we prepare our systems and infrastructure for a changing climate. We have also created an additional 8,000 square metres of catchment draining into sustainable drainage systems, to help reduce surface water flood risk.

The expansion of the Ultra Low Emission Zone (ULEZ) means London is the first city in the world with a clean air zone of this size. The compliance rate for vehicles during the first month was 95.3 per cent, up from 91.6 per cent in June 2023 and 39 per cent in February 2017 when the changes associated with the ULEZ were introduced.

In 2023, we doubled our wildflower verges and have set ourselves a target to double this figure again in 2024. These wildflower verges are already attracting wildlife, including the brown hairstreak, one of the UK's rarest and most threatened butterflies, which was spotted in Hillingdon. In March 2024, we published our Green Infrastructure and Biodiversity Plan, which sets out our actions to green our city for people and wildlife.

95%
of bus shelters converted to LED lighting

67%
of street lighting on our roads uses LED lighting

43%
of Tube stations have been converted to LED

Climate-related financial disclosure

This year, we have developed our TCFD reporting and are now able to set out our approach to scenario analysis. We have made progress in all four areas over the past 12 months, and we have ambitious plans to continue this work in 2024/25.

Our green strategy

Our green strategy has three core priorities. Reducing carbon emissions and adapting to climate change, improving air quality, and protecting, connecting and enhancing our green infrastructure and biodiversity.

The four pillars of TCFD and TNFD

- Governance
- Strategy
- Risk and impact management
- Metrics and targets

Task Force on Climate-related Financial Disclosures

Governance

In 2023/24, we trained more than 4,000 colleagues in Carbon Literacy, achieving Bronze Accreditation from the Carbon Literacy Project. We secured funding to accelerate the rollout of LED lighting. We also secured £16.3m grant funding for heat decarbonisation and energy efficiency schemes. We established a Sustainability Working Group for Places for London, a net-zero matrix team for the organisation and formalised our Climate Change Adaptation Steering Group.

- Achieving Silver Accreditation with the Carbon Literacy Project
- Publishing a Sustainability Awareness toolkit to enable colleagues to raise awareness within teams
- Launching in-person pilot training for adaptation, green infrastructure and biodiversity, and environmental awareness for head office colleagues

End of 2024/25

Strategy

We have started work on our first scenario analysis. This is crucial for strategic and financial planning, owing to the many impacts of climate change on our operations, infrastructure and financial stability. Our scenarios and risks integrate into our existing business strategy and risk management. We have also delivered short-term actions from our Climate Change Adaptation Plan 2023, and expanded our climate budget to include adaptation, to support medium- and long-term actions.

- Expanding the climate budget to include scope 3 emissions
- Completing science-based target validation
- Phasing out all cars that are not zero-emission capable from our support fleet
- Rolling-out LED lighting across street assets, head office buildings and London Transport Museum
- Developing a Sustainability and Inclusivity Strategy for Places for London
- Reflect adaptation in our common outcome framework

End of 2024/25

Risk management

We are improving our understanding of physical climate risks and have analysed our upstream interdependencies. We have also completed our first physical climate risk assessment for London's highways. For scenario analysis, we used our climate risk assessment, to select two physical risks, four transition risks and one nature risk, and for transition risks and opportunities we created a long-list of factors that will affect us, and have scored these based on their financial impact.

- Publishing our fourth round submission of Adaptation Reporting Power
- Cascading our enterprise level risk on 'Environment including adaptation' to cover strategic and tactical risks
- Identifying and tagging all climate risks across our enterprise risk framework that link to climate

End of 2024/25

Metrics and targets

Limiting our impact on the environment, and protecting Londoners from climate risks is crucial. We have agreed a reduction target for scope 3 carbon emissions, as well as achieving our targets of reducing greenhouse gas emissions from our operations and buildings to 845 ktonnes. In terms of protecting London against flooding, we have created 8,000sqm of catchment draining into Sustainable Drainage Systems.

- Limiting greenhouse gas emissions from our operations and building to 773 ktonnes, with a floor target of 812 ktonnes
- Installing 9,000sqm of catchment draining into Sustainable Drainage Systems, with a floor of 5,000sqm
- Achieving 90 per cent of our Green milestones, with floor targets of 70 per cent
- Transitioning 500 more buses to zero emissions, bringing the total zero-emission fleet to 1,900
- Converting 15 Tube station, including King's Cross St Pancras, to LED lighting

End of 2024/25

Nature-related financial disclosure

We connect people to London's green spaces, interweaving communities and nature across the capital's landscape. As well as providing easy and accessible transport to areas of natural beauty, we are also responsible for managing around 2,300 hectares of land, almost a third of which is covered by vegetation. In order to responsibly and sustainably grow our business, we must assess the financial value of our natural assets and invest in outcomes that support nature.

Through our Natural Capital Account we have assessed key nature-related risks and opportunities and incorporated them into our strategic planning processes and future financial disclosure reporting. By applying the science-based framework to reduce our risks and take advantage of nature-positive opportunities, we can enhance our financial strategies to incorporate nature-based solutions, ensuring our reporting is globally relevant and accessible.

Our nature-related issue categories

Dependencies – How we are dependent on nature

Impacts – How we impact nature and biodiversity

Risks – What capital, operational and future business risks are caused by our dependencies and impacts

Opportunities – How we can benefit from positive impacts and mitigate against negative ones

Our key nature-related achievements

We manage our nature-related risks and opportunities using the TNFD framework.

	Key achievements 2023/24	Planned work in 2024/25
Governance	Oversight of the delivery of the Green Infrastructure and Biodiversity Plan by our Sustainability Executive Committee, through updating the terms of reference and membership to our Green Infrastructure Steering Group	Launch in-person pilot training for Adaptation, Green Infrastructure and Biodiversity
Strategy	Published our first organisation-wide Green Infrastructure and Biodiversity Plan	Publish a tree canopy cover plan, setting out how we will meet our canopy cover target
	Published a London-wide methodology for assessing the potential of Sites of Importance for Nature Conservation for biodiversity offsetting	Deliver and implement our Green Infrastructure and Biodiversity Plan actions
		Reassess the biodiversity baseline of our estate and develop a habitat bank to help meet our biodiversity net gain requirements
Risk	Published our first natural capital account	Review climate change-related green infrastructure risks as part of the fourth round of Adaptation Reporting Power
Metrics and targets	Set out a number of key targets in our Green Infrastructure and Biodiversity Plan	Start developing outcome-focused green-infrastructure targets
	Developed green cover and canopy cover maps to better manage natural resources sustainably, reduce impacts from climate change, conserve biodiversity, and promote human health and wellbeing	Model canopy cover change over time under different scenarios
	Commissioned work to understand the best method for modelling changes in tree canopy cover under different scenarios	Update our biodiversity baseline map

Scenario analysis

By testing our risks and opportunities against plausible climate scenarios, we can be more prepared for future uncertainties and create stronger risk management practices. This will help ensure London is more sustainable and resilient to the challenges. It will help us minimise future losses, maximise value and ensure our operations are viable in the long term.

Our scenario analysis is based over three stages: short-term (by 2030), medium-term (by 2050), and long-term (by 2080). We have done this to ensure we take advantage of the most accurate and latest data available, while producing results that can be easily applied when planning for our operational and financial future.

We built on existing contextual scenarios of agglomeration, green innovation, instability and rebalancing. These explore how London may evolve over the next two decades. We added climate-related detail from the Network of Greening the Financial System to expand the scenarios to focus on climate risk in the short, medium and long term and different degrees of warming.

Our proposed scenarios

	Low transition risks	High transition risks
Low physical risks	**Orderly transition** Warming levels of 1.5 degrees will see London thrive in a successful global transition to net zero.	**Disorderly transition** Warming levels of two degrees will see London's economy decline due to increased costs associated with a disorderly transition to net zero.
High physical risks	**Hot house world** Warming levels greater than three degrees as London booms with economic growth, until critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts.	**Too little too late** Warming levels between 2-3 degrees will see London suffer from increased costs from an uncoordinated transition to net zero, as well as tackling impacts from changing climate.

Selected climate- and nature-related risks and opportunities

	Costs	Revenue	External investment	Fines	Social impacts	Financial benefit
Tighter regulation leading to assets becoming prematurely obsolete or non-performing	Transition risks	Transition risks	Transition risks	Transition risks		
Early adoption of new and novel technologies for sustainability initiatives	Transition risks					Transition risks
Skills requirement misaligned with strategic sustainability ambitions and Mayoral commitments	Transition risks					
Changes to building energy efficiency on our Places for London commercial properties	Transition risks	Transition risks	Transition risks		Transition risks	Transition risks
Increasing legal and policy commitments for biodiversity net gain and green infrastructure	Nature				Nature	Nature
Extreme precipitation leading to flooding of London Underground tunnel shafts and portals	Acute physical risks	Acute physical risks				
Extreme high temperatures on transport and in buildings	Acute physical risks	Acute physical risks			Acute physical risks	

Transition risks | Nature | Acute physical risks

Safety

Creating a safer London for everyone

Lilli Matson
Chief Safety, Health and Environment Officer

'The safety of our customers and staff remains our top priority as we work towards our Vision Zero ambition and continue to tackle hate crime and violence against women and girls on our network'

Making London's transport safer

Our work to make London's transport network safer for all those who use it

Update on the Sandilands tragedy

Our thoughts remain with all those who lost their lives or were injured in the Sandilands tram tragedy in 2016, as well as their friends and families. The Sandilands tragedy continues to serve as a constant reminder of the need to put safety at the heart of everything we do.

The Office of Rail and Road prosecuted TfL and Tram Operations Limited (TOL), who are the operators of the tram services, for an offence under the Health and Safety at Work etc. Act 1974. TfL and TOL pleaded guilty at the earliest opportunity and on 27 July 2023, after a three day sentencing hearing, both were ordered to pay fines, which have been paid. Andy Lord and other members of our Executive Committee attended the three-day hearing and heard statements from victims and the families of those who lost their lives. Andy Lord issued an apology on behalf of everyone at TfL, which was read during the hearing.

Since the tragedy, we have made extensive industry-leading safety improvements to the tram network. Following the sentencing, we carried out a further safety review across the wider network to identify additional actions that would enable us to continue to learn and improve. We will never be complacent about safety and will continue to learn from incidents to ensure such a tragedy can never happen again.

The Sarah Hope line remains available to all those affected and continues to provide help with counselling and other support.

> 'The Sandilands tragedy will never be forgotten, and our thoughts remain with everyone affected. We are truly sorry and remain committed to providing support to anyone who needs it'

Andy Lord
Transport Commissioner

Safer streets in Islington

In April 2023, we started work on a number of safety improvements for vulnerable road users along Holloway Road and the surrounding areas. The improvements include new and upgraded pedestrian crossings at junctions, and upgraded bus stops. An initial consultation into changes in the area showed that 82 per cent of people who walk and 52 per cent of people who cycle thought the proposals would make them feel safer.

44
junctions improved as part of our Safer Junctions programme

Our strategy for safer buses

In September 2023, we published a new Bus Safety Strategy, which sets out the specific actions that need to be taken to achieve our safety objectives for the bus network.

The strategy outlines what we, together with the bus operators, are already doing and what more needs to be done to meet our Vision Zero goals for the bus network. We continue to work hard to achieve our target of nobody being killed or seriously injured on London's roads by 2041 and nobody killed in, or by, a bus by 2030.

Among the commitments outlined in the strategy are retrofitting technology onto the existing fleet, including fitting a further 1,800 buses with intelligent speed assistance, commissioning further research into how and why drivers press the wrong pedals, trialling fatigue detection technology, using data to look at how we can reduce passenger injuries, and ensuring safety improvements are inclusive for all those who work on, and use, the bus network.

1,000+
buses in our fleet already meet our Bus Safety Standard

65%
fewer people killed in collisions with buses in 2022 from 2005-09

Safety improvements at Battersea Bridge

In June 2023, we announced the next phase of our plans to reduce road danger for people walking and cycling on, and near, Battersea Bridge. This follows the first phase of work on the north side of the bridge that was completed in November 2021.

Following a consultation, we announced the next measures on the northern end of the bridge would include new push-button pedestrian crossings, dedicated cycle signals and a section of segregated cycle track, a new section of westbound bus lane, and banning left turns for some vehicles.

On the southern end of the bridge, we announced that we will install a new push-button pedestrian crossing, a bus gate, and new pedestrian crossing. There will also be an extended bus lane from Banbury Street northwards on Battersea Bridge Road to improve bus journey times. Work will start on site later in 2024.

140km

of 20mph roads that we have delivered across London

Lowering speed limits across the capital

In September 2023, we announced our plans to introduce 65km of new 20mph speed limits across roads in Greenwich, Kensington and Chelsea, Lewisham, Southwark, Wandsworth, Merton, Bromley and Lambeth. The new speed limits, which we introduced in stages during 2023, are helping to make London's streets safer for everyone.

The speed limits are supported by new signs and road markings, alongside banners on street lamps to increase driver awareness. We worked closely with the Metropolitan Police Service to ensure that drivers understand and comply with the new speed limits.

The new speed limits help make a large area of south London safer and more attractive for people in these communities to live and work in, supporting people to use active forms of travel such as walking and cycling.

Each year in London, more than 1,000 people are injured or killed by drivers exceeding the speed limit. Lowering speed limits is a key part of the Mayor's Vision Zero goal to eliminate death and serious injury from London's transport network and has positive safety benefits. Where we introduced 20mph on central London roads in 2020, collisions resulting in death or serious injury reduced by of 24 per cent against a background reduction across London of 10 per cent.

Spreading the word

As well as our work to lower speed limits, we also launched a powerful new road safety campaign to tackle speeding in September 2023.

The campaign aims to challenge socially accepted driving norms by reframing drivers' perception of what counts as speeding, particularly on lower speed limit roads.

It aims to motivate all drivers to change their behaviours by showing them that driving even slightly over the speed limit can have devastating consequences, particularly on those who walk, cycle and ride a motorcycle and who are the most likely to be impacted by a speed-related collision.

The campaign launched on radio and outdoor posters, with a new TV advert running in October 2023 in the lead up to Road Safety Week in November.

Supporting all Londoners

Creating spaces that ensure everyone can travel safely

All change at Catford

In April 2023 we launched a consultation to transform Catford Town Centre by reducing road danger and making the area easier and safer for people walking, cycling and using the bus.

Among the changes we set out in the consultation was moving the South Circular Road and removing the one-way system around Plassy Island, making it two-way.

We set out to create a new two-way segregated cycle lane, a wider northbound bus lane, wider footpaths, three new pedestrian crossings and improvements to the existing ones, and more trees planted in the town centre.

We also proposed to reduce speed limits to 20mph on stretches of our roads.

We will reduce road danger and improve the area around Catford

Emergency access

In May 2023, we wrote to all NHS Trusts in London and the emergency services to inform them that they could use bus lanes on London's main arterial roads on our road network while on duty when the general traffic lanes are congested, even when not dealing with an emergency.

The move followed a successful year-long trial with Guy's and St Thomas' Foundation Trust, when more than 150 non-blue light patient transport vehicles were given access to bus lanes in Lambeth, Southwark and Wandsworth. The trust reported fewer missed appointments and there were no negative impacts on bus journey times.

Allowing liveried emergency vehicles to access bus lanes means outpatients who rely on patient transport are less likely to miss appointments, which means knock-on savings for the NHS trusts themselves, and improved health outcomes for many patients.

8,000+

emergency service fleet vehicles use London's roads

Scooting ahead

In September 2023, we announced the next phase of our rental e-scooter trial, with contracts awarded to Dott, Lime and Voi, although Dott has since been withdrawn.

This phase will build on findings from the first phase, as well as providing operators with opportunities to test new onboard technologies, including pavement riding detection. This will ensure we continue to learn about e-scooters and the role they can play in London's transport network by reducing the impact of cars and in tackling carbon reduction.

Together with the London boroughs, we agreed a set of requirements for operators involved in the second phase. They will continue to be required to provide critical data to help understand the impact of e-scooters and inform legislation and policy and demonstrate how safe they are.

The rental vehicles in London have high safety standards, which go beyond national standards. The benefits include being zero-emissions at tailpipe, geo-fencing, speed limit of 12.5mph, larger wheels, and lights that are always on throughout any rental.

By providing a new alternative to cars for short journeys and improving access to public transport services, rental e-scooters can support public transport and active travel, and reduce the impact on road danger, congestion, air quality and climate change.

10
boroughs taking part in the rental e-scooter trial in London

4,000
e-scooter vehicles available for hire across the capital

'The trial has thrived since its launch two years ago, and we're excited to see what role e-scooters could play in ensuring a green and sustainable future for London'

Helen Sharp
E-scooter trial lead

Support for victims of serious road traffic collisions

In November 2023, we collaborated with the Mayor's Office for Policing and Crime, the police and charities Brake and RoadPeace to launch a new pilot victim support service to help improve support for victims of the most serious road traffic collisions in London.

The pilot service ensures families left bereaved and those catastrophically injured can access enhanced support, more easily.

Caseworkers have been recruited by Brake to provide trauma-informed emotional and practical support for each victim and their families. For the first time in London, this support is available face-to-face for those who need it.

RoadPeace offers long-term aftercare, specialising in support from people with experience of the devastation caused by road traffic collisions through support groups, a telephone befriending service and an eight-week trauma support programme for bereaved families.

Police directly refer victims to the service, meaning they no longer have to source help and initiate contact themselves.

The service is staffed by a dedicated London team of trained caseworkers, co-ordinators and volunteers, who use their training and experience to ensure that victims and others affected by incidents have access to high-quality support.

'This is a really exciting development that helps Londoners to discover the brilliant cycleways network across our city and will make cycling in London safer and more enjoyable for all'

Hannah Fallows
Open Innovation
Partnerships Manager

Safer cycling through Google Map collaboration

In October 2023, we teamed up with Google to help make cycling in London better by providing enhanced cycling navigation in Google Maps.

Our Open Innovation team and industry-leading experts worked with Google to update its algorithms to prioritise cycling on safer, quieter roads, making these routes easier to discover within Google Maps in London and beyond.

Google has introduced additional features, including immersive view for cycle routes in London, which lets users preview routes, including all the cycle lanes and junctions along the journey. This enables users to see at a glance what type of road they will be cycling on, such as a major road or a segregated cycle lane.

These updates help to make cycle journeys in the capital even safer and more comfortable for everyone who uses the app to navigate.

Our collaboration with Google will make cycling in London safer

Safety boost at bus shelters

In March 2024, we worked with the Metropolitan Police Service to launch a trial of CCTV at bus shelters across the capital to assess its impact in preventing and investigating crime and anti-social behaviour. CCTV cameras have been installed at Peckham, Finsbury Park, Turnpike Lane, Gants Hill and Stratford City. This initiative is an important part of our commitment to ending violence against women and girls in London.

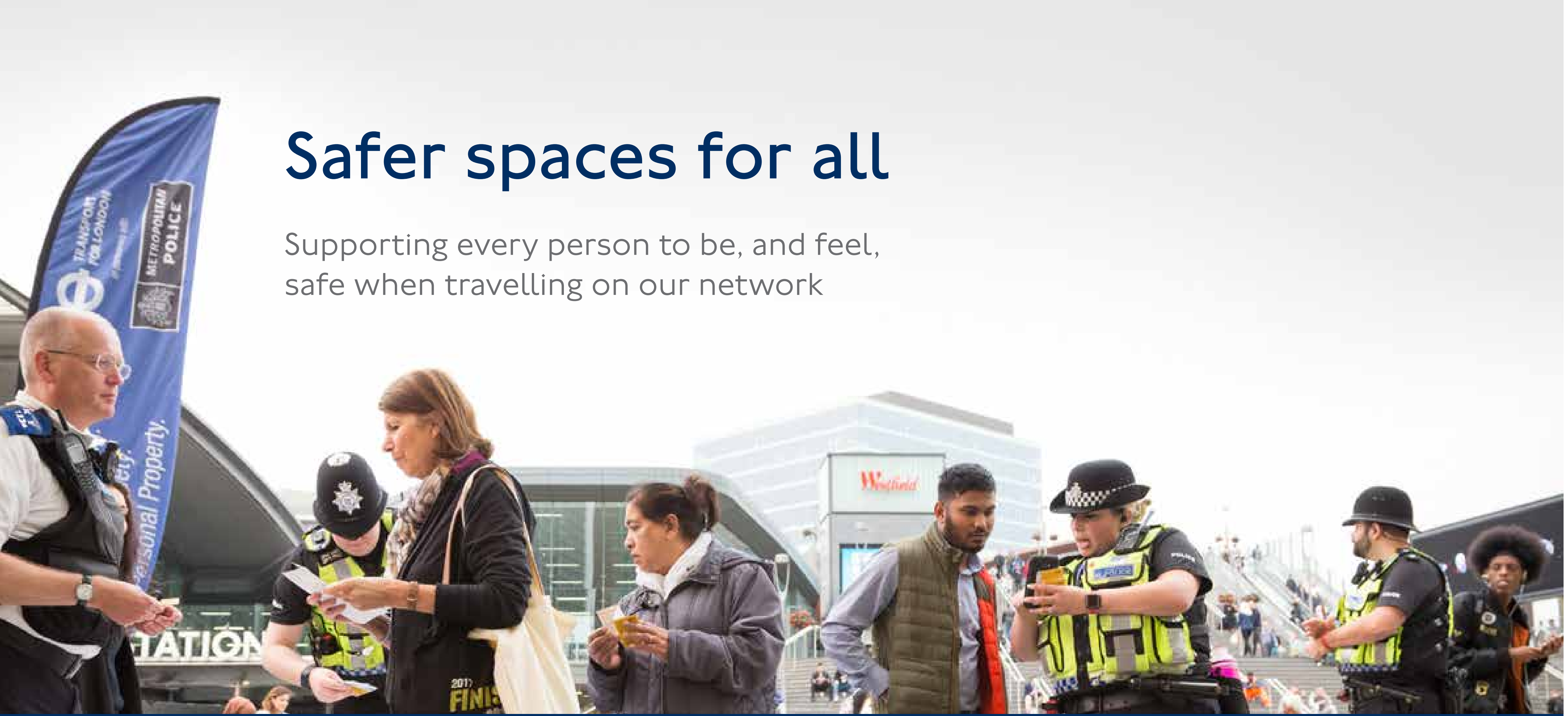
The cameras will be available for Metropolitan Police Service teams, including the Roads and Transport Policing Command, which is jointly funded by us and the Metropolitan Police Service, to view live, with recordings kept for 31 days to support police investigations and crime prevention.

As well as assessing the effectiveness of CCTV for crime prevention and investigation during the trial, we are gathering feedback from customers and stakeholders to see how the cameras affect the feeling of safety and security for bus customers.

20
bus shelters will have CCTV cameras installed during 2024

Safer spaces for all

Supporting every person to be, and feel, safe when travelling on our network



Taking action to tackle hate crime

In October 2023, we marked National Hate Crime Awareness Week by supporting training sessions to empower people to take action to prevent or reduce harm when they encounter hate crime.

Hundreds of places were offered to Londoners to take part in active bystander awareness training, developed and delivered by the charity Protection Approaches and its partners Britain's East and South East Asian Network.

The course was partly funded by the Mayor, and we contributed to this funding to expand the reach of the training to more Londoners, as part of our work to tackle hate crime.

The training explores what it means to be an active bystander or ally, how to safely stand up for victims and what people can do if they are the victim. More than 2,000 Londoners have already benefitted from the training, with participants giving consistently positive feedback and reporting increased confidence in dealing with hate crime incidents.

We also supported the police to run a series of events across the transport network, to raise awareness of hate crime and reassure those who may lack confidence to travel on public transport.

We sponsored podcasts My Time Capsule and Upfront to look at why tackling hate crime and staff abuse is so important, and worked with faith communities to offer support during the conflict in the Middle East.

Definition of hate crime

A hate crime is any crime perceived by the victim or any other person to be motivated by hostility on the grounds of race, religion, sexual orientation, disability or gender identity.

Standing by to help

In March 2024, we marked International Bystander Awareness Day with a series of engagement events to encourage our customers to be active bystanders against hate crime and violence against women and girls on public transport.

The event came amidst a rise in hate crimes across the UK, particularly antisemitic and Islamophobic incidents. We aimed to educate customers on how being an active bystander can help prevent or de-escalate incidents, which can also be beneficial for other incidents such as sexual harassment, where intervening safely can make a big difference.

In line with our bystander intervention campaign, we advised customers to follow three simple ways to diffuse a situation and support their fellow travellers if they feel safe to do so.

Distract with a question
If it is safe to do so, asking a small question such as 'do you have the time?' or 'what's the next stop?', can provide a distraction and help to defuse the situation.

Make a note
Record what has happened and any information about the offender and report these details to the British Transport Police or Metropolitan Police

Support
Always try to make sure the victim is okay following an incident.

Spotlight on our people

Supporting the safety of our people

Nicola Vallins
Work-related Violence and Aggression Prevention Manager

Nicola Vallins has been leading on the roll-out of body-worn video cameras for our frontline staff. The cameras are part of our essential kit for all frontline customer-facing staff to ensure the safety and protection of customers and colleagues

Why is this such important work?

The safety of staff is our principal priority. Our people have the right to work without fear of being assaulted, abused, or threatened and we are committed to preventing violence and aggression against our people. This includes tackling the causes and providing the best support to those who experience it.

Body-worn video is a proven deterrent for staff assaults, reducing them by almost half. When used as police evidence, the footage also increases the likelihood that an offender will plead 'guilty', and a criminal conviction will be secured. These cameras are now mandated for our frontline colleagues, ensuring we can realise the protective and evidential benefits of them.

What are the challenges?

The project was very complicated. It impacted staff in London Underground, buses, Victoria Coach Station, river services and the Woolwich Ferry and needed support from a number of our back-office teams.

There has been a lot of collaboration. We have had to balance the technical requirements and operational needs while ensuring a consistent approach across the organisation. We are a new team so the knowledge and contacts we have gained will help inform future workplace violence and aggression initiatives.

Body-worn video deters aggression and can provide vital evidence

What are the next steps?

We are continuing to support different areas of the organisation to fully embed this change. We are also helping to promote any positive outcomes from court where body-worn video was part of the prosecution evidence and this helps underline the effectiveness of the equipment. We are also exploring other roles and business areas that could benefit from body-worn video cameras.

How else are you helping to protect our people?

Another focus for our workplace violence and aggression prevention team is to make sure our staff have the skills and confidence to deal with potentially abusive situations. We are rolling out mandated conflict management training to our operational customer-facing teams that are most at risk from workplace violence and aggression.

Creating a fairer city

Ensuring safety is embedded into all we do for every Londoner

Feeling the FORS

In January 2024, we reminded freight operators of the upcoming new requirements to improve vehicle safety in London. From April 2024, all Greater London Authority Group contracts worth more than £1m and involving vehicles must be Fleet Operator Recognition Scheme (FORS) Gold accredited or have an equivalent TfL approved scheme. Suppliers with contracts valued at and under £1m must be accredited to a minimum of FORS Silver, while their internal supply chains must be FORS Bronze accredited.

Within the FORS standard, heavy goods vehicles must be fitted with additional safety equipment to protect vulnerable road users, as well as embedding high-quality driver safety training. These changes aim to further enhance the safety standards of fleet services, helping them to reduce road danger for all, including vulnerable road users such as people walking and cycling.

4,700
companies in the UK are FORS accredited

Mapping deprivation and road safety

We launched our Vision Zero Inequalities Dashboard tool in January 2024, creating a new map of London that shows the stark levels of road traffic injury inequality in London.

The pioneering tool is the first of its kind in Europe and shows how deprivation is linked to higher road casualty levels, reinforcing the need to target investment and improvements to protect the most vulnerable.

Our research shows that there is a higher risk that someone travelling in the most deprived areas of London will be seriously injured or killed in a road traffic collision, with the 30 per cent most deprived postcodes having more than double the number of casualties per kilometre of road network compared with the least deprived 30 per cent.

The dashboard enables users to filter data on deprivation levels and road casualties by year, borough, casualty severity and mode of travel, while the mapping function makes it easier to explore areas of higher casualty or casualty location rates.

We will use the data from this dashboard to inform our investment priorities, while also providing information to boroughs to develop their Local Implementation Plans.

We shared the findings of this dashboard with the boroughs with the top five highest casualty rates and top five highest casualty location rates, We will continue to work with boroughs and stakeholders to analyse the cause of inequalities in road injury, help target future road danger reduction programmes and investment for infrastructure schemes.

> 'Protecting everyone on the road is a priority for us and we will continue to research how road risk varies for certain groups of Londoners and engage with boroughs, police and other stakeholders to reduce these inequalities'

Zoe Cotton
Safety Strategy Manager

Our dashboard enables us to identify issues in areas of deprivation

Delivering for London's couriers

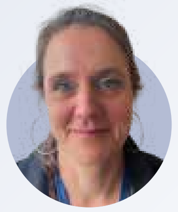
We launched a new Meal and grocery delivery company motorcycle road safety charter in September 2023, in collaboration with the meal and grocery delivery industry.

The charter consists of 10 road safety principles to keep motorcycle couriers and other Londoners safe on the roads. It was signed by Deliveroo, Getir, Just Eat, Stuart and Uber Eats.

In London, people riding motorcycles, mopeds and scooters represent only 2.6 per cent of vehicle kilometres driven, but tragically accounted for around 27 per cent of deaths and serious injuries between 2017 and 2021.

Road safety principles set out by the charter include a commitment to Vision Zero and eradicating deaths and serious injuries from London's roads, ensuring couriers meet the legal requirements for working and riding in the UK, supporting couriers in understanding how to ride safely and to ensure their vehicles are legally compliant and roadworthy.

> 'We are pleased to be working with some of the biggest names in the meal and grocery delivery industry to help create safer roads for everyone'



Dr Hannah Cordts von Lowis of Menar
Safety Strategy Manager

As part of committing to the charter, we asked meal and grocery delivery companies to attend six-monthly forums where we can discuss progress around implementing the commitments and new ideas to improve road safety.

19,614
people prosecuted for fare evasion in 2023

56%
more prosecutions for fare evasion in 2023 compared with 2022

£130m
per year estimated to be lost through fare evasion

Taking tougher action on fare evaders

In February 2024, we announced tougher action on fare evasion and staff abuse, with increased penalty fares and new essential safety kit for frontline staff.

The penalty fare increased from £80 to £100, reduced to £50 if paid within 21 days. The increase was approved by the Mayor on all TfL services following the Department for Transport's decision to increase the penalty fare to £100 across National Rail. This will ensure that there are clear and consistent rules and penalties across the different transport networks in London.

Fare evasion is often a trigger for violence and aggression towards our staff, which is why we made body-worn video cameras part of our essential kit for all our frontline customer-facing staff.

Research shows that the risk of assaults on colleagues can almost halve when wearing a body-word video camera. Body-worn video can also provide vital evidence to the police, resulting in better outcomes when offenders go to court.

Our people

Ensuring TfL is a great place to work for all

Fiona Brunskill
Chief People Officer

‘We want this to be a great place to work where everyone can thrive by making sure our organisation is truly representative of the great city we serve. It’s important that everyone who works here feels included, able to achieve their work ambitions, and that we have a fair and attractive employee offer’

The team works

Ensuring our workforce delivers for London at every level

Taking the reins

In June 2023, we announced that Andy Lord had been appointed as London's permanent Transport Commissioner, after covering the role on an interim basis since October 2022. The appointment by the TfL Board followed a rigorous search and selection process.

Andy joined TfL in November 2019 as Managing Director of London Underground and became Chief Operating Officer for all of our operations in 2022.

During his time as Commissioner, Andy's focus has been on attracting customers to public transport, rebuilding our finances, advancing our work to decarbonise and improve London's environment, and developing plans to further support our diverse staff and customers.

Andy has overseen the completion of the transformational Elizabeth line and Bank station upgrade, the development of the Superloop bus network and new cycleways. He also oversaw the delivery of TfL's first operating surplus in 2023/24, which will be reinvested into maintaining and improving our network.

'I look forward to continuing working with Andy as we build a safer, greener and more prosperous London for everyone – and a transport system that remains the envy of the world'

Sadiq Khan
Mayor of London

Improving representation

For the first time ever, we are now monitoring and measuring senior leader representation. By focusing on improving senior leader representation, and measuring our progress as part of our scorecard, we aim to make incremental and sustainable improvements over the coming years. Our aim is to halve the distance to the economically active benchmark by 2030.

In relation to the five protected characteristics, we increased representativeness of our senior leader population. We met our scorecard targets in each group except women where we missed our target, despite improving the number of women in our organisation. Our senior leadership population is therefore more representative of London.

Positive moves

As a result of key appointments in 2023/24, our executive leadership team is now made up of more than 50 per cent women for the first time in our history. This is a notable achievement for an organisation of our size, particularly in the transport sector.

The changes within the Executive Committee saw Claire Mann returning to TfL in March 2024, after three years away, to become our new Chief Operating Officer. Fiona Brunskill was permanently appointed as Chief People Officer, a position she had held on an interim basis since October 2022. Andrea Clarke assumed the role of General Counsel on an interim basis pending permanent recruitment into that role following the retirement of Howard Carter. These changes are an important step to ensure our workforce reflects the diversity of London at all levels of our organisation.

Welcoming the next generation

We have continued to grow diverse talent through our graduate, apprenticeship and internship programmes.

This year, we welcomed our largest ever intake of 263 graduates, apprentices and interns. More than half (51 per cent) of our graduates and 43 per cent of our apprentices were from Black, Asian and minority ethnic backgrounds. These schemes create a diverse talent pipeline that we can draw upon in the future to help us achieve our longer-term ambition of having a workforce that reflects the city we serve.

20% of our senior leaders are Black, Asian or minority ethnic

34% of our senior leaders are women

Our people should feel safe to bring their authentic self to work

Making TfL a great place to work for everyone

In 2023, we launched our Colleague Strategy, which is a value driven approach to make TfL a great place to work for all our colleagues. We are concentrating on three key commitments: creating an inclusive culture; an attractive and fair employee offer; and supporting everyone to achieve their work ambitions.

Ultimately, we want to be recognised as one of the best companies to work for in the UK, with employee engagement better than the UK-wide benchmark, while also ensuring that our organisation is reflective of the diverse population of London. We started tracking this in our Scorecard and have made improvements in both areas.

Our senior leadership team is more representative of London for all five of the protected characteristics, and we are on track to halve the difference towards the economically active London benchmark.

Fair and flexible policies

As part of our commitment to ensure we have a fair and attractive employee offer, our 2023 pay talks have paved the way for us to start consulting on our reward strategy, which introduces job families, balancing affordability and fairness in similar roles across the organisation.

In March 2024, we introduced a new flexible working policy, which gives colleagues flexibility beyond the statutory legislation, helping them to better balance their work and home life and enabling more working parents and carers to remain in the workplace. Developing principle-based people policies is essential for making this a fairer place to work.

Taking action to become more inclusive

In June 2023, we launched our Action on Inclusion strategy, which sets out what we will do to make TfL a genuinely inclusive employer. It highlights the practical steps we are taking towards improving equity, diversity and inclusion in the workplace, including how we will work to help colleagues be mindful and supportive of each other, ensuring our workplace is a great place for everyone to work and thrive.

To support this, we designed and launched a new colleague-led training course, Inclusion Matters, using the real-life experiences of workplace behaviour of our colleagues to demonstrate the impact that a lack of inclusion can have. By the end of the year, almost 90 per cent of our people leaders and 47 per cent of all colleagues, around 13,500, had completed the course.

To better understand the barriers and issues faced by our disabled colleagues, we have launched an e-learning course called Inclusion Matters – Disability, which gives everybody a greater awareness of disability and the barriers that some disabled colleagues may face. Since it launched in December 2023, 67 per cent of our people leaders have completed the training, along with 32 per cent of all colleagues.

We must ensure we our workforce is as diverse as the city we serve

Supporting our people

This year, we launched our 'Leading the Future' group coaching programme, which aims to give mid-level management colleagues the leadership skills and confidence they need for any future leadership opportunities. More than 300 colleagues have already benefitted from this initiative. We also launched a mentoring hub to support colleagues with reflection and encouragement, giving them better confidence for future career progression opportunities.

This is alongside the work of our Colleague Network Groups, which celebrate our diversity and play an important role in helping employees from all backgrounds share ideas, support each other and feel properly represented in the workplace. The groups identify common issues for the organisation to address and enable colleagues to air views to help shape our equality, diversity and inclusion agenda

Building skills for the future

In September 2023, we welcomed 91 graduates, 156 apprentices and 16 interns across a range of development programmes. These were our most diverse cohort of gradates, apprentices and interns to date.

Steps into Work is a 12-month programme, delivered in partnership with the Shaw Trust, which offers work experience and employability training to people who are neurodivergent. People on this programme can complete three different work experience placements and are supported by a specialist job coach.

In October 2023, we launched our Graduate Summer placement, Year In Industry and Internship programmes, which start in September 2024. These programmes cover 143 roles across the organisation. We also ran a 12-week employability programme called Activate, which supports people who face barriers into employment. Of those who completed the course, 75 per cent are in employment, including roles with us. We also won the Times Graduate Employer of Choice for Transportation and Logistics.

We hosted our annual supply chain recruitment fair during National Apprenticeship Week in February 2024. We took part in 18 events to promote opportunities at TfL and we launched 189 apprenticeships ranging from Level 2 to Level 6 roles in various areas of the business including Engineering.

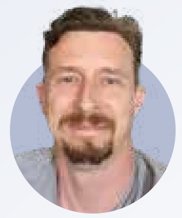
11
times we have won the Times Graduate Employer award

24
people joined our Steps into Work programme in September

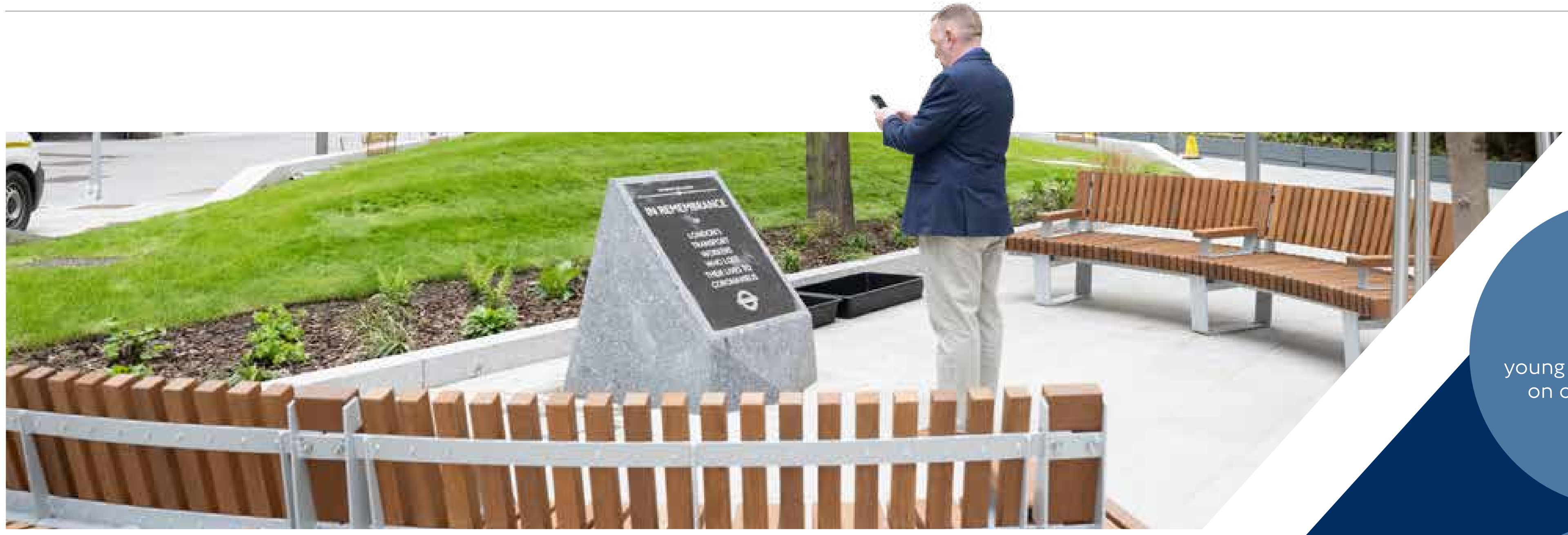
During National Careers Week in March 2024, we marked International Women's Day at our annual schools challenge final event, Innovate TfL, in association with Cleshar. This included a panel discussion chaired by Chief People Office Fiona Brunskill. The event sees young people come up with solutions to real challenges we face. The teams that made it to the final are invited to take part in work experience. In July 2023, we welcomed 14 students to our work experience programme and we are expecting a further 21 in July 2024.

In recognition of the work that we have done in building this diverse talent pipeline, The Times Graduate Recruitment Awards 2024 named us Graduate Employer of Choice for Transport and Logistics for another year running. This award recognises our commitment to early careers, nurturing talent, and fostering an environment where our graduates thrive. We have also been featured in the prestigious Top 100 Times Graduate Employers list for 2024 for the first time in seven years. This is based purely on graduate feedback, nominated by undergraduates in their final year, and is great recognition for all the work we have done.

'The participants on our programmes have demonstrated such diversity and creativity of thought, great potential and have made a huge impact – they are inspirational and reflect everything great about London'



James Lloyd
Skills and Employment Lead



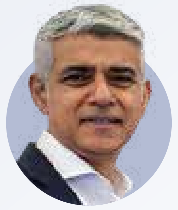
Paying tribute

In April 2023, our colleagues came together with the Mayor and Commissioner, who were also joined by family, friends and colleagues of transport workers who tragically lost their lives to COVID-19 to unveil a new permanent memorial in their honour.

The memorial has been installed on a pedestrian square on Braham Street in Aldgate and features a plaque paying tribute to the transport workers alongside benches and new plants. The space includes a foxglove tree planted beside the memorial, which creates a space for quiet reflection and remembrance for friends, families and colleagues of those who passed away.

More than 100 transport workers, from our Tube, rail, bus, and taxi and private hires services, have sadly died from the virus since March 2020.

> 'When the entire nation was gripped by fear they did not waver. They ensured our phenomenal NHS workers could still care for our friends and family, our shopworkers and delivery drivers could still meet our basic needs and our care workers could still look after our most vulnerable'



Sadiq Khan
Mayor of London

30
young people volunteer on our Youth Panel

1/3
of London's population is under 25

Voices of youth

We brought together young people from across the capital in October 2023 to discuss a report by our Youth Panel that focuses on how we can make London's transport network more equitable, inclusive and environmentally sustainable.

The Tomorrow's TfL report sets out nine recommendations, covering everything from engagement and land use to climate change and inclusive travel.

Hundreds of young people gathered at London Transport Museum to celebrate and discuss the report at an event that included speeches by Shirley Rodrigues, Deputy Mayor for Environment and Energy, and Commissioner Andy Lord.

We set up an independent Youth Panel in 2009 to advise how we can improve London's transport network for young people. The panel consists of around 30 volunteers, aged between 16 and 25. In 2022, we challenged the panel to look at how we can make London's transport network more equitable, inclusive and sustainable.

Since 21 February 2024, a member of our Youth Panel has represented the views of young Londoners at our quarterly Safety, Sustainability and Human Resources Panel and Customer Service and Operational Performance Panel meetings. The young representatives work with the Youth Panel to review papers ahead of meetings and come up with questions and suggestions to put to our leaders and panel members.

We are supporting women to consider working in this industry

Attracting women to careers in transport

We marked International Women's Day in March 2024 with a range of activities and events to encourage more women to join the transport sector and engineering roles.

London Transport Museum hosted a Museum Late: Women on the Move event, which shone a spotlight on the jobs women do to keep London moving, the journeys they have taken to get there, and the diverse experiences of women travelling and working in the capital.

Our internal Women's Colleague Network Group hosted several events throughout the month to encourage more women to seek new opportunities in historically male-dominated areas such as engineering and technology.

We actively work to improve representation at all levels of our organisation, including providing and promoting initiatives that encourage women to enter the transport sector, as well as addressing any barriers that prevent women from advancing to senior and higher-paying positions, particularly in operational areas.

Women in Bus and Coach network launched

We are proud to be one of the founding members of the Women in Bus and Coach network, which launched in London in June 2023 and nationally in November 2023.

This important network has been established to challenge and eliminate barriers faced by women in the bus and coach profession, creating a more inclusive sector that is representative of our customers.

Working with operators, manufacturers, trade union representatives and other key industry stakeholders, we aim to effect real change that will encourage and support more women to work in the bus and coach industry at every level.

The network runs a spotlight series that showcases women working in the industry and the huge variety of careers that are available.

Spotlight on our people

Promoting women in bus and coach

Evie Carroll
Zero-Emission Bus Development Manager

Having recently moved into the zero-emission buses team, **Evie Carroll** is at the heart of our work to decarbonise our bus fleet by 2034. She is also involved with the Women in Bus and Coach Network

What is your background in the bus industry?
I started working for First Bus across the UK on their Operations Graduate Scheme. I learnt a lot about the industry and was exposed to countless operational roles. I also got my bus licence and regularly drove customers. The skills and experience I acquired in these frontline roles regularly influence my day-to-day decision making around improving TfL's bus services for both drivers and customers.

I then progressed into a commercial projects role at First Bus, which was focussed on introducing new innovations and exploring ways of increasing revenue and driving down operational costs. I went on to work for a bus scheduling software company in a project management role before joining TfL.

What is your role on the Women in Bus and Coach network?
While more than half of bus customers in London are women, only 10 per cent of staff are. For that reason, TfL played a key part in establishing Women in Bus and Coach, a network to encourage more women to work in the sector at every level and to support women to stay in the industry. I'm passionate about supporting women's career growth and increasing the exposure of our sector. I knew I had to be involved.

I joined the London Working Group and the Communications and Engagement workstream, two groups of incredibly passionate men and women who want to make a difference in the industry. Communication and publicity is key to ensuring we get buy-in and momentum to continue to grow. Since the national launch in November 2023, we have already considerably grown the network, showcased the fantastic range of careers across the sector and have encouraged all followers to pledge a commitment to instigate change.

Our Women in Bus and Coach network is helping improve diversity

How have you found it being a women in the bus industry?
It can be challenging and there can be many barriers affecting recruitment, retention and inclusivity, particularly in frontline roles. The macho culture in garages, stereotypical comments and access to facilities were areas I found particularly challenging. Despite this, I have worked with many male and female allies who have pushed me to challenge myself and have supported me.

What are the future plans for the Women in Bus and Coach Network?
We will focus on the impact we are having through the commitments and pledges of our members and followers. These pledges focus on a variety of different topics from period poverty and improving facilities to recruitment and flexible working. Having commitments in place and showing progress will be important in driving tangible, quantifiable change as the network grows.

Working with our partners

Our successful initiative for forging stronger relationships with our partner groups

58%
of new apprentices in 2023 are Black, Asian or minority ethnic

14%
of our current spend is with SMEs, as we work to a target of 20%


Our events with LAIN promote best practice

Anchors away

As founding signatories of the London Anchor Institutions' Charter, we have continued to make progress in all areas of our work with the London Anchor Institutions' Network (LAIN) during 2023/24.

We took part in a Meet the Buyer event in June 2023 as we continued to take steps to ensure our purchasing power helps benefit Londoners and builds local economic resilience. Our buyers and contract managers met with small- and medium-sized enterprises and diverse businesses to share information on our procurement opportunities.

We continued to build employability and capability skills. We supported several mentorship programmes through work with charities and mentoring organisations that support disadvantaged young people to reach their full potential. To date, we have had 74 mentors sign up to volunteer to support young Londoners.

Our work to champion hiring and skills for graduates and apprentices continued, with £179,000 of our unspent apprenticeship levy funds being contributed to small- and medium-sized enterprises that support the Mayor's Good Work Standard, bringing our total funds pledged since November 2021 to £875,000.

In November 2023, we were invited to a renewable energy session with LAIN, hosted by the Greater London Authority, to share our expertise on Purchase Power Agreements, which are contracts for renewable energy on a large scale. It was an opportunity to demonstrate the benefits of opting for certain contracting structures and how to ensure suppliers buy into and support our aims.

In February 2024, we attended a London Anchor's Institutions' network conference to reflect on and celebrate our achievements over the past year.

Learning together

In November 2023, we joined forces with British Institute of Learning Disabilities (Bild) and People First to help understand the views of people with autism, learning disabilities or difficulties to ensure their experiences are considered when we develop customer initiatives.

The partnership launched with a survey to help discover what barriers people face when travelling around London and how we could improve our services.

The survey also sought the views of visitors to London or those who use the transport less regularly.

The results will help ensure our projects and policies make London a more accessible and attractive city for everyone.

Working with trade unions

We are committed to maintaining a positive and constructive relationship with our trade union colleagues, recognising them as vital partners in fostering a productive and collaborative workplace.

We proactively engage with trade unions, ensuring that we maintain open lines of communication and mutual understanding. This helps to create an environment where concerns are heard and addressed, leading to a more engaged and motivated workforce. By engaging with unions as the collective voices of our workforce, we can also use their experience and knowledge to improve services.

We host regular meetings where union representatives and management can discuss issues, share updates and develop solutions. This open and transparent dialogue ensures that all parties are informed and consulted appropriately on matters that impact employees, such as workplace policies, safety standards and employment terms.

This collaborative approach is integral to our company culture and is built on mutual trust, which enables us to quickly address potential conflicts, minimise disruptions and foster a sense of unity and shared purpose within the organisation.

Strike action was called on the Tube network in July and October 2023, in disputes over organisational changes, as well as in January 2024 in a dispute over pay. Fortunately, our positive negotiations prevented these strikes taking place.

Strikes were also prevented on the London Overground in February 2024 after RMT members received an improved pay offer, while a strike on the trams was also suspended at the end of March 2024.

Unfortunately, we saw some bus strikes take place over the last year, owing to disputes between trade unions and individual bus operators. We also saw a 48-hour walkout on the DLR in November 2023.

Industrial action affected the National Rail network on a number of occasions, but our network played an important role in helping affected customers to travel around London during these times.

Our innovation framework will help deliver for London's future

Collaborating for innovation

Our new Innovation Collaboration Framework addresses key transport challenges, such as achieving sustainability, making public transport safer, and helping ensure that services become more efficient and reliable.

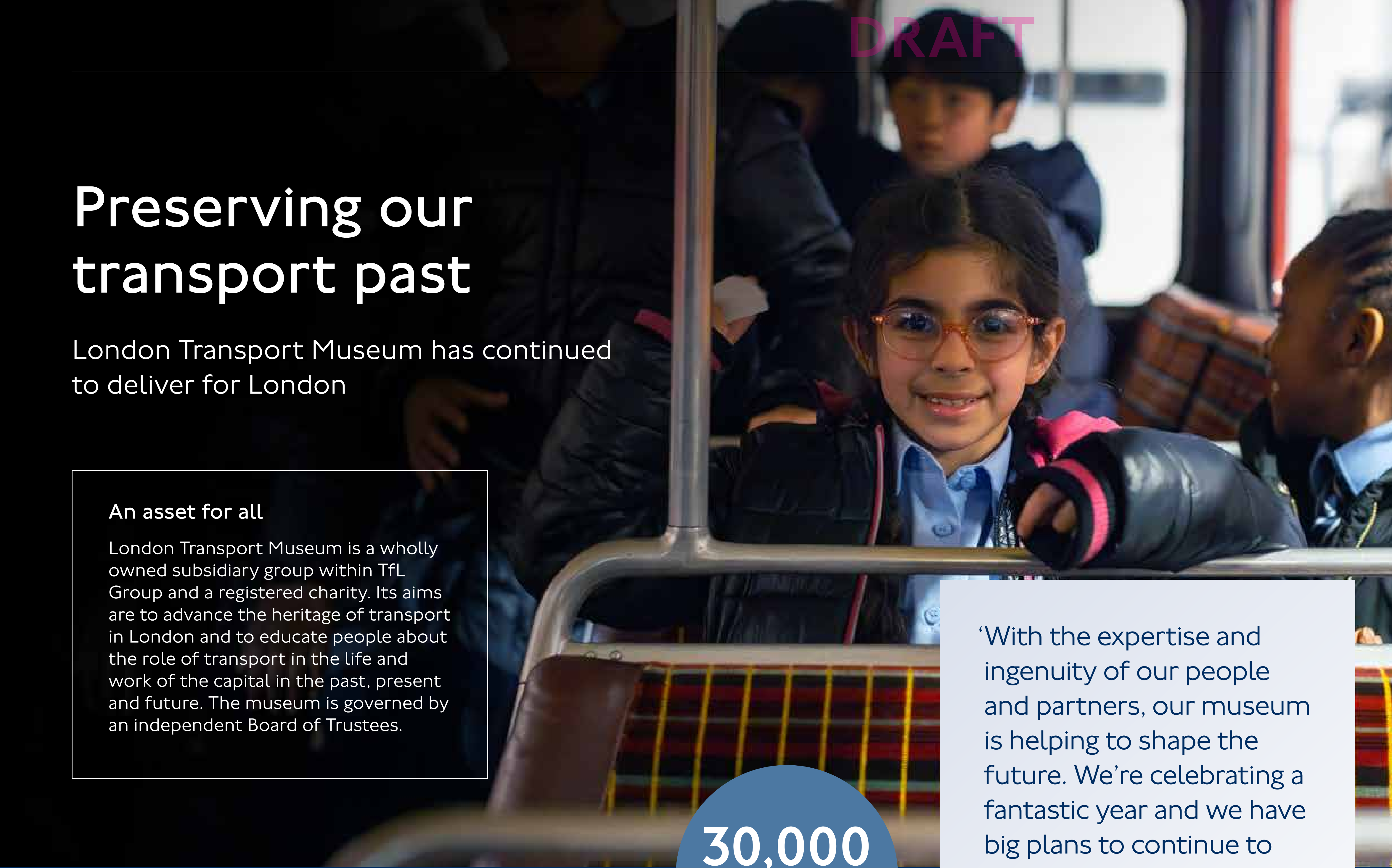
In January 2024, Mercedes-Benz and Sopra Steria were appointed as partners for this four-year framework. We will work together to create new concepts and products to help improve how people move around and make London a better place to live.

The framework will help us build long-term, mutually beneficial partnerships with our partners and tap into valuable research and development investment, in return for access to our support to create solutions. It will enable the selected innovators to work on the most challenging problems as they emerge, taking a solution from concept to scale.

It will enable our partners to test new products on the network, allowing solutions to be assessed in a real-world environment. It will also provide a new, simplified route to bring in investment, new ideas and scale them to benefit Londoners.

Our partners will be able to reach out to other innovators including start-ups, academics, and small-to-medium enterprises so that we can harness their ideas and expertise.

The framework does not involve any cost to the taxpayer until the solutions are developed, and it creates potential for us to earn revenue from the innovations that result from it.



Preserving our transport past

London Transport Museum has continued to deliver for London

An asset for all

London Transport Museum is a wholly owned subsidiary group within TfL Group and a registered charity. Its aims are to advance the heritage of transport in London and to educate people about the role of transport in the life and work of the capital in the past, present and future. The museum is governed by an independent Board of Trustees.

Celebrating an Underground legacy

The Museum celebrated 160 years of London Underground with a year-long programme of public events, campaigns and product launches linked to the anniversary. This included February half-term family activities, a poster series in partnership with four prominent London cultural attractions, a Hidden London virtual tour, a Tube 160 product range collaboration with Wallace Sewell, a Depot Open Day event, the launch of a brand-new Hidden London tour of Baker Street station and a sold-out Tube 160 'birthday' heritage rail event.

30,000
young people engaged through the museum's schools programmes

19,776
Year 9 students engaged through the Project Guardian programme

'With the expertise and ingenuity of our people and partners, our museum is helping to shape the future. We're celebrating a fantastic year and we have big plans to continue to scale up our visitor offer and social impact'

Elizabeth McKay
Director and CEO, London Transport Museum

Record visitor numbers

During 2023/24, London Transport Museum welcomed its highest ever visitor numbers, with more than 427,000 people walking through the doors at its Covent Garden site to discover the story of London's transport history and heritage.

In October 2023, the museum opened a brand-new Global Poster Gallery. Set over two floors, this permanent space is dedicated to the museum's internationally significant collection of 20th century graphic art and design. Sponsored by media and entertainment group Global, the inaugural exhibition, How to Make a Poster, is on display until 2025.

Healthy Streets and healthy people

Supporting cleaner air and more active travel

Alex Williams
Chief Customer and Strategy Officer

'Making our streets healthier will encourage more people to walk, cycle and use public transport, ensuring that even more people can breathe clean air. This will benefit the health and wellbeing of every Londoner'

Cleaning up more London air

Helping even more Londoners breathe cleaner air through our expanded Ultra Low Emission Zone and associated scrappage scheme

£210m
has been made available through the ULEZ scrappage scheme

£2,000
could be applied for by Londoners with an eligible non-compliant car

Expanding the benefits of cleaner air

The Ultra Low Emission Zone (ULEZ) was expanded across all London boroughs in August 2023 as part of our ambitious plans to clean up London's air.

The introduction of the ULEZ in central London in 2019 and the inner London expansion to all areas within – but not including – the North and South Circular roads in 2021, have already proved extremely successful in cleaning the air.

Just a year after the inner London expansion of the ULEZ, our data showed that nitrogen dioxide concentrations were estimated to be 46 per cent lower than they would have been in central London without the ULEZ, and 21 per cent lower in inner London.

However, air pollution across London remains an urgent health crisis, responsible for around 4,000 premature deaths in the capital each year. It is leading children to grow up with stunted lungs and adults to develop a host of illnesses, from asthma to heart disease, cancer and dementia.

Data from the London Atmospheric Emissions Inventory shows that the air across every London borough exceeds the World Health Organisation's guideline limits for air pollution. The London-wide ULEZ expansion is helping bring cleaner air to around five million more people in outer London. It plays an essential role in tackling the triple threats of air pollution, the climate emergency and traffic congestion.

We have helped London's drivers to convert to greener vehicles

Helping London's drivers go greener

Ahead of the ULEZ being expanded to cover all London boroughs in August 2023, we announced a scrappage scheme to help Londoners owning non-compliant vehicles to swap to cleaner alternatives.

We opened the capital's biggest-ever scrappage scheme in January 2023, giving priority to those most in need. This meant low-income and disabled Londoners, along with sole traders, micro-businesses and charities could apply for scrappage grants to transition to less-polluting vehicles.

The scrappage scheme opened to families receiving child benefit at the end of July 2023, as well as expanding the scheme to all businesses with fewer than 50 employees. In August 2023, the scheme was opened to all Londoners. Since March 2024, we have been working with British-Ukrainian Aid to donate vehicles that do not comply with ULEZ standards to Ukraine.

Alongside the scrappage scheme there are other third-party offers available, including savings on hire and subscription services for bikes, e-bikes, e-scooters and cargo bikes, and discounts on some car clubs.

Improving air quality on the Tube

We are committed to improving air quality on the Underground, with our extensive cleaning and monitoring continuing throughout the year. All underground networks around the world face issues with dust, and parts of our network are more than 160 years old.

Our 2023 monitoring shows that dust levels in the Tube have reduced by 19 per cent since 2020, with a 27 per cent reduction in dust levels in drivers cabs since 2019.

We continue to implement our dust action plan, which includes increasing our annual dust cleaning budget on the network by a third, to £2m a year. We have also allocated further funding for trials and innovation to improve air quality, with a pilot of air filtration systems starting soon at Baker Street station.

We have commissioned research to help better understand the potential health impacts related to air quality on the Tube, including two studies with Imperial College London into short-term and historic trends around staff sickness absence. The short-term study was published in March 2024. We welcome the results of this far-reaching study, which did not establish a causal relationship between exposure to dust on the Tube and sickness absence from work.

19%
reduction in dust levels on the Tube since 2020

Stepping up on active travel

We have worked to improve the provision of safe and attractive walking and cycling routes across London

170%
increase in the number of daily cycle journeys in London since 2000

360km
of strategic cycle network across London

1.26m
daily cycling trips in London

A positive cycle

In June 2023, we set out our vision to boost cycling by making it more diverse than ever with the launch of our Cycling action plan. This sets out our commitment to further increase cycling numbers across the capital and ensure that people cycling become more representative of London's diverse communities.

The Cycling action plan sets two major new targets that will help us, together with the boroughs, to build on recent successes. These are to grow the number of daily cycle journeys to 1.6 million by 2030, up by a third from 1.2 million in 2022, and ensure that 40 per cent of Londoners live within 400 metres of the strategic cycle network by 2030, up from 22 per cent in 2022.

We made good progress against these targets in the past year, with 1.26 million daily cycle journeys recorded in 2023, up by 6.3 per cent on 2022, and 25 per cent of Londoners living within 400 metres of the network as of March 2024.

The plan outlines why it is essential to broaden the appeal of cycling to a more diverse range of Londoners to ensure cycling levels continue to increase and that everyone can benefit from the health and economic benefits of cycling.

The plan also includes ambitious targets for installing 42,000 secure residential cycle parking spaces by 2030 and supporting more community-led interventions to encourage more people to cycle.

'Cycling is on the rise and has a great untapped potential to improve people's health, reduce air pollution and make London's transport network greener, safer and more inclusive'

Ben Bost
Principal City Planner

Our cycleways network helps keep riders away from motor traffic

Creating safer cycling corridors

Our work to make cycling even more accessible reached another milestone in February 2024 when we completed construction work to extend Cycleway 50 and Cycleway 23

The new section of Cycleway 50 in Islington extends the route from Finsbury Park to Holloway Road, while work on Cycleway 23 has created a much safer cycling route through Lea Bridge Roundabout, connecting the existing route to Dalston.

The extended routes will play a vital role in enabling people living in, and travelling through, the area to travel affordably and sustainably.

The two routes were identified as having some of the highest potential for encouraging more people to cycle, while also making it safer for those who already do so. Cycling in London is already seeing positive results, with our data showing that the number of daily cycle journeys increased to 1.26 million in 2023, up by 6.3 per cent from 2022.

'Our continued work in expanding these routes unlocks access to cycling for many more thousands of Londoners, contributing to a greener and fairer city'

Helen Cansick
Head of Healthy Streets Investment

Cycling boost in west London

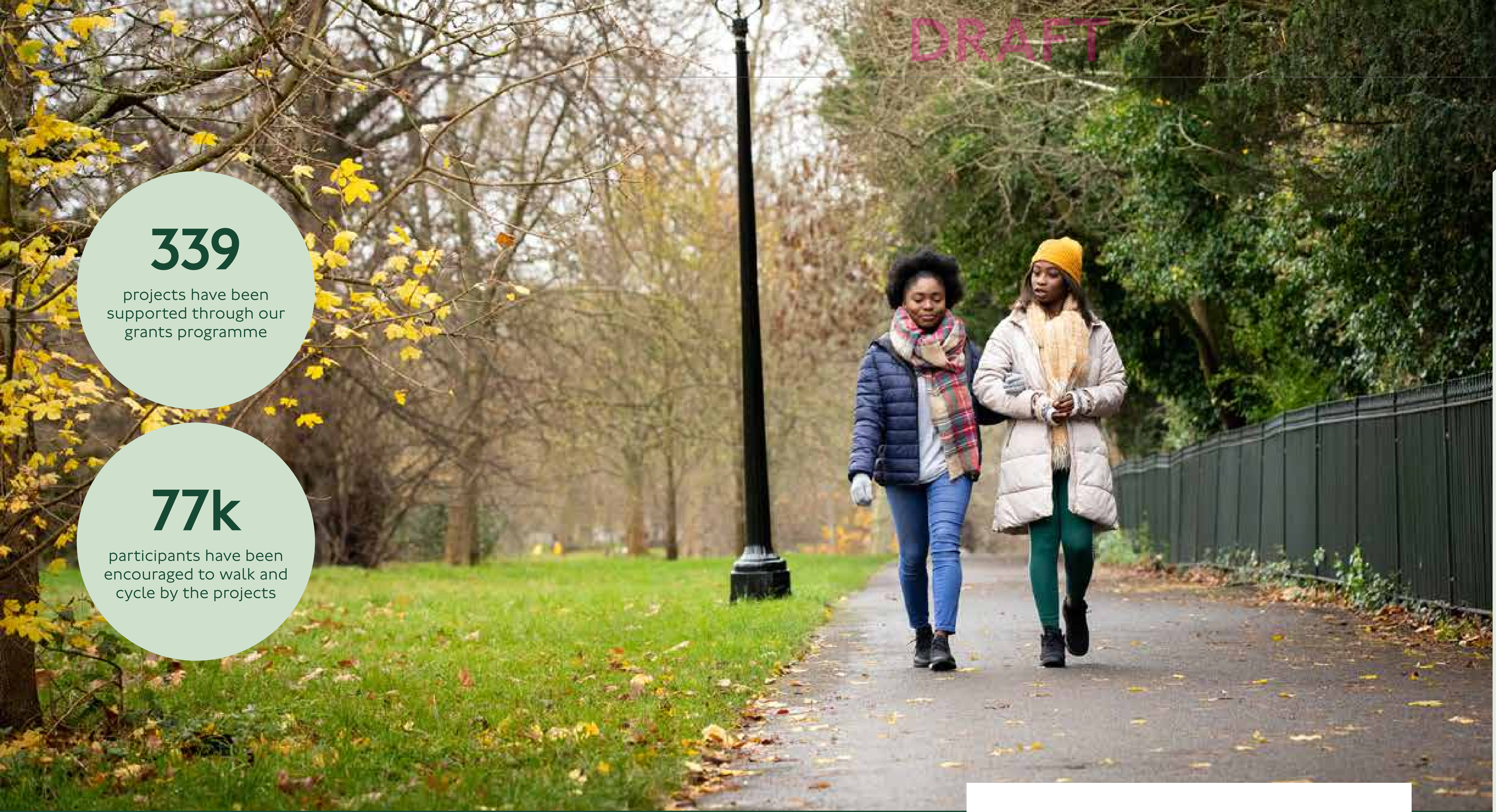
In October 2023, we completed work to extend Cycleway 9 between Kew Bridge and Watermans Park. The route also connects the area with Chiswick, Kew Bridge, Gunnersbury and Hammersmith.

Cycleway 9 is a major addition to our growing network of high-quality Cycleways, enabling thousands of improved walking and cycling journeys between Brentford, Kew, Chiswick, Hammersmith and beyond each week.

The changes include a further 253 metres of protected cycle lanes and a safe crossing for pedestrians and cyclists over the South Circular Road.

The work to complete the route is expected to be completed in August 2024, when it will connect Brentford with Chiswick and Hammersmith.

Cycleway 9 has proved popular



339
projects have been supported through our grants programme

77k
participants have been encouraged to walk and cycle by the projects

Funding boost for walking and cycling projects

We announced funding for 78 new community groups in December 2023 to help unlock some of the barriers to walking and cycling for Londoners.

Together with the London Marathon Foundation, we awarded more than £575,000 for the new projects, as well as a further 69 continuing projects run by community groups, as part of the Walking and Cycling Grants London programme.

The projects, which cover all London boroughs, give people the chance to connect with their local communities, learn new skills, get active and improve their physical and mental health.

The schemes target a range of traditionally underrepresented groups including disabled people, those from minority ethnic backgrounds, those who are financially disadvantaged, those experiencing homelessness, refugees, asylum seekers and those from the LGBTQ+ community.

The scheme is part of a five-year programme to inspire Londoners to cycle and walk, with many health benefits for people and communities.

Supporting projects

Among the projects we supported are:

Wellbeing Walkabouts, Enfield

Delivered by Express Tuition Ltd, this walking project aims to support ethnic minorities and disadvantaged women by delivering weekly guided walks to improve their physical, mental and social wellbeing.

Deaf Cycling, Newham and Redbridge

This cycling project, run by Empowering Deaf Society, aims to support deaf people to take part in cycle training sessions, group cycles and excursions with a British Sign Language interpreter.

Cycling improvements to the fore

In March 2024, we completed work on Cycleway 4, a major route between central London and Greenwich. Working with Southwark Council, we completed work on Lower Road, with the route enabling people to cycle safely all the way from London Bridge to Greenwich.

This new section of Cycleway 4 includes 1.3km of protected two-way cycle lanes, connecting the previously completed sections on Jamaica Road and Evelyn Street.

As well as the new Cycleway, a new signalised pedestrian crossing has been installed outside the entrance to Southwark Park, further improving pedestrian safety and accessibility.

Cycleway 4 now connects central London and Greenwich, with further connections to Cycleways 10 and 14, and has eight new and 28 upgraded pedestrian crossings along the route, as well as six Santander Cycles docking stations.

Way ahead for cycling in London

We opened 10 new low-traffic cycleways in July 2023, helping to make cycling accessible to even more people across the capital.

The new routes include a 10km route in Enfield, which forms part of London's longest continuous cycleway. This is more than 25km long, and connects town centres in Enfield, Haringey and Hackney.

The launch of the 10 sites was the most we have ever opened at one time, and built on three other cycleways that we launched in March 2023.

The cycleways are mainly on quieter roads, with data showing that they have already seen a significant boost in cycling. For example, on Tolpuddle Street in Islington there was a 96 per cent rise in cyclists on Cycleway 38 in just one year.

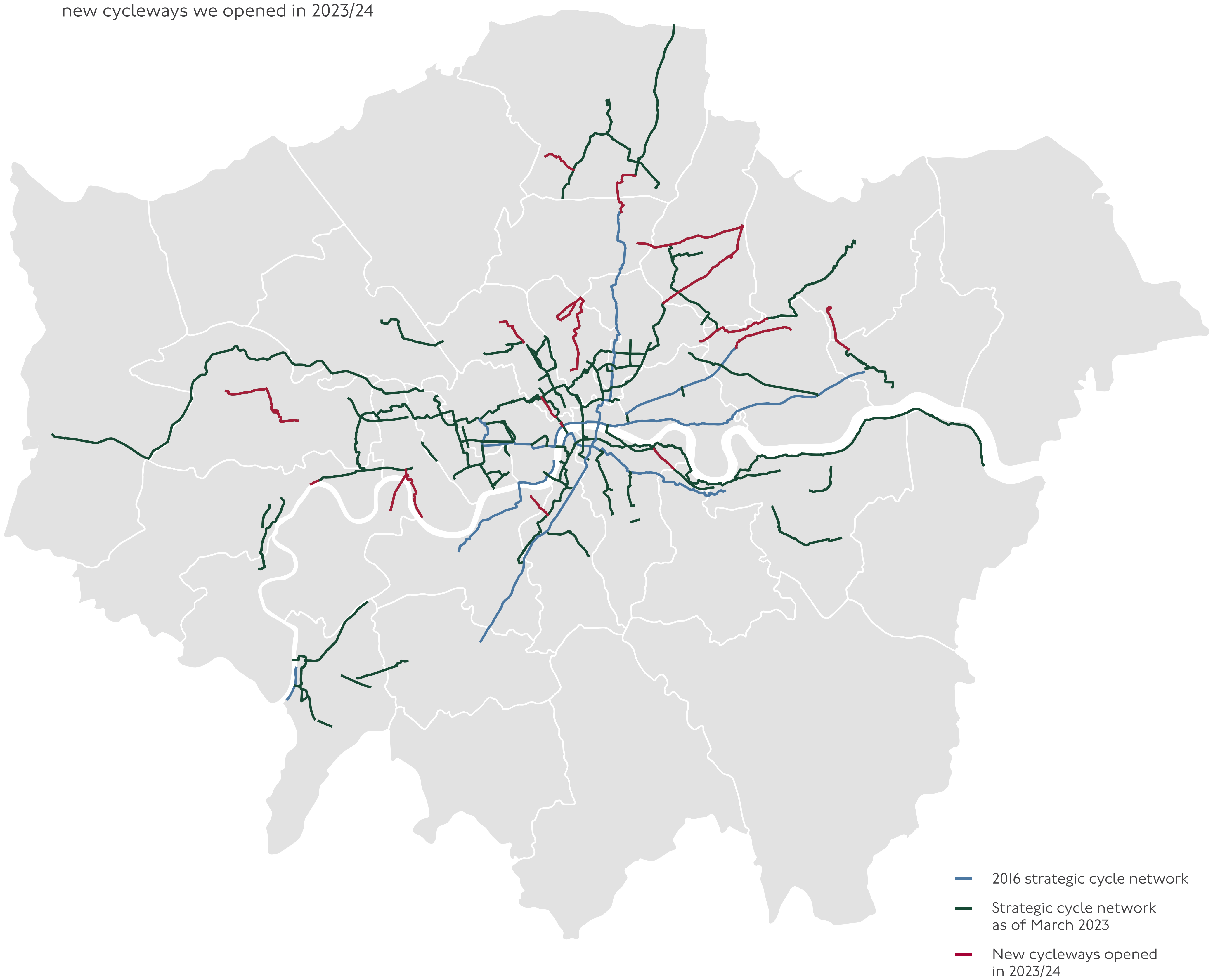
Delivering high-quality new cycleways will enable Londoners of all backgrounds and abilities to cycle safely, encouraging greater diversity in cycling.

4x
larger strategic cycle network compared to 2016

1/4
Londoners live within 400m of the strategic cycle network

Boosting cycling capacity

Our strategic cycleway network and the new cycleways we opened in 2023/24



The Walk London Network encourages people to walk and cycle

10%
increase in leisure walking in London since the pandemic

57%
of Londoners want to see more space dedicated to walking

Stepping up to support green spaces

In March 2024, we launched a new 24-kilometre walking route to connect more communities with green spaces and support people to enjoy more leisure walking.

Launched together with the City of London, Southwark, Islington, Hackney and Waltham Forest, the Green Link Walk became the eighth route in the Walk London Network and runs from Epping Forest to Peckham town centre.

It links almost 40 areas of green space, including Walthamstow Marshes, London Fields and Burgess Park, and five other Walk London routes.

The route was designed with accessibility in mind, with barriers such as bollards being removed. It also avoids streets without dropped kerbs and bridges with steep ramps and steps. As part of the launch, we also teamed up with the Local Buyers Club to offer customers a discount on an annual membership. The membership offers savings at hundreds of independent, local businesses in the capital, with many businesses along the route.

The Walk London Network is one of the largest walking networks in the world. The network features a number of different sections, including the Capital Ring, Green Chain, Jubilee Greenway, Jubilee Walkway, Lea Valley Walk, London Outer Orbital Path, and the Thames Path.

'London is already a great city to explore on foot and this new route will encourage Londoners to enjoy more of our beautiful green spaces across the capital. Leisure walking has a vital role to play in the health of everyone living in London and we'll continue to work with our partners to ensure everyone has access to high-quality walking infrastructure'

Christina Calderato
Director of Transport Strategy and Policy

Funding support for healthier and safer streets

In January 2024, we announced £80.4m in funding support for London's local authorities through our Local Implementation Plan programme to help make more streets safer and healthier for all.

The funding will help deliver a range of improvements in outer London to help support more active travel and support last year's expansion of the Ultra Low Emission Zone across London. The funds will help to deliver a number of new schemes on London's roads, including proposals for more than 150 new and upgraded pedestrian crossings and dedicated pedestrian signals at busy junctions in Barnet, Kensington & Chelsea and Enfield. There will also be 20mph speed limits introduced on roads in Barnet, Brent, Harrow, Redbridge, Waltham Forest, Enfield and Richmond, as well as junction and corridor improvement schemes that will make London's streets safer and better for active travel.

Bus priority schemes will also be funded, including creating new bus lanes that will help make bus services more reliable and attractive as an alternative to the car, contributing to London's target of building 25km of new bus lanes by March 2025.

The amount allocated was a 16 per cent increase from 2023/24, when boroughs were allocated £69m, with outer London boroughs continuing to receive a higher proportion of funding compared to those in inner London.

As part of this year's funding, we allocated an additional £5m for borough-led cycling schemes as there are significant plans for new cycling infrastructure on local roads. This will help boroughs to increase accessibility to cycling on local roads and make their networks safer for cyclists.

Our funding will help create safe, green spaces in the boroughs

'The Local Implementation Plan programme provides vital, localised investment in bus priority, walking and cycling schemes across the city and this investment will deliver huge benefits'

Penny Rees
Head of Healthy Streets Investment

89
new accessible bus stops created between 20219/20 and 2021/22

50km
of wider footways created between 2019/20 and 2021/22

500
School Streets across London

Spotlight on our people

Putting the best foot forward

Faith Martin
Principal Technical Specialist

With a key role in designing London's streets, **Faith Martin** works to ensure we deliver equitable street schemes for the benefit of all pedestrians. She has presented to school students to engage them in street design and inspire them to consider careers in the industry

How did you get involved in walking policy?
My background is in road safety engineering. I worked through the ranks from engineer, senior engineer to principal engineer, before moving into a role in walking policy. I soon realised that I had a unique role, and I needed to upskill on pedestrians as a specialism. I attended many courses specifically for pedestrians and their accessibility, which included many other courses, such as street lighting, drainage, trees and greening.

Design policy is important, especially for guiding others. Broadly, this is to ensure it is transferrable for applying to relevant locations; it will support road safety; and is inclusive. Inclusive design is our top output because if we design to include everyone, everyone benefits. For example, if there is level access at crossings it is easier for walking, if footway space is clear it is easier to move through, when we use colour contrast it helps to navigate places and spaces.

Why is it important to make our streets healthier and safer?
Studies have found that badly maintained streets have lower levels of walking. If streets are clean, look safe and feel safe to be in, they can be enjoyed. Other studies reveal that most people prefer walking, so we have a duty to provide streets to encourage that.

Our Healthy Streets indicators were devised through engagement with residents. This showed people want streets where people feel safe, people feel relaxed, there are places to rest, there is shade and shelter, streets are not too noisy, they include people from all walks of life, and where people want to walk and cycle.

Encouraging people to choose more sustainable travel and more walking can improve personal safety, which can help lower risks of potential crime too. By lowering vehicle speeds, drivers should become more aware of their reduced priority and their greater responsibility for safer driving behaviour.

What improvements have you seen in the last year?
I have always been impressed by traffic signals and the ingenuity that goes into balancing the demand in traffic movement. I am glad we now have green pedestrian authority at signal crossings, wherever possible. The switch of priority from vehicle traffic in favour of pedestrians is quite revolutionary.

I have seen where footways have now been made permanently wider following our mitigation techniques to provide space for social distancing. Better footway comfort has implications on road safety and personal security benefits too.

Where we have lower vehicle speeds, we also have calmer environments. Less vehicles mean less noise, so streets can be enjoyed. This is especially true at a local level, for neighbours to catch-up and children to walk to school. Our ULEZ programme has definitely been a beacon for bringing together travel and health to clean up our capital to create healthier streets.

What are you most proud of from your career?
I have always been proud to say I work for TfL and I am proud to have achieved more than 45 years of service in road safety engineering and designing for pedestrians.

If you have a career that you believe in, because it adds such great value, then it is a wonderful blessing. I believe the traffic industry is vocational, because it is challenging and demanding. I am proud of the pedestrian design principles I devised for TfL to guide on what designs should aim to achieve for the best walking outcomes.

I have always appreciated being a voice for people with protected characteristics and what we can achieve in our street design. I believe we are doing a great job on accessibility in London, especially compared to other cities.

Creating safe, green spaces is essential to encourage active travel

Tackling the climate emergency

Our projects and improvements play a key role in helping to reduce the impact of our services on climate change

Taking action on climate change

We continued our Carbon Literacy training course this year. More than 4,000 colleagues have been trained, surpassing our 2023/24 scorecard target of 3,000. The course aims to raise awareness of the carbon impacts of our everyday activities and how we can reduce emissions in our personal lives and at work.

Developing a low-carbon culture is crucial to achieving net-zero carbon operations by 2030, and becoming London's strong, green heartbeat.

4,000
colleagues trained in Carbon Literacy across the organisation

Reducing carbon emissions

We were awarded two grants, totalling more than £16m, from the Public Sector Decarbonisation Scheme in March 2024 to help reduce carbon emissions from our head offices and London Underground depots.

The grants will enable heat pumps, solar panels, LED lighting, improved glazing and wall insulation to be installed across eight sites. Palestra, our head office in Southwark, currently represents 45 per cent of all our head office gas use. Once the work funded by the grant is completed, we estimate this will be reduced to zero.

As well as saving energy, some changes at the depots will provide better insulated, more comfortable places to work.

Turning our red buses green

We celebrated a major milestone in August 2023 when we introduced the 1,000th zero-emission bus to our fleet, making it the largest zero-emission bus fleet in western Europe.

The milestone bus, which entered service on route 204, meant we remain on track to have a fully zero-emission fleet by 2034, which could be accelerated to 2030 with Government funding. As of 31 March 2024, there were 1,418 zero-emission buses in our fleet.

London's buses have the lowest levels of carbon dioxide emissions per passenger kilometres compared to other global cities including New York, Paris and Vancouver.

Converting London's bus fleet to zero-emission by 2034 will save an estimated 4.8m tonnes of carbon or an estimated 5.5m tonnes of carbon by 2030.

Since 2021, all new vehicles joining our fleet have been zero emission, while all of our other buses are low emission and meet, or exceed, Euro VI emission standards, which is the same emissions standard as the Ultra Low Emission Zone.

As well as being cleaner, all of the new buses will have enhanced customer features, such as improved flooring, seating, lighting and customer information, and will meet the industry-leading bus safety standard.

8,454+

zero-emission capable cabs on London's streets

57%

of London's taxi fleet is now zero-emission capable

Making black cabs greener

We reached a major milestone in December 2023, with more than half of the black cabs in London being zero-emission capable.

We helped bring about this step change by requiring that all new taxis licensed for the first time from 2018 to be zero-emission capable and providing taxi delicensing grants to drivers, which helped remove more than 4,000 older, more polluting vehicles from the fleet.

Further measures to reduce emissions from our black cab fleet include reducing the maximum age of the most polluting taxis from 15 to 12 years between 2020 and 2022 and introducing discounts and incentives to help drivers make the transition to new vehicles.

Most of the new zero-emission capable taxis in the capital are made by the London Electric Vehicle Company (LEVC), which manufactures its purpose-built, range-extended electric TX taxi at its state-of-the-art factory in Ansty, Coventry.

'Making the taxi fleet cleaner and bringing more electric vehicle charging points to the capital are significant parts of the wider efforts we're making to help continue being London's strong, green heartbeat, cleaning London's air and helping get Londoners around the city in the greenest ways possible'

Helen Chapman
Director of Licensing and Regulation

Improving our bus station in Kingston

In August 2023, work got under way to rebuild a state-of-the-art bus station at Kingston Cromwell Road, which will help make journeys by bus an easier and more attractive option. The project includes new, energy-efficient bus station buildings, while a new canopy will provide protection against the weather across the entire waiting area. It includes a green canopy edge.

We will install improved real-time travel information screens, fully accessible customer toilets, improved LED lighting and CCTV cameras, a new public announcement system, along with new retail units.

Before the work started, we told customers about the station closure and informed them of alternative travel options. We created two new temporary bus stops nearby to minimise disruption. Work on the bus station will continue until later in 2024.

Brightening up Oxford Circus

In October 2023, we completed work to upgrade the lighting at Oxford Circus station, with lighting throughout the station converted to LEDs, which use up to 60 per cent less energy than traditional lighting.

The new LED lights make the station brighter and more welcoming, giving customers a better experience as they travel to and from the West End.

More than 40 per cent of Tube stations, including Clapham North, Golders Green and Old Street, have been converted to LED lighting, with further stations planned for conversion in the coming years.

We aim to convert all stations to LED lighting by 2032 as part of our ambition to be net-zero by 2030.

Cable cars go green

In November 2023, we installed 89 new solar panels on the IFS Cloud Cable Car terminal buildings on both sides of the river.

The solar panels are expected to generate around 34MWh of renewable energy each year – which is the equivalent of 13 typical UK households.

The energy generated is being used to power the cable cars, with any excess energy generated from the South Terminal in Greenwich being fed back into the National Grid.

Lighting the way to energy efficiency

By the end of 2023/24, we achieved a significant landmark with 95 per cent of London's bus shelters being converted to use LED lighting. We also converted almost 70 per cent of all lamp columns on our roads to use LED lights.

The new lighting helps us reduce waste, energy consumption and associated carbon emissions.

Before and after testing showed that the new lighting uses around 57 per cent less energy, but provides 10 per cent brighter lighting, making the shelters both more welcoming and improving safety for customers, especially at night.

Once complete, the new lighting will have reduced our associated carbon emissions by more than 1,000 tonnes CO_2e annually.

In addition to bus shelters, we are working across the entire network to upgrade lighting to LEDs to help further reduce costs while improving customer benefits and minimising its long-term impact on the environment.

Customer lighting at tram stops served by London Trams has been converted to LED lighting, and work is also taking place to upgrade lighting at bus stations across London and the depot in Croydon. LED lighting has been installed at Upminster Tube depot, and is nearly complete at Hainault and Ruislip Tube depots. By the end of 2023/24, we had installed 60 per cent of the lighting at Stonebridge Park and 20 per cent of the lighting at King's Cross St Pancras station. Around 50 per cent of all lamp columns on our roads are also now LED lights.

Going greener

Creating spaces that support the nature and green spaces in our city

In full bloom

In May 2023, we announced the latest areas on our network to be managed as wildflower verges as part of our continuing work to encourage biodiversity, enhance green infrastructure within London's transport networks and mitigate against climate change for the overall benefit of our transport network.

The new sites, which included Gants Hill Roundabout in Redbridge, Clockhouse Roundabout in Feltham and the A21 Sevenoaks Road in Bromley, were selected following trials across north London, where we mowed the verges less often to encourage wildflowers to grow. The flowers create a supply of nectar and other food resources, plus shelter, for wildlife including bees, butterflies, birds and small mammals.

Wildflower verges take time to fully develop and are in bloom for a limited period of the year. We continue to maintain these verges, but they are mowed less frequently, with edges regularly mowed to ensure they remain safe for passing drivers. We have installed signs to help make it clear that these areas are being managed to encourage wildflowers.

In 2023/24, we doubled our total wildflower verges to 130,000 square metres, and we plan to double this again in 2024/25 to 260,000 square metres.

74k
square metres of wildflower verges created in 2023/24

Blooming marvellous

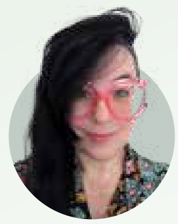
In May 2023, we brought some of the beauty of the Chelsea Flower Show to Latimer Road Tube station as part of a collaboration with Energy Garden, Kensington & Chelsea Council and the local community.

The garden from the world-famous show was rebuilt by the station entrance, giving the display materials and plants a second life.

The container garden was developed by landscape designers Amelia Bouquet and Emilie Bausager and is a celebration of sustainable gardening and the important role it plays in people's lives.

The project was funded by the Mayor's Future Neighbourhoods 2030 programme and maintained as part of the Energy Garden network. We continue to work with Energy Garden to enable local community groups to access some trackside spaces and create beautiful green spaces on London's railways.

'This garden is a great example of how we are working with our neighbours to reinvent spaces on our network through greening and planting. A little bit of nature makes stations more welcoming for all'



Ann Gavaghan
Customer Experience Manager

Creating a greener city

We published our new Green Infrastructure and Biodiversity Plan in March 2024 to protect, connect and enhance our green infrastructure and biodiversity.

The plan, which fully aligns with our 2021 Corporate Environment Plan, sets out how we will improve and care for green infrastructure and biodiversity across our estate and transport network.

The plan captures our existing relevant targets, legal requirements and policy commitments, while at the same time setting out the strategic actions we will take to deliver them. The plan was developed following a wide range of engagement within and outside TfL, including London's boroughs.

The targets include achieving a minimum of 10 per cent biodiversity net gain on applicable schemes from February 2024 and delivering a net gain in biodiversity across our estate by 2030, compared to the 2018 biodiversity baseline map.

We also committed to double the amount of wildflower verges to 260,000 square metres in 2024, and developing a longer-term plan to continue their introduction across London.

'A sustainable transport system is fundamental to London being an attractive, affordable and liveable city. By reducing our environmental impacts and maximising opportunities, like wildflower verges and sustainable drainage systems, we will be the strong, green heartbeat for London'

Dr Katherine Drayson
Senior Environment Manager

New look for Old Street

Work continued on transforming Old Street station and roundabout throughout the year, and is now almost complete. A new London Underground station entrance has been completed, along with two new passenger entrances and new lifts to improve accessibility.

The northwest arm of the roundabout has been permanently closed to traffic, creating a major new pedestrian space. Trees and plants have been added, along with benches and other street furniture to create an attractive and welcoming space.

New and improved crossings, as well as fully segregated cycle lanes, have been installed, creating better walking and cycling access for everyone.

The full transformation is due to be completed later this year.

A good public transport experience

Ensuring our network reflects our diverse city

Claire Mann
Chief Operating Officer

'We have continued to improve and expand London's transport network, to help ensure that every Londoner has access to safe, reliable and clean transport options'

Revolutionising bus travel

We are improving the experience for our bus customers, including the launch of our Superloop network of express bus routes across outer London

10
express bus routes make up the complete loop

138km
is the distance covered by the Superloop in one direction

6
million kilometres added to the bus network

‘The Superloop is delivering more frequent and longer running bus services, with the express services circling the city, providing quicker links between transport hubs, town centres, schools and hospitals’

Seb Dance
Deputy Mayor for Transport

Launching the Superloop

In July and August 2023, we completed the first phase of the introduction of the new Superloop network of express bus services, by rebranding four existing routes. Route 607 became route SL8, route X68 was rebranded to SL6, route X26 became SL7 and route X140 was changed to SL9. Buses on these routes also became the first to showcase the Superloop branding, providing an instantly recognisable express bus service.

As part of the rebranding, the service features improved customer information, USB charging points on all buses and new stop names to better reflect their locations.

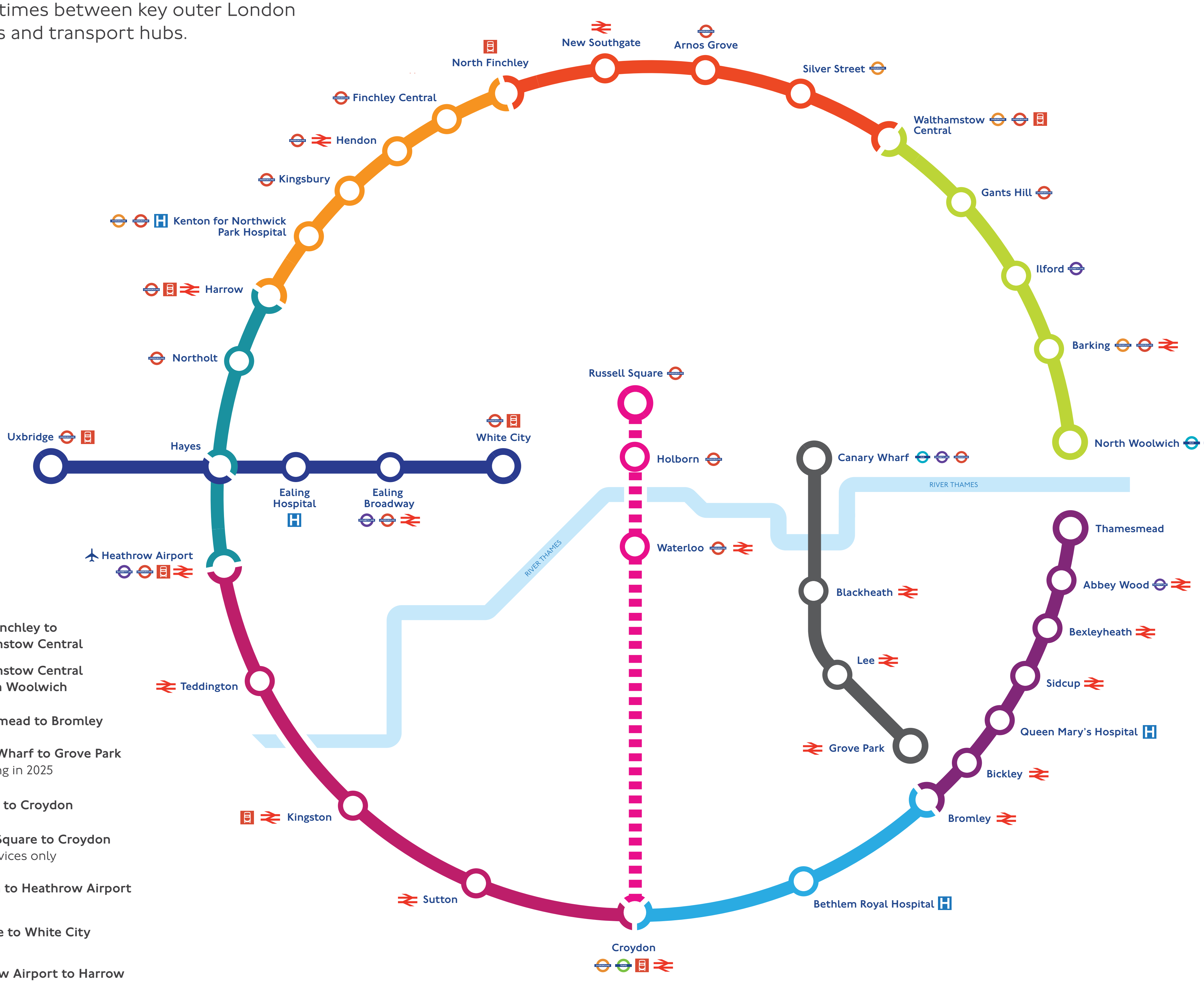
The changes for route SL8 included an extended timetable to provide more early morning and evening buses, and the frequency of the SL7 route doubled to a bus every 15 minutes.

Between November 2023 and March 2024, we launched five brand new routes – the SL1, SL2, SL3, SL5 and SL10 – to complete the ‘loop’. The SL4 service will be introduced in 2025 once the Silvertown Tunnel opens.

This work marks a huge milestone in our commitment to connecting communities across outer London and giving people even better access to affordable and sustainable travel.

The full loop

The Superloop network will improve connections and journey times between key outer London town centres and transport hubs.



SL1	North Finchley to Walthamstow Central
SL2	Walthamstow Central to North Woolwich
SL3	Thamesmead to Bromley
SL4	Canary Wharf to Grove Park Launching in 2025
SL5	Bromley to Croydon
SL6	Russell Square to Croydon Peak services only
SL7	Croydon to Heathrow Airport
SL8	Uxbridge to White City
SL9	Heathrow Airport to Harrow
SL10	Harrow to North Finchley

New generation of iBus

In March 2024, we awarded a contract worth £160m over 10 years to INIT, to replace our iBus vehicle location system, which has been operating for 17 years. The contract will see the on-board hardware and back-office software replaced across our entire bus fleet.

The new iBus system will improve the reliability and accuracy of real-time passenger information and provide information on disruptions and diversions to routes, both on the bus customer information boards and our TfL Go app.

This will be particularly helpful for passengers with hearing or visual impairments who rely on accurate and up-to-date traffic information to use public transport.

Over the last year, we installed new bus countdown boards across every borough in London, with almost 3,000 boards in operation by the end of 2023/24.

'Priority Seating Week shows our commitment towards making travelling on the public transport network easier and more pleasant for everyone, especially for customers with visible and non-visible conditions'

Mark Evers
Chief Customer Officer

300
TfL buses now have new priority seating designs

1/5
bus customers have a visible or non-visible condition

New priority seating for London's buses

To mark Priority Seating Week in April 2023, we helped make bus travel more attractive, inclusive and accessible to all with new, prominent priority seating installed on our buses.

The specially designed seating makes travelling easier for people with a range of conditions, whose needs may not be immediately obvious. The design features an eye-catching moquette in distinctive colours, with a clear message showing it is a priority seat.

The design helps people who need a seat, including older and disabled customers and people with non-visible conditions to easily identify these seats, and serves as a helpful reminder to fellow passengers that there may be customers with a greater need for a seat.

The new seating designs build on our other successful campaigns since we first launched Priority Seating Week in 2017. More than 100,000 Please offer me a seat badges have been issued to disabled people and those with non-visible conditions since the campaign first launched.

New priority seating has also been introduced on London Overground and selected London Underground trains to encourage everyone to think about others who have a greater need.

The new priority seating is more recognisable for all customers

Better travel for all customers

We are working to ensure that our network works for all our customers

Life through the lens

In July 2023, we launched a trial of new NaviLens technology at DLR stations. The technology helps blind and partially sighted customers to navigate the network more easily.

Customers use their smartphone to access and locate information and interact with their environment. It is based on image recognition using augmented smart codes, placed along designated customer itineraries, and a smartphone app that provides voice guidance for visually impaired passengers.

Users can use voice assistance through the app to continue their journey, which includes practical information including descriptions of the physical element, guidance indications and real-time DLR arrivals and departures.

We will use the findings from this trial to inform our innovation challenge, which is focused on improving the travelling experience of disabled customers.

10k
new homes unlocked through the capacity increase on the DLR

99m
DLR journeys each year, making it the busiest light railway in the UK

Delivering more for the DLR

As part of our DLR train replacement programme, we placed an order for a further 11 new state-of-the-art trains in June 2023.

The trains, which are being funded through the Housing Infrastructure Fund, feature a walk-through design, latest audio and visual real-time travel information, air conditioning and mobile device charge points. They will help ensure customers can enjoy more frequent, reliable and comfortable journeys.

Designed and built by Construcciones y Auxiliar de Ferrocarriles (CAF), the new trains are in addition to 43 trains already ordered from CAF.

The 54 new trains will help boost overall capacity on the network by more than 50 per cent. Each train will provide better facilities for those with mobility impairments with three multi-use areas, in addition to three dedicated wheelchair spaces. These multi-use areas can be used for wheelchairs, pushchairs, bicycles and luggage.

'These new DLR trains will transform the journeys of millions of existing customers but will also give us the opportunity to welcome many more as new jobs and homes are created in east London and the Docklands area'

Tom Page
DLR General Manager

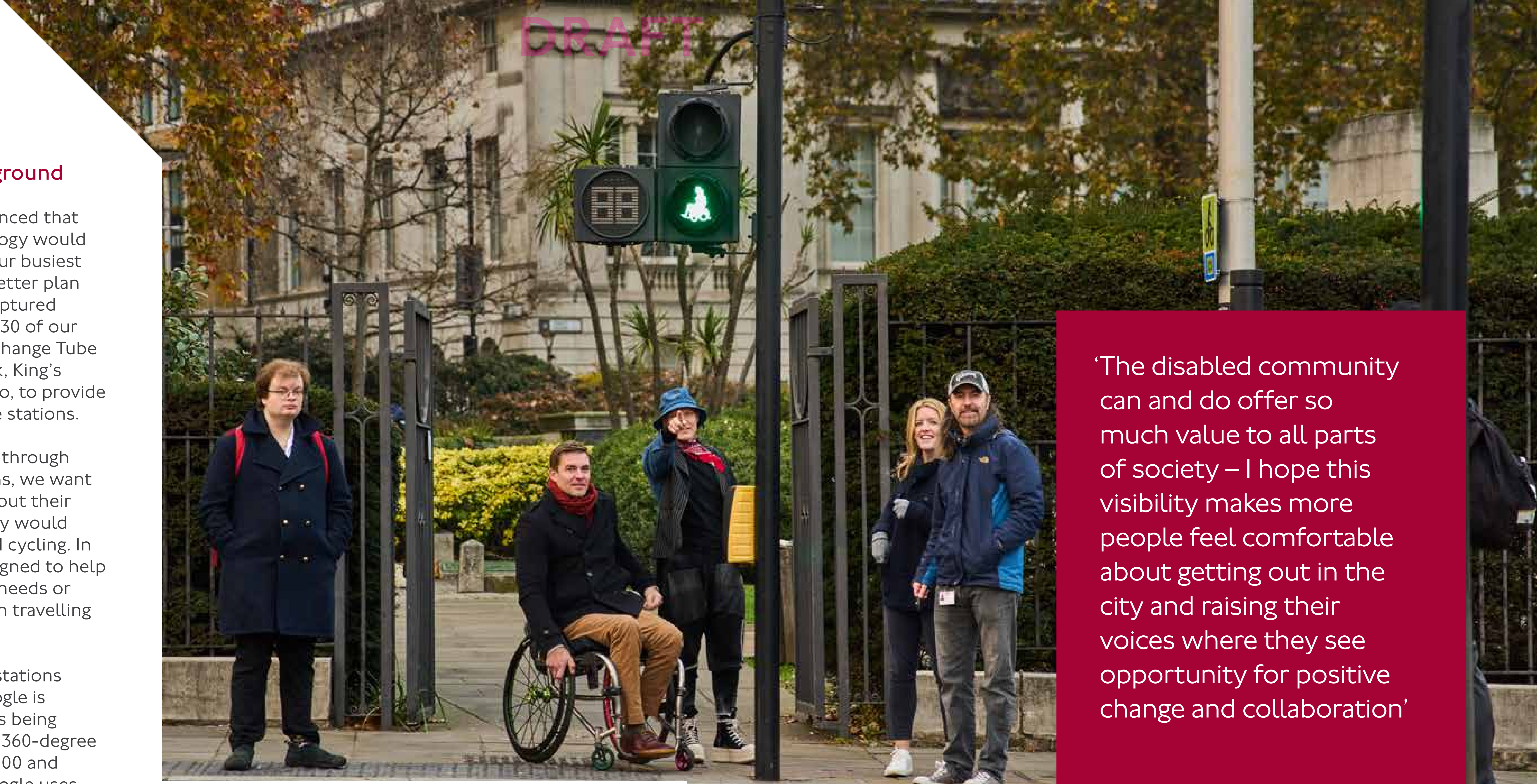
Street View goes Underground

In November 2023, we announced that Google's Street View technology would be provided in a number of our busiest stations to help customers better plan their journeys. The project captured 360-degree images in around 30 of our busiest central London interchange Tube stations, including Green Park, King's Cross St Pancras and Waterloo, to provide virtual representations of the stations.

By being able to show routes through some of London's key stations, we want to enable customers to map out their journeys in the same way they would for trips made by walking and cycling. In particular, the move was designed to help customers with accessibility needs or those who are unfamiliar with travelling in the capital.

We are displaying posters at stations to alert customers when Google is capturing the images, which is being done by a small team using a 360-degree backpack camera between 10:00 and 16:00 to avoid peak hours. Google uses blurring technology to automatically blur identifiable faces.

30
Tube stations that had images captured for the Google project


Captain Pete Reed OBE devised the idea for wheelchair-user lights

'The disabled community can and do offer so much value to all parts of society – I hope this visibility makes more people feel comfortable about getting out in the city and raising their voices where they see opportunity for positive change and collaboration'


Captain Pete Reed OBE

Shining a light on disability

In December 2023, we worked with three-time Olympic and gold-medal winning rower Captain Pete Reed OBE to introduce wheelchair-user traffic signals ahead of International Day of Persons with Disabilities.

In 2019, Captain Pete Reed OBE experienced a spinal stroke that left him paralysed from the chest down. He approached us with the idea of having a wheelchair-user traffic signal to draw attention to the large disabled population in London and beyond, for whom access and ease of travel is essential to make the most of the city.

We worked closely with our Independent Disability Advisory Group and other key disability campaigners to ensure the signs best reflected wheelchair users. There are two designs showing a person using an independently controlled manual wheelchair and a someone using an electric wheelchair.

The specially designed symbols were installed at pedestrian crossings in Earl's Court, King's Cross, Liverpool Street, Tower Hill and Whitechapel. The locations were carefully selected based on their proximity to busy Tube stations that offer step-free access. They were installed by Yunex Traffic, which installed the signals at no cost.

Our work at Kentish Town will help future-proof the station

15k
moving parts on a typical 15-metre rise escalator

20
hours per day that our escalators will typically operate

Improvement works at Kentish Town

In June 2023, major works got under way at Kentish Town Tube station to replace both escalators at the station.

The works, which are due to be completed by September 2024, involve replacing both escalators with new, high-performing machines. The old escalators, which are the most unreliable on the Underground network, were installed in 1997 and are bespoke to the station, making it difficult to source parts for maintenance and repairs.

The new escalators are the same model as those used on the Elizabeth line and throughout the Tube network and are expected to last for around 40 years. They have more efficient motors and drivers, meaning they use less electricity. When not in use, they will run slower to save energy.

We have used the temporary closure to carry out a range of other station improvements at the same time, including removing the redundant ticket office and realigning the ticket barriers to provide more space for customers and additional ticket gates.

The station is also being painted and deep cleaned, with new floor and wall tiling and improved signage installed.

Seizing the night

In August 2023, we extended the operating hours for our vital free Dial-a-Ride service to enable older Londoners, and those with long-term disabilities, to socialise at night.

We further extended Dial-a-Ride services during the festive period to enable people to enjoy Christmas festivities for longer.

The extended hours, which means the service runs until midnight with last pick-ups at 23:00, have been introduced following engagement with users and partners, including Transport for All and Age UK London.

The move followed a drive to improve the service through the year, which saw us recruit 12 additional drivers to meet the increased demand for the services, as well as more staff to improve call waiting times.

We also introduced a simpler booking system to enable members to book trips online, as well as over the phone and via email.

Improving access for all

This year, we achieved a significant milestone in our rollout of mini ramps when we introduced them at 47 stations across the Tube network.

The rollout follows a trial in 2022 on the Jubilee line of the ramps, which can help people get on and off trains where there is a small step or gap between the platform and the train.

The mini ramps are particularly helpful for customers with mobility aids with small or swivel wheels, giving them additional comfort and reassurance.

The ramps were developed after feedback from customers that the gap can still be a barrier to them being able to get on and off Tube trains confidently, even at step-free stations.

4.5m

Central line journeys are made on average each week

30

UK manufacturers are supplying the parts for this project

All change for the Central line trains

In December 2023, the Mayor visited our depot in Hainault to see the first of our refurbished Central line trains, which feature more reliable motors, better accessibility, improved customer information and a new moquette design.

Each carriage is fitted with CCTV cameras and audio customer displays, which is the first time they have been installed on trains on the Central line.

The introduction of CCTV is a significant step in the continuing effort to ensure that Londoners feel, and are, as safe as possible when using the transport network.

Our project to improve the Central line is the most significant overhaul scheme our engineers have done in the history of the Tube. The trains, which are more than 30 years old, are some of the most unreliable on the network. We have experienced a high number of severe challenges with the fleet in recent months, which is why the overhaul work is so important. It will ensure the fleet continues to operate and extend their working life.

The first completely refurbished train has already entered customer service, with improvements being made to the entire fleet over the next few years.

Piccadilly line trains are put to the test

In November 2023, the first newly built state-of-the-art test train for the Piccadilly line was tested at Siemens Test and Validation Centre in Germany. The train was put through a rigorous programme, including tests for acceleration, braking, noise and vibration, as well as extreme weather endurance testing.

This testing programme continues ahead of the first train arriving in London for further testing and integration onto the network later in 2024.

The new trains will feature walk-through carriages with all-double doorways to help customers get on and off more easily, enhanced digital display screens for real-time information, air conditioning and on-train CCTV cameras.

Around 80 per cent of the trains will be assembled at Siemens brand-new manufacturing site in Goole, Yorkshire, with some of the parts, such as the LED lighting, coming from local suppliers in Yorkshire.

£200m

invested in developing the Siemens site in Goole

700

skilled jobs created through assembling the trains

Setting Equity in Motion

We published an ambitious new customer plan in February 2024 to help create a fairer, more accessible and inclusive transport network for everyone.

Our Equity in Motion plan sets out more than 80 commitments to cover key areas for improvements around improving customer experience, enhancing connectivity, keeping travel affordable and addressing health inequalities.

The key commitments in the plan include:

Accessible travel
Increasing the number of step-free Tube stations, introducing mini ramps, creating more spaces for wheelchair users and buggies, and looking at how we can improve customer toilet provision.

Safety
Expanding our Project Guardian school sessions on sexual harassment, making it easier for customers to report crime and safety concerns, and training staff to call out and help reduce all forms of harassment and to support victims.

Understanding customers
Creating a new inclusive Design Centre of Excellence, researching the needs of communities including LGBTQ+ people, and increasing the number of frontline staff who are disability equality trained.

Affordable travel
Studying how the cost of travel affects people with protected characteristics to inform our investment priorities.

Inclusive Information
Reviewing our approach to translating communications into different languages, including British Sign Language, adding virtual tools to the TfL Go app and website to help customers better understand the accessibility of the transport network, and introducing hundreds of new real-time information displays at bus stops and shelters.

Connectivity
Completing inclusivity audits at stations, researching the barriers to walking across protected characteristic groups, and expanding our electric cycle hire scheme.

> 'Equity in Motion draws on the experiences and viewpoints of a range of Londoners, prioritising the areas they want to see improved to create tangible actions that drive forward change and help make London a truly fair city'

Alex Williams
Chief Customer and Strategy Officer

Making more stations step-free

As part of our commitment to accessibility, we are making more Tube and London Overground stations step-free.

This year, we started work at Colindale station where we aim to provide step-free access by autumn 2025, alongside other station improvements including an accessible toilet.

We are also creating step-free access at Knightsbridge Tube station and improved access to the Bakerloo line at Paddington station.

We are working on the detailed design for step-free access at Leyton and Northolt stations, ahead of construction work starting later in 2024 at Leyton and early in 2025 at Northolt.

There are nine more Tube stations being reviewed to understand the feasibility, cost and benefits of delivering step-free access. We have delivered 24 step-free stations since 2016.

100%
of our Elizabeth line stations are step-free

1/3
of our Tube stations are step-free

Spotlight on our people

Putting diversity to the forefront

Patricia Obinna
Director of Diversity and Inclusion

Patricia Obinna supports the organisation in creating an inclusive workplace culture for all, which includes embedding inclusion into our behaviour, decision making and all our practices

What have been your highlights from 2023/24?
I have particularly enjoyed having the opportunity to meet with, and speak to, lots of different people from around the organisation. Hearing about people's experiences, good and bad, informs the work that I'm doing. Attending Pride, Black Pride and Notting Hill Carnival with colleagues from across the organisation were all notable highlights.

The launch of Action on Inclusion in June 2023 also ranks right up there. Putting a clear diversity and inclusion strategy in place was a career highlight for me, as well as a highlight for 2023/24.

We also launched our new diversity and inclusion e-learning module, Inclusion Matters, which explains the importance of inclusion in the workplace in an engaging, non-preachy way. The course is delivered through colleagues' personal experiences, helping to bring to life what it feels like to be included or excluded.

Our diversity work will help improve services for all Londoners

Why is diversity and inclusion so important for TfL?
Having a clear Diversity and Inclusion agenda means that we recognise the need and business imperative to give this agenda our focused attention, and that we are committed to taking action to improve diversity and inclusion within our business.

There is significant evidence to show that diversity, especially at the most senior level of an organisation, leads to better decision making, greater productivity and more creative problem-solving, all of which leads to the organisation being more successful. Greater inclusion is better for peoples' physical and mental wellbeing, as they feel more respected and valued.

We need to have an agenda, with a clear action plan, to ensure we bring about real, sustainable change.

What does the future hold at TfL?
Our future plans involve making sure that inclusion is an integral part of everything we do, so that we create an environment in which diversity can thrive. This means implementing all of the plans, measures and initiatives set out in our strategy, consistently measuring our progress and, if necessary, adapting our approach to ensure we continue to move progressively towards our 2030 aims.

Santander Cycles get electric boost

In January 2024, we announced improvements to our Santander Cycles hire scheme by rolling out more e-bikes and a new day pass.

Our e-bikes fleet will expand from 600 to 2,000 bikes during the summer of 2024, making it even easier for Londoners to find an affordable e-bike. The additional bikes are distributed across key central London locations. They can be docked at any of the scheme's 800 docking stations and are serviced on the street by cargo bikes and electric vans, ensuring that the scheme is as sustainable as possible.

The new day pass, launched in March 2024, gives customers a daily rate of £3 for unlimited hires up to 30 minutes within 24 hours. Hires longer than 30 minutes incur an extra £1.65 for each additional 30 minutes. The scheme makes cycling even more accessible and affordable to Londoners.

Santander Cycles saw another record-breaking year for member hires in 2023, with 6.75 million hires taking place. This is the highest since the scheme began and highlights the popularity of the e-bikes and the membership options.

'Santander Cycles has played an important role in encouraging more people to cycle and we look forward to seeing more Londoners making use of the bikes to ensure a greener and healthier future for everyone in London'

David Eddington
Head of Cycle Hire

1,400
new e-bikes will be added to the overall fleet

Green light for station improvements

In December 2023, we announced that we had got the go-ahead to progress improvements at Colindale and Leyton Tube stations to make them both step-free for the first time, after £43.1m in funding was provided by Government.

At Colindale, which was projected to reach passenger capacity by 2026, the 1960s station entrance will be replaced with a new, landmark building that includes a spacious ticket hall and a lift.

Leyton station will also get a new ticket hall, which will be built adjacent to the existing one, two new staircases and two lifts making the station fully accessible for the first time. The work will also ensure the station has capacity to support future passenger demand. The construction contract is expected to be awarded in summer 2024.

The development at both stations will help enable thousands of new homes to be built as both areas serve their rapidly growing communities.

A London legacy

Supporting the transport services that will serve the capital for many generations to come

Search launched for next Elizabeth line operator

In February 2024, we announced a shortlist of four bidders to become the next operator of the Elizabeth line from May 2025, when the current contract with MTR Elizabeth line expires.

The next operator will build on the success of the Elizabeth line, collaborating with key partners to optimise reliability, as well as sustaining the high levels of customer satisfaction and growth.

700k
journeys made each weekday on the Elizabeth line

770k
journeys made on 14 Dec 2023, the busiest day of the year

Service boost marks Elizabeth line anniversary

A new timetable was announced for the Elizabeth line that saw frequencies increase from 22 trains per hour to 24 between Paddington and Whitechapel as the service celebrated its first anniversary in May 2023.

Services increased to 12 trains per hour between Canary Wharf and Abbey Wood during peak hours, with a train around every five minutes.

All-day services launched between Shenfield and Heathrow Airport Terminal 5 for the first time, with two trains per hour providing direct connectivity between Essex, east London and west London.

The new timetable has fewer pauses between trains, so customers can enjoy more frequent and reliable services.

The introduction of the new timetable marked the final milestone of the Crossrail project and ensured higher frequencies, greater connectivity and faster journey times for those using the Elizabeth line.

> ‘Delivering the Elizabeth line has been transformational for our city, with hundreds of thousands of Londoners and visitors now enjoying the fast and reliable trains each day’

Sadiq Khan
Mayor of London

Messages from Their Majesties

Their Majesties King Charles III and Queen Camilla recorded announcements that were played at railway stations across the country, as well as all Tube stations, during the Coronation weekend.

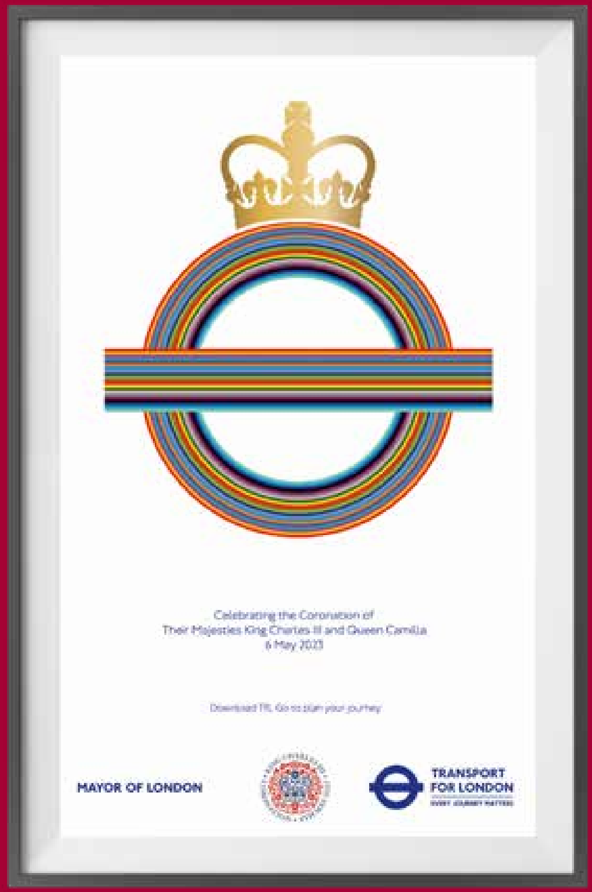
The message was recorded by our audio team, and included The King announcing the world-famous reminder to 'mind the gap'. Some of the other messages included King Charles III saying 'My wife and I wish you and your families a wonderful Coronation Weekend'.

A nod to the past

We produced a commemorative poster for the Coronation that paid homage to the one created in 1953 to celebrate the Coronation of Elizabeth II.

The poster was displayed across the network and available for customers to buy from London Transport Museum's shop.

There were also limited-edition travel advice leaflets, which again recreated the 1953 Coronation leaflet. These were available at Tube and bus stations, as well as National Rail stations, on the day of the Coronation.



Our crowning glory

To celebrate the Coronation of His Majesty King Charles III in May 2023, we unveiled specially designed 'crowndels' across the transport network.

The crowndels, which put a unique spin on the classic roundel design through the addition of the St Edward's Crown, were displayed at a number of Tube stations, as well as some Elizabeth line, London Overground and other key interchange stations.

We launched five commemoratively wrapped buses along routes passing iconic locations linked to the Royal Family, such as Horse Guards Parade and Westminster Abbey. Three bus shelters on Oxford Street were adorned with crowns so that customers on the top deck of buses or using bus stops in the area could spot them.

We also wrapped 20 Santander Cycles, including two e-bikes, with special designs and gave customers the chance to enjoy a free 30-minute cycle ride by using the code 'Coronation23'.

We decorated a number of our assets

'Public transport remained the best way to travel in London during the Coronation weekend and was at the heart of making this historic occasion a success, just like it did when London saw the 1953 Coronation of Elizabeth II'

Andy Lord
Transport Commissioner

The world is your Oyster

In June 2023, we launched a new limited-edition Oyster card to celebrate two decades of the iconic smartcard making travel on public transport quicker and easier for everyone.

The cards were available from ticket machines in Zone 1 Tube stations, as well as at Visitor Centres and Oyster Ticket Stops in central London.

Oyster is one of the world's most iconic transport smartcards, and more than 125 million people from around the world have benefited from more convenient travel in London since it launched.

The Oyster card has not just had an impact on how people travel in London, but also across the UK and even globally. The success of Oyster in London, which then paved the way for pay as you go with contactless as well, has led to more rail services across southeast England, and world cities, introducing similar pay as you go technology for travel.

The 20th anniversary design joined others that were created in previous years, such as for the launch of the Elizabeth line, the 2012 London Olympic and Paralympic Games, and Her Majesty Queen Elizabeth II's Diamond Jubilee.

'Oyster has cemented TfL's reputation for being at the forefront of innovation and paved the way for the use of contactless payments on public transport – not only in London, but across the world'

Shashi Verma
Chief Technology Officer

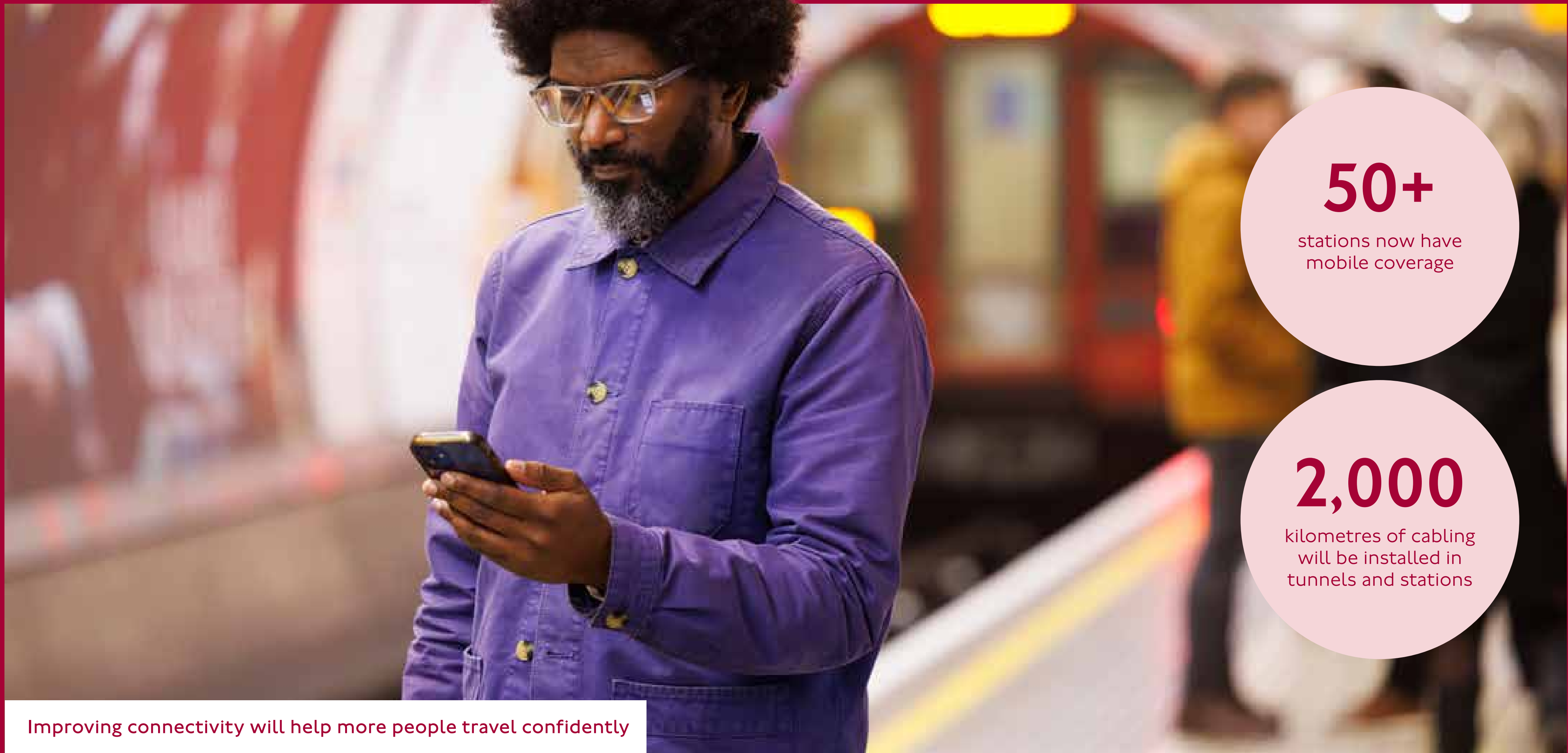
Pearls of wisdom

Other names were shortlisted before Oyster was chosen. In another world, Londoners could be carrying around Gem or Pulse cards to pay for their travel.

The Oyster system is designed to allow people to pass through ticket gates quickly and can process 40 people per minute passing through a gate – 15 more than with paper tickets.

Tapping through time

2003	2005	2007	2012 (May)	2012 (June)	2015	2018	2021
Oyster pay as you go is introduced on the Tube, bus and DLR	Daily capping on Oyster introduced	Oyster pay as you go is enabled across the new London Overground	Oyster online accounts introduced	London's Cable Car opens, offering pay as you go with Oyster	Oyster pay as you go extended to cover Thames Clipper river services	Pay as you go with contactless and Oyster extended to Heathrow Airport	Weekly capping on Tube and rail services extended from just contactless to include Oyster cards



50+
stations now have mobile coverage

2,000
kilometres of cabling will be installed in tunnels and stations

Improving connectivity will help more people travel confidently

Mobile boost to stay better connected underground

There was a huge boost for connectivity in September 2023 when the first stations in the West End went live with 4G and 5G mobile coverage.

The Mayor was present as high-speed mobile coverage was brought to the Central line, including ticket halls and escalators between Oxford Circus and Tottenham Court Road. Since then, further stations across the West End on the Central and Northern lines, and the Elizabeth line, have gone live, meaning that around 25 per cent of stations across London that have underground platforms now have coverage.

All four mobile network operators – Three UK, EE, Vodafone, and Virgin Media O2 (VMO2) – are committed to covering the whole of the Tube network, as well as the Elizabeth line, DLR and key parts of the London Overground, making it easier for customers to stay connected as they travel around the city.

Connectivity is beginning to be delivered on the Piccadilly and Victoria lines, as well as the southern section of the Northern line. The Bakerloo line will also go live in 2024, bringing in non-fare incremental revenue for us. This technology will also host the Home Office's Emergency Service Network, which when fully operational, will give first responders immediate access to lifesaving data, images and information.

Better connectivity across London

In a further boost to customer connectivity, the first 100 EE and 3UK small cells have been rolled out and are live on street lighting columns along our roads, broadcasting a 4G and 5G signal around Old Street, Waterloo, Euston, King's Cross and Park Lane.

In these areas, there has been a significant boost to the network capacity, providing high-speed 4G and 5G connections in high-density areas.

To provide the infrastructure needed for the roll out of the small cells, 40 kilometres of fibre has been laid through our traffic management system. This network will significantly improve fixed and mobile connectivity in these areas.

The small cells boost connectivity

Celebrating diversity

Showing our support for the great diverse communities that we serve

Showing our Pride

In July, we teamed up with LGBTQ+ personalities, including Drag Race's Bimini, stylist Gok Wan, DJ and writer Nick Grimshaw and dancer Queen MoJo, to celebrate Pride across the capital's transport network.

The stars featured in a poster campaign telling their stories, alongside LGBTQ+ community stories. We also invited passengers to share their own stories under our #EveryStoryMatters theme.

The posters also featured our colleagues, with staff members expressing their Pride creativity through designs, poems and craftwork.

To further celebrate London's diversity, a number of our services, including a London bus, a London Overground train, an Elizabeth line train and an Underground engineering train, were wrapped in a unique and vibrant design.

The design, which was shaped by the lived experience of the LGBTQ+ community, reflects the diversity of London and was seen by people across London to as far as Essex and Reading.

The wrapped London Overground and Elizabeth line trains, engineering train and bus were funded by our partners Arriva Rail London, MTR Elizabeth line, Hayley Rail, Abellio and Global.

Joining the Carnival

We celebrated the culture and contributions of the Windrush generation at Notting Hill Carnival in August 2023, with a specially wrapped double-deck bus.

The vibrant bus, designed by artist Baraka Carberry, formed part of our parade at the carnival, themed to commemorate the 75th anniversary of the arrival of passengers on the SS Empire Windrush.

The bus, provided by Go Ahead London, formed the central part of our float, which we arranged in collaboration with Lagniappe Mas band and the Windrush Generation Legacy Association. The wrapped bus went into customer service after the carnival.

'Our transport network would not be the success it is today without the incredible contributions of the Windrush generation who answered the call to come here from the Caribbean to work, so Baraka Carberry's design is a fitting tribute'

Andy Lord
Transport Commissioner

Spotlight on our people

Celebrating a unique legacy

Chris Samson
Project Manager,
Chief Capital Officer

As well as his day job leading on people plan workstreams, **Chris Samson** was project manager for our activities to celebrate the 75th anniversary of the Windrush generation, including arranging our presence at Notting Hill Carnival

How did you get involved in our Windrush celebrations?
We regularly celebrate the anniversary and have been a part of Notting Hill Carnival in the past, but never at the same time. Project managing the event was rewarding and exciting because although it was a first for us, the success was down to strong leadership endorsement and the willingness of colleagues and suppliers to make it happen.

Why is it important to recognise this anniversary?
The Windrush generation has a very close relationship with transport and our nation. I would go as far as saying they shaped the transport network at a time when it was truly at its most vulnerable. The part played by those who came from other countries has been either poorly documented or part of hidden history. Recognition and celebration is not only an effective way of redressing that, but also helping to shape our future as a more inclusive society and workforce.

The poet and author Maya Angelou said: 'You can't really know where you're going until you know where you have been'. It's a powerful lesson for us all in all walks of life and it's why we took the time to partner with a charity who continue to work with veterans of the Windrush generation, many of who are retired members of London transport.

How was the experience of being involved with the commemorations?
It was incredibly challenging and inspiring at the same time. The challenge was ensuring we showcased the impact of the Windrush legacy– the art, music, clothes, language, literature and food. There are very few events that bring all of that together better than the Notting Hill Carnival. We also have so many colleagues who play an active role in the carnival.

We celebrated the contributions of the Windrush generation

The inspiration came from collaborating with some amazing colleagues and organisations who not only gave their time, resources, energy and support – but also shared their experiences and the impact of the Windrush pioneers. It helped shape so much of what we achieved.

I was really humbled with the opportunity to visit some of the businesses and meet the people who were helping to get things done. In a world where online meetings have become the norm, it was really nice to meet in person and pass on my personal thanks. I've made some good friends and developed important relationships.

What was your highlight from the events?
Meeting the veterans, including some in their 90s, and members of the Windrush Generation Legacy Association. Like any real hero, they are all very humble. We made sure they realised they were much more than that on the day, along with the thousands of revellers who clapped and cheered them along the route.

My mum also took part. She spoke with so many of our veterans about shared experiences and she was made to feel special by so many colleagues. The feedback from customers was incredible. Events like this can spark curiosity and builds bridges, both generational and cultural. It's what legacy is all about.

Celebrating Black History

We celebrated Black History Month in October 2023 with a series of events and performances to honour the Black people who have shaped the transport network and the city.

A leaflet of poems by Black poets was available at most Tube stations, bringing together works from our Poems on the Underground programme, including those by Benjamin Zephaniah, Lemn Sissay and Grace Nichols.

Brixton station hosted a photo series celebrating Black women members of staff working across TfL in a range of areas. The work, titled Saluting Our Sisters, sees each woman share their achievements and aspirations, both inside and outside the workplace.

The specially wrapped bus, featuring a design by artist Baraka Carberry, which was created for the Notting Hill Carnival, went into service throughout the month on route 40, between Clerkenwell Green and Dulwich.

There were also DJ sets on the London Overground, with Service Delivery Manager Bentley Brooks taking to the decks as Bentley B at Shoreditch High Street, Shepherd's Bush, White Hart Lane and Dalston Junction stations, playing a variety of music from Africa, the Caribbean and America.

Supporting the Poppy Appeal

In November 2023, we once again showed our support for the Royal British Legion by creating special poppy-themed roundels that were displayed at 10 Tube stations and five London Overground stations, as well as at some bus stations across the network.

We wrapped five buses in a special poppy design, which featured at Battersea Power Station and alongside Yeoman of the Guard at the Tower of London. Tube, DLR, Elizabeth line and London Overground trains, as well as trams, displayed poppies to mark their support. Poppy flags were raised over our piers along the Thames.

We further supported the cause, which raises money to support veterans and servicemen and women, by creating transport-inspired poppy pins, which could be purchased from the British Legion's Poppy Shop.

Voicing support

We teamed up with celebrities Jools Holland OBE, Ross Kemp and Britain's Got Talent winner, magician and serviceman Lance Corporal of Horse Richard Jones to help promote London Poppy Day and encourage people to donate to the Poppy Appeal, ahead of Remembrance Day in November 2023.

Jools Holland made a series of special station announcements that were played across the network to encourage people to donate to the appeal. Richard Jones tried his hand as a train driver on the Elizabeth line in the simulator at Old Oak Common.

Ross Kemp braved Storm Ciaran by travelling along the Thames in a Royal Marines landing craft to meet Transport Commissioner Andy Lord and members of the London Transport Old Comrades Association at Westminster Pier, before joining them for fundraising activity, which raised more than £1 million for the charity.

2,000+
volunteers help collect donations across our transport network

£1.3m
raised on our network each year through bucket collections

Jools Holland OBE was on hand to address our customers

Our Lost Property Office provides a vital service

257k
items were received at the Lost Property Office in 2023/24

11,401
items returned to their owners in 2023/24

Lost and found

In October 2023, our Lost Property Office celebrated its 90th anniversary with a move from South Kensington to a new permanent home in West Ham.

The relocation enables us to accommodate the increasing number of lost items being received. This, coupled with the existing lost property database, will make it faster and easier for people to be reunited with their belongings. In due course, it will also make it easier for black taxis to park when they need to drop off lost property.

The Lost Property Office was created in 1933 and based at 200 Baker Street. From there, staff reunited customers with belongings left on stops, stations and vehicles, including black cabs. It is now the largest facility of its kind in Europe.

In safe hands

Our Lost Property Office keeps hold of recovered items for three months, while attempts are made to reunite them with customers by using information found inside the property or matching items to descriptions provided by customers.

After three months, any unclaimed items will have personal data removed and securely destroyed, before being either donated to charity, recycled or auctioned.

Any revenue generated from unclaimed items contributes to the cost of running the Lost Property Office.

New Labyrinth artworks unveiled

As part of our celebrations for the 160th anniversary of the London Underground, we unveiled two new Labyrinth art installations at Battersea Power Station and Nine Elms stations in September 2023.

The artworks form part of a project commissioned by Art on the Underground from artist Mark Wallinger, who created a unique Labyrinth for each station on the Tube, with the first piece unveiled 10 years ago.

Wallinger, who was first commissioned for the project in 2013, chose the ancient symbol of the Labyrinth, with its single path, as the theme of the expansive work.

Each Tube station has its own unique Labyrinth design, emblazoned in black and white on a single enamel panel, representing the journey through the network taken by millions of individuals each year.

The two stations joined the London Underground network in September 2021 when the extension of the Northern line opened.

The Labyrinth at Nine Elms features nine concentric circles to hint at the station's name while Battersea Power Station has a four-cornered structure within the circular outline, a nod to the location's famous four-chimney landmark.

London Underground enthusiasts were the first to see the new Labyrinths at Battersea and Nine Elms stations be unveiled. The Labyrinths are located in each stations' ticket hall and are now on permanent display.

Music to your ears

Our busking scheme celebrated 20 years since opening in 2023. We celebrated this milestone by launching a portrait exhibition at Victoria station featuring 20 licensed buskers, all sharing their stories of their time on the Underground.

Buskers perform at more than 40 pitches on our network. Last year, the first ever pitches opened on the Elizabeth line, with buskers bringing their talents to two spots at Bond Street station. More pitches are planned for the Elizabeth line in 2024.

Talented musicians have been performing on London's transport network since 2003 through the London Underground Licensed Busking Scheme. The performances help brighten people's journeys with genres from rock, to classical and pop for 364 days-a-year.

'From the Jam to The Kinks' 'Waterloo Sunset', London has a long history of inspiring and celebrating music, and as we enter our busking programme's twentieth year, I can't wait to hear the songs of a whole new generation of buskers'

Chris Steer
Area Manager, Green Park and Euston Victoria Line

Sing when you're winning

Auditions for the latest cohort of buskers on our network got under way in February 2024, as London's finest musical talent looked to book themselves a pitch.

Around 280 musicians from all genres performed to a panel of judges at Bank, Blackfriars, Canary Wharf, Farringdon and Southwark stations, shortlisted from around 600 applicants.

Each prospective busker had a 10-minute slot to convince a panel, which included a professional musician and station staff. The auditions were designed to assess the musician's repertoire, musical ability, and performance styles.

200
existing buskers performing across our transport network

40+
busking pitches on the Tube, Overground and Elizabeth line networks

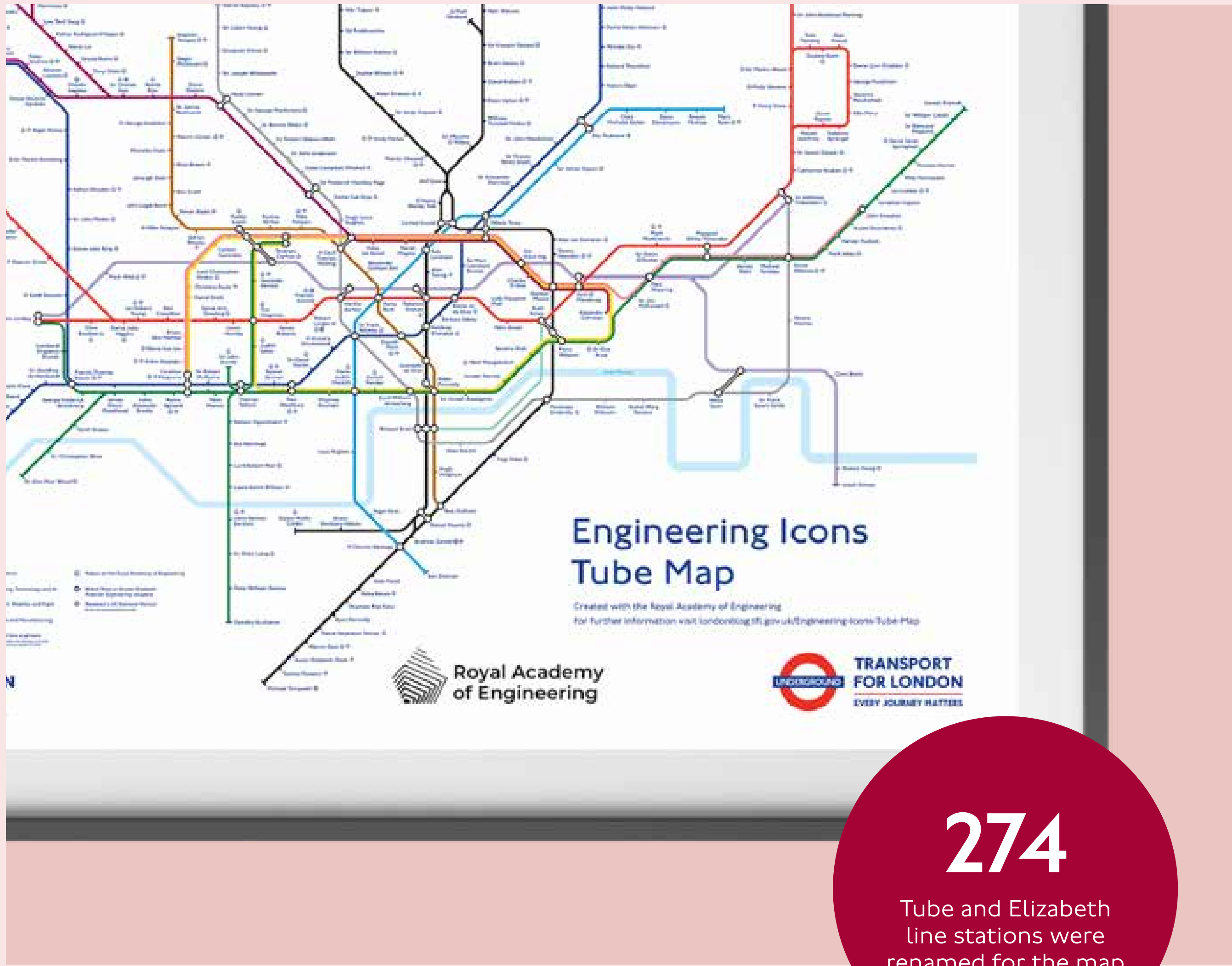
Building our brand

In May 2023, we announced a multi-year deal with internationally renowned licensing agency IMG to expand our brand engagement and licensing programme, within both the UK and across the world.

IMG will manage and build on our existing licensing programme, which has seen major collaborations with brands in recent years such as Arsenal Football Club, Kurt Geiger and Uniqlo.

Working together, we are looking to extend our internationally recognised brand across new markets, with a special focus on engaging children and supporting wellness and active travel products. These include apparel and accessories, home, gift and stationery, publishing, food and beverage, toy and games, and experiential experiences.

The partnership will help brands access our assets, as well as iconography for rail and river services, buses, active travel modes such as walking and cycling, as well as the Elizabeth line.



274
Tube and Elizabeth line stations were renamed for the map

Engineering a new look

In November 2023, we partnered with the Royal Academy of Engineering to launch a special-edition of the Tube map, which replaced the 274 Tube and Elizabeth line station names with leading engineers.

The launch of the Engineering Icons map coincided with National Engineering Day, which recognises the achievements and contributions of engineers and aims to inspire people from all backgrounds to pursue careers in engineering.

The map saw stations renamed in honour of notable engineers. Oxford Circus was renamed as Harry Beck, who was an electrical draughtsman and created the iconic London Underground Tube map in 1933.

Shepherd's Bush became Professor Dame Ann Dowling, who was the first female President of the Royal Academy of Engineering and worked on pioneering noise-reduction research on Concorde.

Ealing Common honoured Isambard Kingdom Brunel, who is the most celebrated civil engineer of the nineteenth century, while Warren Street became Ada Lovelace, who is considered the world's first computer programmer.

Talk of the Tube

In December 2023, as part of the celebrations to mark 160 years of the London Underground, we launched a podcast series to showcase what makes the service so iconic.

Presented by railway historian, broadcaster and lifelong Tube enthusiast Tim Dunn, the four-part 'Mind the Gap' series shines a light on the iconic transport network, looking at the architecture and history of stations, innovation in transport and how public transport connects people and places.

Each episode features people who have a special connection to the Underground, including Wayne Hemingway, the world-renowned designer who created the uniforms for London Underground frontline staff, Night Czar Amy Lamé, along with other experts and TfL staff.

There was a special festive episode that saw Tim meet up with – and journey with – one of his broadcasting heroes and fellow self-professed Tube fan Rylan Clark. The pair travelled from central London towards Rylan's hometown in Essex.


Tim Dunn spoke with Amy Lamé

We have helped people to enjoy the best of London's nightlife

Friday is the new Friday

In March 2024, we introduced a three-month trial of off-peak fares on the Tube and rail networks every Friday to encourage more people to enjoy London for less.

The trial, which applied to all pay as you go journeys using contactless or Oyster, was designed to encourage people onto the network and support London's wider economic recovery.

The daily cap was also amended to cap at an off-peak rate on Friday, helping those who make multiple journeys through the day to save even more.

To further support the trial, we teamed up with London & Partners, the capital's business growth and destination agency, to create a new webpage to showcase a range of offers available on Fridays during the trial. We also worked with Business Improvement Districts and key stakeholders, to identify a range of deals to further encourage people to make the most of their Fridays.

We also announced a headline partnership with OpenTable, which offered customers special menus across a range of restaurants in the capital, with different deals available each off-peak Friday.

Concessions for care leavers

Applications for travel concessions for young care leavers opened in February 2024 to enable them to benefit from half-price bus and tram travel in London.

The concession will support around 15,500 care leavers aged 18 to 25 who can apply for the travel concession, enabling them to be able to travel more affordably while they transition into independent living.

London's children in care can face many obstacles once they leave the care system. This means fewer care leavers go onto further training or university and may have to deal with complex challenges after they leave care.

Studies by the Children's Society suggests that nationally, nearly 42 per cent of care leavers aged 19 to 21 are not in education, employment, or training, compared to around 11 per cent of all 19 to 21-year-olds.

The new concession sits alongside our other travel concessions, aimed at everyone from young people to older people and those seeking employment.

15,500
care leavers will be supported by the new concession

Artistic flair

We have showcased some of the great creative talent that London has to offer through a range of initiatives

Colour mapped out

A new pocket Tube map, which launched in December 2023 with a cover featuring a photographic collage by artist Joy Gregory, was inspired by more than 100 years of cultivated gardens on the transport network.

Gregory, who works primarily in photography, took inspiration from our annual staff gardening competition 'In Bloom', which recognises staff for cultivating gardens in unlikely station environments. Having visited and documented gardens across our network, Gregory was inspired by Morden station's garden and fruit and vegetables, naming the piece after what the station's customer service manager calls 'a little slice of paradise'.

The artwork was the 39th piece commissioned by Art on the Underground to adorn the cover of a pocket Tube map. Since 2004, there have been two new covers every year, with previous artists including Joy Labinjo, Larry Achiampong and Phyllida Barlow.

The Tube map was available for free at all stations across our network.

Declaration of independence

Throughout spring and summer 2023, London-based artist Barby Asante worked with our staff on a new performative artwork project, titled 'Declaration of Independence'.

The work brought together Black women and people of colour and culminated in a performative piece at Stratford Tube station in September 2023, with visual outcomes at Stratford, Bethnal Green and Notting Hill Gate.

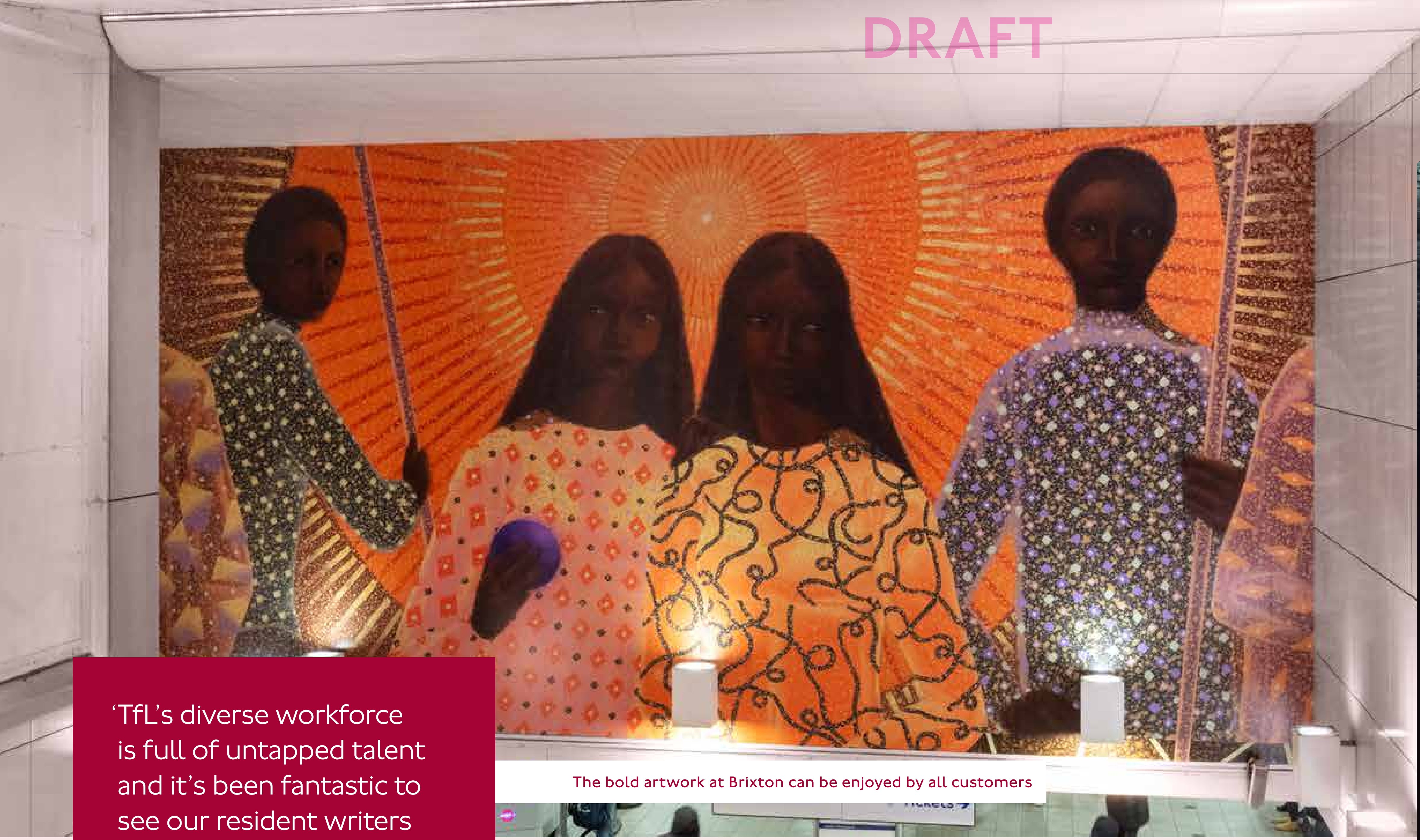
The process of this project also drew on research into our photography archives, connecting histories of Black, Asian and minority ethnic women workers to our current moment to reflect on how histories also inform the present.

Commissioned by Art of the Underground, this work was Asante's first major piece in a public space.

'The most beautiful and rewarding part of working on this commission was seeing the positive impact these gardens had on the lives of people using the transportation system'

Joy Gregory
Artist

Image credit: Benedict Johnson



The bold artwork at Brixton can be enjoyed by all customers

'TfL's diverse workforce is full of untapped talent and it's been fantastic to see our resident writers showcase their writing skills alongside their operational roles'

Eleanor Pinfield
Head of Art on the Underground

Art is reborn in Brixton

In November 2023, Art on the Underground unveiled a new artwork by Jem Perucchini at Brixton Tube station, marking the Italian artist's first major commission.

Titled 'Rebirth of a Nation', the large-scale public artwork is the latest in a series of commissions for the station, following on from the work of artists including Njideka Akunyili Crosby and Joy Labinjo.

Initiated in 2018, the programme invites artists to respond to the diverse narratives of the area, in recognition of the local murals painted in Brixton in the 1980s.

Perucchini's work captures ethereal figures with luminous light in which the past, embodied by a female figure, and the future, her mirror image, meet. Drawing from Brixton, one of London's most distinctive areas, Perucchini's work responds to an environment shaped by its diverse residents and their histories.

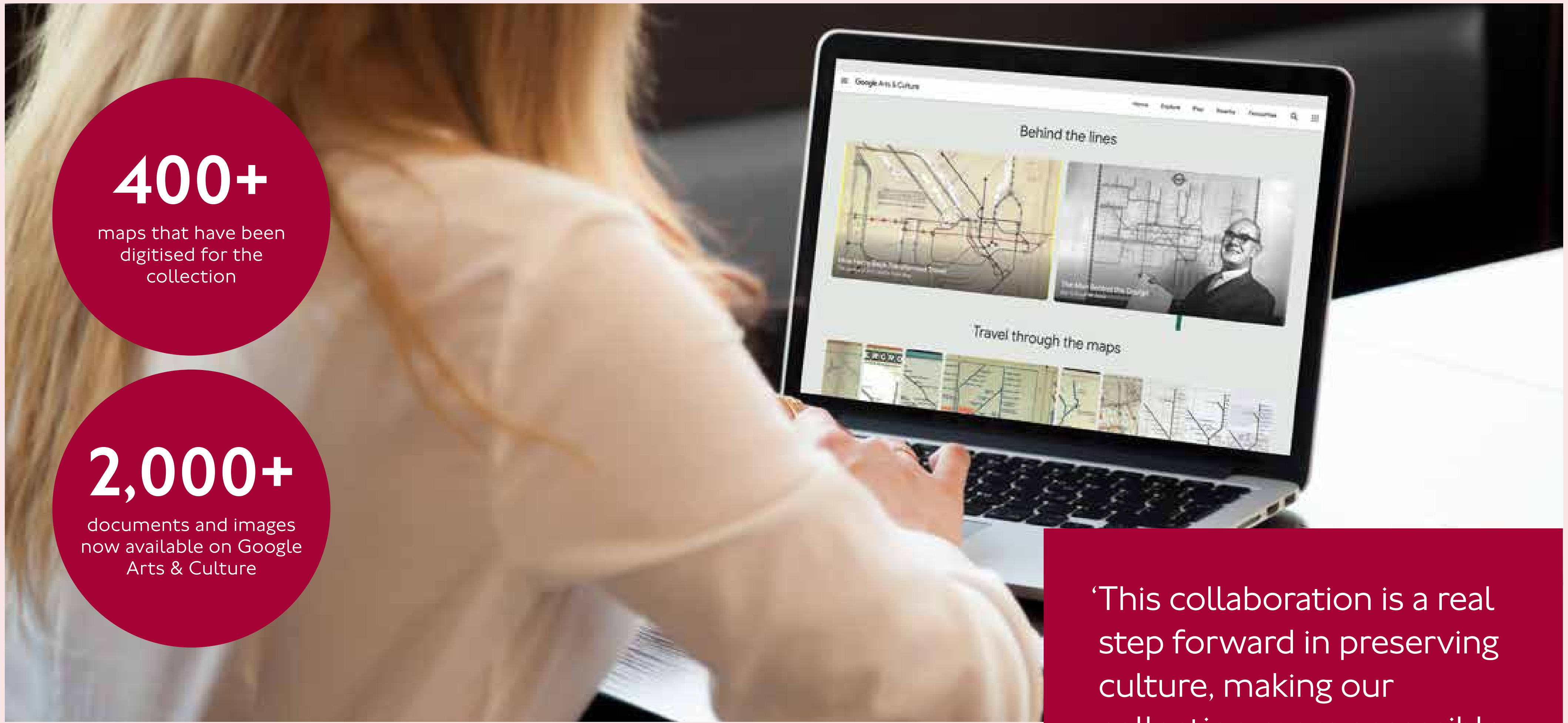
Pond life

In May 2023, Art on the Underground unveiled a large-scale installation on the disused platform at Gloucester Road station by Monster Chetwynd.

Her installation, titled 'Pond Life: Albertopolis and the Lily', reveals the entwined histories of the station and the vast programme of cultural redevelopment that followed the Great Exhibition of 1851 in Hyde Park.

Chetwynd created a series of five four-metre diameter disc-shaped sculptures along the length of a platform. Each sculpture was populated with creatures – beetles, dragonfly larvae, tadpoles and tortoises – that appear to be constructing sections of the Crystal Palace.

Image credits: Angus Mills / GG Archard



400+
maps that have been digitised for the collection

2,000+
documents and images now available on Google Arts & Culture

Sharing our culture

In February 2024, we collaborated with Google Arts & Culture to share our collection and stories online with the world for free.

Many of these documents are available online for the first time, and cover everything from the first London Underground line opening in 1863 to the modern day services. Among our collection are maps prepared for the 1937 and 1953 coronations, cartoons by Tube map designer Harry Beck, and extracts from oral histories with people who sheltered in the Tube during World War II.

The collection has been sourced from our Corporate Archives, which is responsible for safeguarding the corporate memory of TfL and our predecessor companies. It will be regularly updated to keep material relevant and ensure that our innovative projects are equally preserved for the future.

> 'This collaboration is a real step forward in preserving culture, making our collection more accessible, and helping to open never before seen content to a wider audience'

Tamara Thornhill
Corporate Archivist

Poetry in motion

In March 2024, we unveiled a poem by Harrow-on-the-Hill station customer service manager Anthony Okolie at St James's Park station, as part of Art on the Underground's writer in residence scheme.

Okolie's poem 'Ode to the Mother' is inspired by the large-scale public artwork by Jem Perucchini above the entrance to Brixton Underground station.

The poem was launched as an artwork poster on the platform at St James's Park station, with the 45-line work arranged across four panels.

The Writer in Residence scheme was established in 2022 to highlight and amplify the creative voices of our staff, creating engaging responses to art across the network.

Poet Anthony Okolie with his work

New homes and jobs

Helping business thrive and building new homes

Graeme Craig
Chief Executive,
Places for London

'We're moving London forward with thriving, connected places by unlocking the full potential of TfL's land to deliver new, sustainable and affordable homes, support Londoners and businesses to thrive, and boost the regional and national economy'

Introducing Places for London

Our property company is creating spaces that will help support London's growth and development

Going places

For decades, we have kept London moving and been one of the city's biggest innovators. In April 2022, a financially independent property company was established in TfL. In September 2023, this company was unveiled as Places for London, becoming one of our newest and most important innovations.

Places for London was created to help solve some of the capital's biggest challenges and meet its wider needs, including building new affordable housing, delivering new workspaces, and helping create a more sustainable city. It does this without diverting any funding from transport, while all operating profits from recurring revenue are returned to TfL as a dividend and reinvested into the transport network.

By 2031, Places for London will have started delivering more than 20,000 homes, half of which will be affordable. It has already completed more than 940 homes, and has started on further sites that will provide more than 3,400 homes across the capital.

There are more than 1,500 businesses on the Places for London estate, in stations, on high streets and in arches under railway lines. That number is set to grow as we create more than 250 more spaces for London's entrepreneurs. Places for London is also introducing flexible workspaces in key central London locations, by upgrading existing spaces and building new offices.

95%
of businesses on our estate are small and medium enterprises

20k
new homes started on by 2031

Places for London's approach is focused on partnership and inclusion, taking the role of a long-term steward across its sites.

As well as developing and managing buildings and spaces, Places for London wants to support the capital to prosper and be more sustainable. It is driving positive social impact, promoting economic development and embodying environmental stewardship across all its developments. As a member of the Better Buildings Partnership, Places for London has published a Net-Zero Carbon Roadmap for its portfolio.

Places for London's construction skills programme is helping Londoners take their first steps into the construction industry and is equipping them with vital skills. In the last four years, 2,775 people have gone through this construction skills programme and moved into employment in the built environment, with more than half of those coming from minority ethnic backgrounds.

> 'Places for London is a dynamic and diverse place to work, and I'm thrilled to be a part of it. I am excited to have the opportunity to deliver more of the space that Londoners want and need across the capital'

Frances Fok
Assistant Lettings Manager

50
new homes will be created

35%
of new homes will be affordable housing

Living in London

Our plans for moving forward and growing our asset base

Restoring South Kensington Tube station

Alongside our partner Native Land, Places for London obtained planning permission for the redevelopment of property around South Kensington Tube station that respects the unique heritage of the area.

The plans will see a key cultural quarter of London served by a modern and accessible station by completing step-free access to the Circle and District lines at the station and a new accessible station entrance with lifts to the ticket hall and the subway under Exhibition Road. The plans will help preserve and restore the historic arcade within the Grade-II listed station building.

The development will also provide 50 new homes around the station, of which 35 per cent will be affordable, as well as high-quality retail and workspaces.

Building a successful partnership

In April 2023, we announced that Places for London had appointed Barratt London as its joint venture partner to deliver thousands of new homes across west London.

Bollo Lane in Acton is the first site of the West London Partnership to come forward and is set to deliver up to 900 new homes, including 50 per cent affordable housing. The proposals will also provide other community benefits, including green areas, playgrounds, and spaces for businesses to thrive and grow.

Together, Places for London and Barratt London will create new educational and job opportunities for those considering a career in the construction industry, including people who live locally through apprenticeships and training programmes.

Places for London has successfully partnered with Barratt London to complete Blackhorse View, comprising 350 new homes, all of which are sold. The partnership is also making great strides, delivering 454 homes including 40 per cent affordable housing, at Wembley Park in Brent.

A thriving London

Working together to improve our estate and drive progress

> 'We have more than 900 arches across our estate, which are home to hundreds of small- and medium-sized businesses, from swimming pools to art studios. We are determined to unlock more of the spaces for businesses to set up, grow and thrive – starting at Kilburn Mews'

Jo Fisher
Head of Arches,
Places for London

Mewsing on improvements

In October 2023, Places for London announced it had secured planning permission to improve 11 arches along Kilburn Mews. The new development will open the mews to Kilburn High Street, creating a gateway to the area that has been shaped by local people and is accessible.

In collaboration with architect DKCM, the work will enhance the infrastructure of the historic and characterful arches, bridges and surrounding external space to create a new public space off the busy high street. The plans include new frontages and improved energy efficiency for the arches by using air source heat pumps to provide heating and cooling, helping to lower operating utility costs for tenants.

The proposal includes planters and tree pits, which will support sustainability and improve the ambience of the area.

Throughout the development of the designs, Places for London listened to the local community to ensure their needs were prioritised. This included hosting sessions in person and online, working with a local youth centre and running activities with a nearby secondary school.

The safety of women and girls is central to the plans, with the development focusing on how the area can be shaped and designed to ensure they feel safer. This includes improving the general lighting and security along the mews by installing CCTV cameras and mitigating potential hotspots for antisocial behaviour.

Learning together

As one of the capital's largest landowners, Places for London provides a home to a range of businesses including florists, cafés, construction companies and garages located in arches, high streets and stations across London.

In March 2024, Places for London announced a pilot of a new business skills training programme for tenants across our estate, as part of its commitment to be a responsible and sustainable landlord that promotes an inclusive economy.

Working with Heart of the City, the year-long programme offers up to 40 tenants the chance to learn responsible business skills, where they will receive a range of training and support at no cost.

The training includes online learning modules, webinars, insight sessions with experts, responsible business health checks and one-to-one sessions with advisors. There is also the chance for businesses to meet other like-minded tenants from across our estate, so they can exchange ideas, learnings and collaborate.

As well as learning skills like protecting mental health and wellbeing, and understanding more about accessibility and inclusion, tenants will also learn how to make a wider impact on their communities, such as through community investment, volunteering and by learning how to measure their carbon footprint and create a net-zero action plan.

Inspiring the next generation

In February 2024, we announced Construction Youth Trust as the delivery partner for the Educational Engagement Programme. The programme aims to inspire the next generation of young people to consider working in the built environment.

The Educational Engagement Programme will bring together schools, young people and employers, so that students, teachers and parents can learn more about the construction industry and the impact it has. Over the next three years, the programme aims to reach 6,750 young Londoners through a range of workshops and intensive programmes to help young people progress into the built environment.

Places for London and its partners will directly support 250 young people to progress into an education, training or employment outcome related to the built environment. This could be an 18-year-old starting a degree level apprenticeship, or a 16-year-old going onto study a construction T-Level.

> ‘We're inspiring young people to get into the built environment industry through our Educational Engagement Programme and, by working with our partners, connecting them to opportunities created by our pipeline’

Tom Glover
Educational Engagement Programme Lead at Places for London

Designing spaces for every Londoner

We have welcomed the first residents to the development at Kidbrooke Station Square and are expecting to complete the first phase later in 2024.

To help engage everyone in the development and improve safety for women and girls, a sustainable development framework looking at the design of teenage playspaces was developed. Together with joint venture partner, Notting Hill Genesis, Places for London engaged teenage girls from Thomas Tallis School, who reviewed and suggested improvements to the designs.

167k
plug-in electric cars and vans already registered in the capital

19,500
charge points installed across London

300
electric vehicle charging points that we have delivered

Charging ahead with joint partnership

In November 2023, we announced that Places for London had set out to secure a joint venture partner to help bring forward a number of new ultra-rapid electric vehicle charging hubs across our estate.

The partnership aims to create new off-street charging hubs.

Five locations have been identified as initial seed sites. These sites are at Hanger Lane, Canning Town, Tottenham Hale, Hillingdon Circus and Hatton Cross Tube station. In the coming years, Places for London expects to deliver up to 60 further charging hubs across the capital.

Each site will deliver at least six publicly accessible ultra-rapid charging bays, including at least one bay for those with accessibility needs. The ultra-rapid charging facilities will enable drivers to charge their vehicles in up to 30 minutes.

Creating a long-term joint venture partnership will enable Places for London to directly shape the design and delivery of the hubs, ensuring the highest standards of service, while generating long-term revenue that can be reinvested back into the transport network.

Spotlight on our people

Building a successful career path

Kelly Lopez
Senior Property
Development Manager

Working for Places for London, **Kelly Lopez** is responsible for unlocking the potential of our land, leading on a portfolio of projects from feasibility stage to completion

What does your role involve?

I lead on a portfolio of projects from feasibility stage to completion. I manage a high-performing multi-disciplinary team from across Places for London and third parties to meet key objectives, which includes affordable housing, sustainability credentials and providing a financial return that can be reinvested into public transport.

How did you get involved in property development?

I have always had a passion for property and have worked in the property development sector for more than 15 years. Before joining TfL to work on property, I spent most of my time in the registered provider sector, where I would ensure a social purpose was always considered in any project.

After seeing an advert on LinkedIn, I applied for the role as Senior Property Development Manager and I have enjoyed every minute of being part of the team, which has grown to around 75 people all with a key objective to help delivering the quality, sustainable homes that London needs.

Why is it important to build new homes and workplaces?

With London's growing population, significant housing shortage and the homelessness crisis, delivering and managing new homes and workplaces is critical. Creating employment opportunities, which construction does, will also contribute to London's cultural richness and vibrancy, and generate economic growth. By doing this, Places for London is able to create a dividend that helps TfL to reinvest in the transport network, enabling it to become more and more accessible to all.

What is the highlight of your career so far?

My highlight would be playing an integral part with our joint venture partners in delivering new homes that include 50 per cent genuinely affordable homes coming out of the ground and being let to residents in locations such as Kidbrooke.

The developments at Kidbrooke are providing vital new housing

Balancing all the different stakeholder demands is always challenging, and I pride myself on my ability to bring people together, to represent Places for London's views and deliver inclusive, sustainable homes. People have already started to move into Kidbrooke, and we are expecting to complete the remainder of phase one at Kidbrooke in 2024 – I can't wait to see Londoners benefit from their new homes and community.

What are your future plans?

In Places for London, we have a target to start on the sites that will provide 20,000 homes by 2031, with 50 per cent of those being affordable. These won't just be homes, but they will unlock the full potential of land with mixed-used developments, with some proposals set to include workspace, light-industrial units, logistics hubs and retail for the future.

We value design highly and want to leave a positive legacy in the places we create for Londoners to enjoy. This could be achieved by completing step-free access at Tube stations or designing public realm that is green and beautiful, with input from the local community. The buildings and places we deliver will be there much longer than the people behind them, and I want to see good, quality design shine through and sustain for many years improving the areas in and around the wonderful stations and transport assets we have across London.

Economic boost

Our investments are having a positive impact on the wider UK economy, supporting jobs across our supply chain and partners

£6.5bn
that we invested in projects throughout 2022/23

2,000+
suppliers involved in our supply chain

93%
of our suppliers are based in the UK

A boost beyond our borders

In October 2023, we published a major independent report, which outlines the powerful economic effect that sustained investment in our public transport system can have across the whole country.

The report, by global engineering, project management and professional services firm Hatch, showed how our investment has a huge benefit for our UK-wide supply chain, which in turn delivers wider benefits for the economy of the local areas where the suppliers are based, further supporting jobs and economic growth.

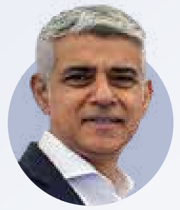
During 2022/23, our investments led to a total economic output of £5.9bn in gross value added to the UK economy, and supported 100,000 direct and indirect jobs across the UK.

Analysis of our supply chain shows that two-thirds of our suppliers are based outside of London, with large numbers in the North West and West Midlands.

More broadly across the UK, our supply chain supports a wide range of small and medium-sized enterprises, such as MDS ltd, which is based in Bedford and supply the London Underground with fabricated escalator steps. We also have AJ Wells and Sons Ltd, which is based on the Isle of Wight and provides station signs and roundels across our network.

The analysis showed that for every £1m that we spend, 16 jobs are supported in the wider economy.

'London is the engine room of the UK, and this research demonstrates not only how great TfL's impact on the wider UK economy is, but also how much London needs the expertise from around the country that isn't available in our capital'



Sadiq Khan
Mayor of London

Unlocking Thamesmead and Beckton Riverside

In June 2023, we submitted plans to the Government to deliver new transport links, homes and general regeneration of Thamesmead and Beckton Riverside, with a particular focus on extending the DLR in this area.

As part of our Strategic Outline Case, which we worked on with our partners, we would deliver huge improvements through the Thamesmead & Beckton Riverside Public Transport Programme.

This includes a DLR extension from Gallions Reach to Thamesmead via Beckton Riverside, including a new DLR station at Beckton Riverside, with a tunnel under the Thames linked to another new DLR station at Thamesmead.

There would also be a bus transit scheme to provide reliable, accessible and frequent connections to the Elizabeth line and DLR, to help tackle bottlenecks and deliver improvements ahead of the extension.

The DLR extension to Thamesmead would build on experience from 2009 when the DLR was extended to Woolwich Arsenal tunnelling beneath the River Thames, unlocking significant housing growth in areas including Woolwich, Canning Town, Pontoon Dock and West Silvertown.

We have continued to develop the cases for West London orbital, which would extend the London Overground from Hounslow towards Hendon and West Hampstead, and the Bakerloo line extension.

Extending the DLR will help support vital new homes and jobs

‘We’ve seen what can be achieved with investment in public transport bringing transformational change over the past few years with the Elizabeth line, the Northern line extension to Battersea and the London Overground extension to Barking Riverside. This Strategic Outline Case is the next step on the way to making this scheme a reality’

David Rowe
Director of Investment Delivery Planning

30k
new homes could be delivered by unlocking the area

10k
jobs could be created through the support of the extended DLR

London's major stations

We are working in partnership with London Legacy Development Corporation, Network Rail, and Newham Council to look at long-term solutions for forecasted congestion and delays at Stratford station and to support planned growth.

In July 2023, we set out an initial Strategic Outline Case for investment and the need for a long-term solution. This case will be developed further over the coming year.

We are also working with Network Rail and Westminster City Council on the potential redevelopment of Victoria station and the surrounding area. These plans would seek to improve the transport interchange and customer experience, and increase capacity at the station, as well as transforming the local area.

We have supported work led by Network Rail and Lambeth Council to develop Waterloo station, which was published in March 2024. This is a vision for the station and surrounding Waterloo and South Bank areas.

Together with Network Rail we own a combined 14,000 acres of land in the capital. Having signed a collaboration agreement in 2023, we are committed to working together to unlock the housing, jobs and new infrastructure through joint development at these and many more across London.

Positive influence

During 2023/34, we worked with more than 16 boroughs to help embed sustainable transport in their local plan policies.

We also attended two local plan examinations where we challenged policies that undermined our key objectives. As a result, we managed to make changes so that the plans better align with the London Plan. We have also shaped more than 10 supplementary planning documents that cover more detailed planning for particular areas.

2,600
planning applications were received in 2023/24

Sustainable drainage schemes will help prepare for climate change

Developing brownfield sites

We have worked closely with the Department for Levelling Up, Housing and Communities to secure transport infrastructure funding to support new housing. Recent successes include the DLR and London Overground upgrade projects and the Levelling-Up Fund projects at Colindale and Leyton.

In 2023/24, this work continued with the Brownfield, Infrastructure and Land fund.

In November 2023, the Thamesmead Bus Transit was allocated £23m, subject to business case approval, to link existing communities and key development sites in Thamesmead with local town centres and the Elizabeth line.

We are also working on a potential allocation to Pontoon Dock station, which is needed to enable the delivery of more than 6,000 homes at Silvertown Quays.

DRAFT

London Overground

Naming the future

We revealed six new names and colours for the London Overground in February 2024, representing a significant update to London's world-famous Tube map

London's latest legacy

Reflecting our past for the future

The new names and colours will make it easier for customers, while acknowledging our heritage

160
kilometres of railway

In February 2024, we unveiled the new names and colours that will help make navigating the network easier, while celebrating London's rich history. The much-loved orange roundel will continue to be used across the whole of the London Overground.

Research showed that some customers find the London Overground network confusing and would find it easier to navigate if it wasn't one single colour and name. This also brought a unique opportunity to honour and celebrate different parts of London's history and culture, creating new identities that will stand the test of time.

Starting off

We created the London Overground after taking over under-used suburban lines.

2007

A new addition

A new line between Dalston Junction and West Croydon was opened, with branches to New Cross and Crystal Palace. We used the old Underground East London line and disused railway in the north, as well as existing tracks to the south.

2010

Spreading further

We took over the suburban rail routes connecting Liverpool Street with Chingford, Enfield Town and Cheshunt, and services operating between Romford and Upminster.

2015

Better connected

The Barking Riverside extension was completed, connecting passengers to central London in as little as 22 minutes and to Barking in seven minutes.

2022

113
stations across the network

60+
London Overground stations have step-free access

There are now more than three million passengers using the service each week, connecting some of London's most historic and diverse neighbourhoods. The lines are named to help customers navigate the network and to celebrate different parts of London's history and culture.

2024

'Many of us didn't realise the history of the areas around the lines we drive, so it's been really interesting to learn about. It's brilliant to see the diverse history of London and its achievements recognised, leaving a lasting legacy. Customers have clearly been kept at the heart of this change and that shines through'

Samantha Ashman
London Overground train driver

Choosing the identities

Positive engagement

Emma Strain
Customer Director

Engaging with a range of people was key to selecting the line names, as **Emma Strain** explains

Why was there a need for line names?

We want to give customers more confidence to travel around London, especially those unfamiliar with the network. The new colours and names will make these lines much more recognisable.

Making this part of the network more accessible could see more people choosing to travel sustainably, which would benefit the whole city and wider network. At the same time, this is a great chance to honour and reflect our diverse communities and histories through the names.

How were the names chosen?

Working alongside our expert partner, creative agency DNCO, we engaged with stakeholders, customers, historians, industry experts, communities and our staff to discover shared local histories and stories, and suggestions for new names.

This was key, as London's diverse history, culture and communities have always played a significant role in shaping the city, and we wanted the names to reflect and celebrate this important aspect. We then took those suggestions through a rigorous refinement process looking at operational, legal and the customer experience to result in the final set of six names.

What were the challenges involved?

In the first phase of the project, the challenge lay in reaching out, and listening to, London's diverse communities.

The even trickier part was then capturing and translating all that incredible shared history and passion into a single and cohesive set of six names. Add in the fact that they all needed to work operationally, pass legal tests and be customer friendly, and you have a significant number of hurdles to jump.

Now the challenge is updating our expansive network to reflect the new names. We'll be changing signs at 113 stations, updating all the information on our London Overground trains, bringing all our external partners along the journey and ensuring they're kept abreast of progress. We will also work with all partners impacted to reflect the changes in their digital information systems, all while trying to minimise confusion for customers as we make the big transition.

How will the branding change?

It is important to note that the London Overground modal identity or brand will not change, and there will still be the familiar orange 'London Overground' roundels displayed outside all stations and on platforms. This is because the distinct orange branding is highly recognisable and much loved by our customers. London Overground will remain the umbrella brand and the stations will retain their names.

How did it go at the launch event and what's next?

The event was a great success with Highbury & Islington station a hive of activity as Mayor Sadiq Khan officially announced the names. The Mayor was joined by Director of Rail and Sponsored Services Trish Ashton and me, along with representatives from communities and organisations reflected in the names. We're aiming to launch the new lines operationally by the end of 2024.

We'll work with our colleagues and local community groups over the summer to showcase the line stories and bring them to life, leading up to the moment when the new line names and colours go live across the network.

Liberty line

This line runs between Romford and Upminster

Lioness line

This line runs between Watford Junction and Euston

Mildmay line

This line runs between Richmond/ Clapham Junction and Stratford

Suffragette line

This line goes between Gospel Oak and Barking Riverside

Weaver line

This line runs between Liverpool Street and Enfield Town/Cheshunt/Chingford

Windrush line

This line runs between Highbury & Islington and New Cross/Clapham Junction/Crystal Palace/West Croydon

Liberty line

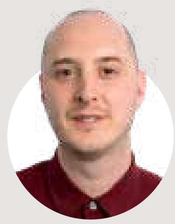
The Liberty line celebrates the freedom that is a defining feature of London, and references the motto of the London Borough of Havering and its historic status as a royal liberty

Romford — Upminster

The line, which runs from Romford to Upminster, travels through the London Borough of Havering. The name reflects the independent spirit of the Havering community, looking back at its historic status as a royal liberty, which continues to be celebrated today. It gives its name to the Royal Liberty School in Gidea Park and the Liberty Shopping Centre in Romford, as well as being the motto of the London Borough of Havering.

It also celebrates how this London Overground line links its residents to the rest of the city, including by connecting it to the Elizabeth line, giving them the freedom to explore everything London has to offer. It enables residents to enjoy the freedom and independence that public transport provides, as well as by signifying the truly unique independence of the area, reflecting its past, present and future.

My connection to the line



Peter Fletcher
Community Partnerships Lead

‘My team is responsible for managing our relationship with London’s boroughs, their political leadership and local community groups. Havering is a particularly interesting borough for us, as it’s the only one in the entirety of London where a high proportion of councillors come from residents’ associations. In the 2022 local elections they won the most seats on the council, and now run the borough. It goes to show that the citizens of Havering are politically independent minded and care about their community’

Lioness line

The name honours the legacy and achievements of the England women's football team, which continues to inspire the next generation of women and girls in sport

Watford Junction — Euston

The line runs through the heart of Wembley, which in 2023 the team's manager, Sarina Wiegman, described as a 'very special place for us'. It was where the Lionesses enjoyed their greatest triumph when they won UEFA Women's EURO 2022, attended by more than 87,000 people. It set the UK record for the highest ever attendance in a women's football game.

Following their triumph at the UEFA Women's EUROs in 2022 and reaching the World Cup final the following year, the Government set aside £30m to fund brand-new pitches and facilities. The team has also successfully campaigned for girls in England to get equal access to all school sports, and in 2023 the Government committed £600m in funding.

The team have attracted millions of fans and had a significant impact on what has traditionally been a male-oriented sport, creating a lasting legacy that continues to inspire and empower the next generation of women and girls in sport.

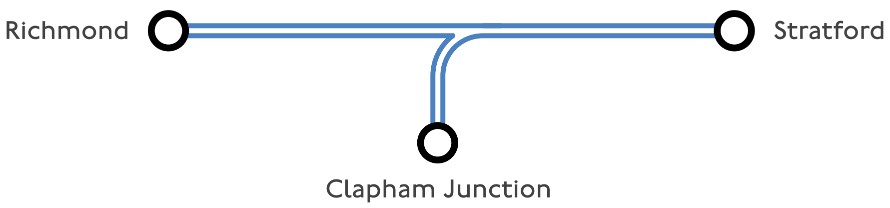
My connection to the line

Surekha Griffiths
Operational Strategy Officer and FA referee

'As a woman in football I am thrilled to experience the acceptance and growth that was triggered by the Lionesses. As someone who works in grassroots football, it is a joy to see that passion transfer to the younger generation. Each of those women we saw raise that trophy would have started their journey on a muddy field at a local club. Despite the differences between men and women, in sport we are all equal and there is a place for everyone to get involved and the impact of that is so powerful'

Mildmay line

This name honours the work of the Mildmay NHS hospital during the HIV/AIDS crisis, making it the valued and respected place for the LGBTQ+ community it is today



This line honours the tenacity of the NHS and its smaller healthcare centres in caring for all Londoners. The Mildmay hospital first opened in the 1860s to help nurse people in the East End's poorest slums. It played a key role in providing vital care when cholera broke out in 1866.

Following a short closure, Mildmay reinvented itself in the 1980s to play a pivotal role in the HIV/AIDS crisis, becoming Europe's first hospital for people with HIV- and AIDS-related illnesses. It was visited by Princess Diana a total of 17 times, and press coverage of some of these visits helped break the stigma at the height of the HIV/AIDS crisis.

The name cherishes the role of the NHS and its smaller healthcare centres in caring for all Londoners. To this day, Mildmay is still an internationally renowned centre for the rehabilitation of and care for patients with complex HIV, making it a valued and respected place for London's LGBTQ+ community.

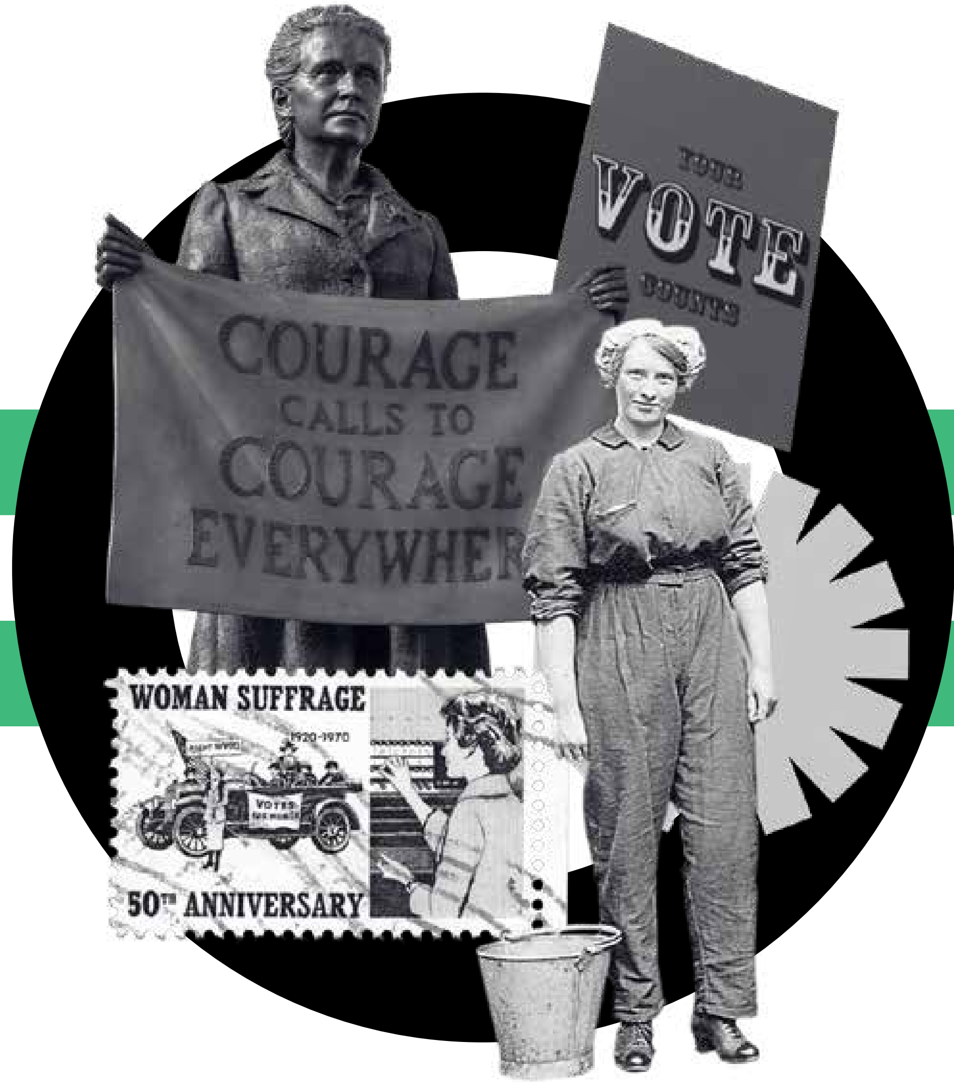
My connection to the line

Claire Alleguen
Head of our OUTbound Colleague Network Group

'The Mildmay Hospital offered hope for people desperately in need. The photos of Princess Diana visiting the hospital showed the world that the LGBTQ+ community weren't to be feared. Those themes of trailblazing, compassion, hope and care are an inspiring legacy to offer. It is only right to celebrate an institution that has done so much to support the community. London has such a brilliant LGBTQ+ population, so it is good to reflect that in the line naming – as well as the hugely important work that the NHS does every day'

Suffragette line

The name celebrates this movement, with its London links, that fought for votes for women and paved the way for women's rights



Gospel Oak — Barking Riverside

The line's name pays particular homage to the East London Federation of Suffragettes, which was a largely working-class suffragette movement in the East End. They campaigned for the rights of working-class women, and held public marches, produced a newspaper and formed a small People's Army to defend themselves from police violence.

The suffragette movement played a vital role in transforming Britain's democracy for the better. The term was derived from the first wave of the campaign for women's votes – the Suffragists. Together with the suffragettes, they paved the way for women's rights, giving women a voice and campaigning for the opportunity to vote.

A key member of the movement was Annie Huggett, who lived, campaigned and died in Barking at the age of 103, making her the longest surviving suffragette. Huggett was a pioneer who fought for votes when she was just a teenager, and even held tea for the Pankhursts, a family of leading suffragettes, at her home on King Edward's Road. She organised meetings from the former George Inn in Barking Broadway – then the Three Lamps – a spot favoured by trade unionists and suffragettes. Her work helped empower women to have a significant impact on society, in the past, present and continuing into the future.

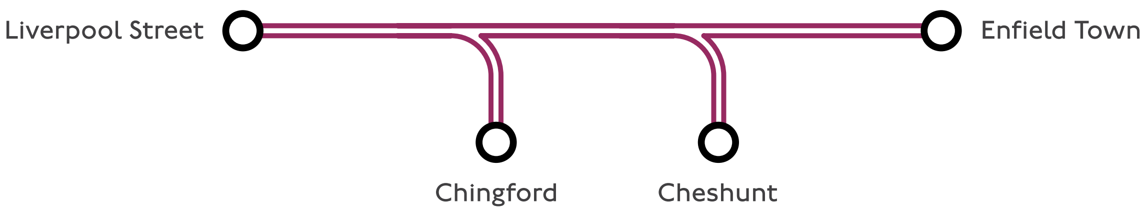
My connection to the line

Sarah Hargest
Chair of our Women's Colleague Network Group

'The suffragettes showed amazing courage at a time when it was very dangerous to make a stand against societal norms. I think TfL's choice of name for the Suffragette line will resonate with Londoners and remind them of the courageous actions taken to create a more equitable society that everyone benefits from today. To me it demonstrates a commitment by TfL to continue to foster positive impactful change and support women including its customers, its employees and London's community, as ultimately all are affected'

Weaver line

The name celebrates an area of London known for its textile trade, which has been shaped over the centuries by a diverse group of migrant communities and individuals



The Weaver line winds through Liverpool Street, Spitalfields, Bethnal Green and Hackney, and then heads up to Walthamstow, the home of designer William Morris. It speaks to the diverse mix of migrant communities and individuals who have driven London's success over the centuries as a centre of fashion and textile innovation.

The area around Liverpool Street, Spitalfields, Bethnal Green and Hackney is known for the textile trade, which has been shaped by different migrant communities. It started with the Huguenots in the 17th century, who established a flourishing silk trade and were joined the next century by Irish weavers searching for work after the collapse of the Irish linen trade. At the end of the 19th century and during the Second World War, Jewish families fleeing antisemitism moved to the area and revitalised the garment industry, maintaining the famous market at Petticoat Lane. By the 1960s, Bangladeshi immigration brought their culture to Brick Lane, with the area becoming a cultural melting pot and popular centre for fashion and food.

The line weaves up to Walthamstow, home to William Morris. His vision was for accessible art for all, selling low-cost furniture and embroidery sets to those who were less well off.

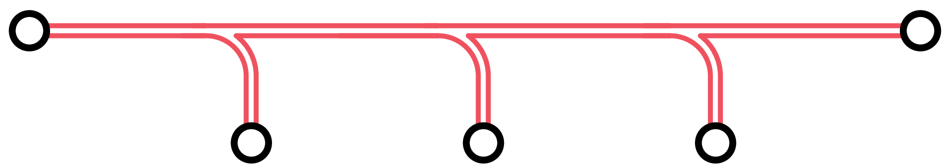
My connection to the line

Paul Marchant
Product and Industrial Design Manager

'I was part of the team that created the London Overground identity in 2007, specifically the colours, materials and finishes on the trains, including the moquette fabric. Although the Weaver line is a tribute to artisans and crafts people in East London more than 300 years ago, some of the processes used to produce a train are still pertinent today. The fabric, with its unique repeating pattern design, the dyeing of yarn, the use of looms, the pattern making and the upholstery would all be familiar to previous generations'

Windrush line

This name recognises the contribution of the Windrush generation, who continue to shape and enrich London's cultural and social identity today



The line runs through areas with strong ties to Caribbean communities today, such as Dalston Junction, Peckham Rye and West Croydon. The name recognises the migrants who came to live in Britain between 1948 and 1971, often referred to as the Windrush generation in honour of the Empire Windrush, which docked in Tilbury in June 1948.

Often met with discrimination and racism, the Windrush generation paved the way for future migration. They were frequently denied access to housing, shops, pubs, clubs and even churches on account of their race, yet these communities played an important part in our vibrant, multicultural city that we celebrate today. From ska, reggae, jazz and blues to an eclectic range of Latin music, Caribbean communities enriched and expanded London's music scene at the time, and influenced more recent genres such as hip hop, rap and grime. Writers such as Sam Selvon, author of The Lonely Londoners, blended his own language and rhythms with English, inventing a creolised English that is still used by writers such as Zadie Smith today.

The new line celebrates the Windrush generation and the wider importance of migration in creating a lasting legacy that continues to shape and enrich London's identity today.

My connection to the line

Ashley Mayers
Bus Customer Development Manager

'My grandfather was a bus driver in Barbados and was recruited by London Transport in the 1950s. My dad worked for a bus operator in the 1990s, so I have three generations of buses in my family. I think the naming is so appropriate considering the area it serves is home to large Caribbean communities. Without the Windrush generation, transport and health services would have ground to a halt. These brave men and woman came to this country, after being invited, and played a vital role in keeping our public services afloat'

Statement of Accounts

Outlining our financial overview

Patrick Doig
Statutory Chief
Finance Officer

‘We have seen a remarkable turnaround in our finances in 2023/24 following the impact of the pandemic and we are working hard to ensure this continues’

Statement of Accounts – contents

Narrative Report and Financial Review

Overview
During 2023/24, we saw the completion of a remarkable turnaround in TfL's finances.

Before the outbreak of the pandemic, we had been close to reaching financial sustainability in terms of our operational activities without the need for direct Government grant, which had been phased out from April 2016 and was removed entirely from April 2018. Between 2015/16 and 2019/20 we focused on improving our financial position and resilience. We reduced the net cost of operations, excluding Government funding, by almost £1bn over that period, and we increased cash reserves to more than £2bn, giving ourselves a cash buffer that proved crucial to continue operating in the first phase of the pandemic while Government support was negotiated.

However, the pandemic devastated our fares income, which meant that, since March 2020, we required extraordinary funding support from Government under a series of funding agreements from the Department for Transport (DfT). On 30 August 2022, the TfL Board approved a 20-month funding settlement with the DfT until 31 March 2024. This funding settlement provided £1.2bn of Government funding along with the guaranteeing of passenger revenue over the period.

A key term under this settlement was for TfL to become financially sustainable, which means we are able to cover the cost of operating, renewing, and financing our existing network from TfL and Mayoral income sources – without relying on Government support. In 2023/24, we achieved the historic milestone of delivering an operating surplus, delivering on the Government's target for TfL becoming operationally financially sustainable.

We achieved our target growth in passenger journeys of six per cent from the end of 2022/23 and continue to explore new ways to attract customers to our services. In 2023/24, we saw the introduction of end-to-end running on the Elizabeth line, the launch of the full Superloop service and the 'Off-peak Fridays' trial. The Mayor's decision to freeze TfL fares until March 2025 further helps to support Londoners struggling with the cost of living and also diversifies TfL's income sources as it was funded by additional Mayoral funding to TfL.

Although we have achieved operational financial sustainability, like transport authorities around the world, we still require Government funding for new major projects and replacing significant assets such as rolling stock, signalling and major road structures. In 2023/24, we received base Government funding of £565m from the 30 August 2022 settlement, which was used solely for capital investment. In December 2023, we secured £250m additional funding from Government, of which £245m was received during 2023/24, to support our capital investment for 2024/25. We are working with Government to secure longer-term capital funding so we can invest in the capital's infrastructure with more efficiency and effectiveness.

Investing in London's infrastructure means we can continue to support jobs and growth throughout the UK with our supply chain and open up new areas for development. We will continue to play our part for a more sustainable and green future, and maintain London's position as a competitive global city that supports the national economic recovery.

Organisational overview
TfL is a statutory corporation established by section 154 of the Greater London Authority Act 1999 (GLA Act 1999). It is a functional body of the Greater London Authority (GLA) and reports to the Mayor of London.

We are the integrated body responsible for the capital's transport system. We implement the Mayor of London's Transport Strategy and manage transport services across the capital. We aim to deliver safe, reliable and integrated transport to those who live in, work in or visit London.

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

The opinion for the year ending 31 March 2024 concluded that TfL's governance framework was satisfactory for TfL's needs and operated in an effective manner. The opinion highlighted the progress against the 2023/24 improvement plan.

We have established a Committee and Panel structure to which we delegate detailed scrutiny of key areas of our responsibilities. We have ensured the TfL Board has the right range and depth of knowledge, skills, and experiences to run the organisation effectively. We refreshed our Board membership, in line with best practice, so it remained relevant and up to date (the list of our members is on pages xx to xx). At the date of this report, 50 per cent of our Board members are women. We understand the benefits of diversity and are continually seeking to improve this across our Board and executive teams.

We also have a series of policies and guidance setting out expected standards of behaviour and conduct. These include the TfL Code of Conduct, anti-fraud and corruption policy and the whistleblowing policy.

In an organisation as large as TfL, we partly fulfil our duties by delegating day-to-day decisions to employees within our governance framework.

Narrative Report and Financial Review (continued)

Operating model
We are led by the TfL Executive Committee which is responsible for setting the strategy and direction for the whole organisation. Members of the committee have clear individual accountabilities and objectives for the businesses they run directly and also collective objectives and accountabilities to be delivered by the organisation as a whole.

The TfL Executive team have worked to define the highest-level process that describes what we do and how we do it and create our value chain. Our value chain is:

- Strategise and plan
- Fund and procure
- Build and maintain
- Operate and optimise
- Enable and support

The value chain helps us make sure work isn't duplicated and that we have clear accountabilities in each part of the business. The TfL Executive Committee is organised around the principles of the value chain, with the following roles:

- TfL Commissioner – Andy Lord
- Chief Customer and Strategy Officer – Alex Williams
- Chief Finance Officer – Rachel McLean
- Chief Capital Officer – Stuart Harvey
- Chief Operating Officer – Clare Mann
- Chief People Officer – Fiona Brunskill
- Chief Officer – Pensions Review – Tricia Wright
- Chief Safety, Health and Environment Officer – Lilli Matson
- General Counsel – Andrea Clarke
- Director of Communications and Corporate Affairs – Matt Brown

Strategy and resource allocation
The Mayor's Transport Strategy sets out plans to transform London's streets, improve public transport and create opportunities for new homes and jobs. This strategy is developed in consultation with our stakeholders, to improve the services we provide to our passengers. This includes how we engage and work with suppliers, communities, and our people.

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 page x of the Annual Report).

We produce a Business Plan, approved by the TfL Board, which sets out the medium-term plan for the organisation, demonstrating how we will achieve the Mayor's Transport Strategy. In December 2023, the TfL Board approved the 2024 TfL Business Plan, which laid out our plans and investment priorities for 2023/24 to 2026/27.

The first full year of the Business Plan is used as the basis for an annual budget, which allocates resource to individual departments and projects for the year ahead. In March 2024, the Finance Committee approved the 2024/25 TfL Budget, under authority delegated by the Board.

Interests of the Group's employees
We strive to create a workplace that is safe, secure and contributes to an engaged workforce.

Our vision and values are a culmination of what our people said our future should look like and how they said we should work together to achieve it. This includes our organisational values – caring, open and adaptable.

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

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

Those who are hybrid working are expected to spend a maximum of 50 per cent of their time working at home per period on average, for the purpose of what we call the three Cs: Collaboration, Culture and Coaching.

The wellbeing of our employees remains a priority and we continue to offer a range of services and resources to support physical and mental health.

In June 2023, we launched our new workforce diversity and inclusion strategy, Action on Inclusion. This ambitious seven-year strategy is our long-term promise to our people, setting out how we can become a truly inclusive organisation that reflects the city we serve. We want to create and embed a culture where everyone feels a sense of belonging.

To truly meet the needs of our customers, we must have a workforce that represents Londoners, through inclusive leadership, culture, behaviours, and ways of working. While diversity has always been an important focus for us, this strategy prioritises inclusion to positively impact our organisation for years to come.

Our 2023 pay gap report showed our overall gender pay gap had reduced. We continue to work to improve gender representation at all levels, providing and promoting initiatives that encourage women to enter the transport industry, as well as addressing barriers that may prevent women from advancing to more senior and higher-paid positions. We published our Pay Gap Action Plan, which outlines how we will work to further reduce our pay gaps, ensuring equity for all. Our efforts to build an inclusive workplace, increase the voices of colleagues from under-represented groups and review organisational policies, practices and guidelines are among our key deliverables.

Narrative Report and Financial Review (continued)

Ensuring we hear the voice of our employees remains important to us. While our Trade Union relationships – with local, functional, and company-level meetings taking place across different parts of the organisation – play a significant role in achieving this, our Colleague Network Groups provide employees the chance to share ideas and support each other in developing our equality agenda in all areas of employment.

Performance

Summary of financial performance for the TfL Group

Total revenues, excluding grant funding, for the year came in at £6,714m, compared with a total of £5,804m for 2022/23, reflecting recovering fares revenues as passengers continue to return to the network.

Gross expenditure of £9,084m has increased from the prior year total of £8,490m primarily from higher staff costs following base pay increases, inflationary pressures and service expansion.

In 2023/24, our net financing and investment expenditure decreased from £647m to £537m, primarily reflecting investment property valuations losses of £108m which decreased from prior year losses of £155m, due to ongoing fluctuations in the property market. Net gains on disposals of investment properties also decreased from £22m to £16m (see Note 8 and Note 9 to the financial statements).

Grant income remains steady at £3,505m, consistent with last year. In 2023/24, the DfT contributed £810m to support our capital programme.

These items combined with Corporation tax of £50m results in an overall Group surplus after tax for the year of £393m compared to a prior year surplus of £74m. After reserves transfers, this translated to an increase in usable reserves from £203m as at 31 March 2023 to £455m at 31 March 2024.

Reconciliation from management reports to statutory accounts (£m)

Year ended 31 March	2024
Operating surplus per management reports	**138**
Adjustments between internal management reports and statutory accounts	
Depreciation, amortisation and impairments on property, plant & equipment and intangibles	(1,298)
Change in fair value on investment properties	(108)
Difference in payments under PFI and lease arrangements and depreciation and interest under IFRS 16	(74)
Group share of loss from associate and joint ventures	(58)
Capital grant income excluded from the management accounts operating surplus	1,005
Capital renewals treated as operating expenditure in the management accounts	763
Difference in pension payments charged to management accounts and pension service costs and interest under IAS 19	123
All other items	(98)
Group surplus after tax per the Comprehensive Income and Expenditure Statement	**393**

A detailed segmental analysis is provided in Note 2.

In addition to £763m (2022/23 £624m) of spend on renewals works, capital spend included new investment of £50m (2022/23 £188m) on the Crossrail project and £1,316m (2022/23 £1,234m) on other investment projects. Capital projects progressed in the year included the Piccadilly line upgrade, DLR rolling stock and systems integration, Four Lines Modernisation, improving air quality and the environment through safe and healthy streets, Silvertown Tunnel, and transformative developments such as at Old Street roundabout.

Narrative Report and Financial Review (continued)

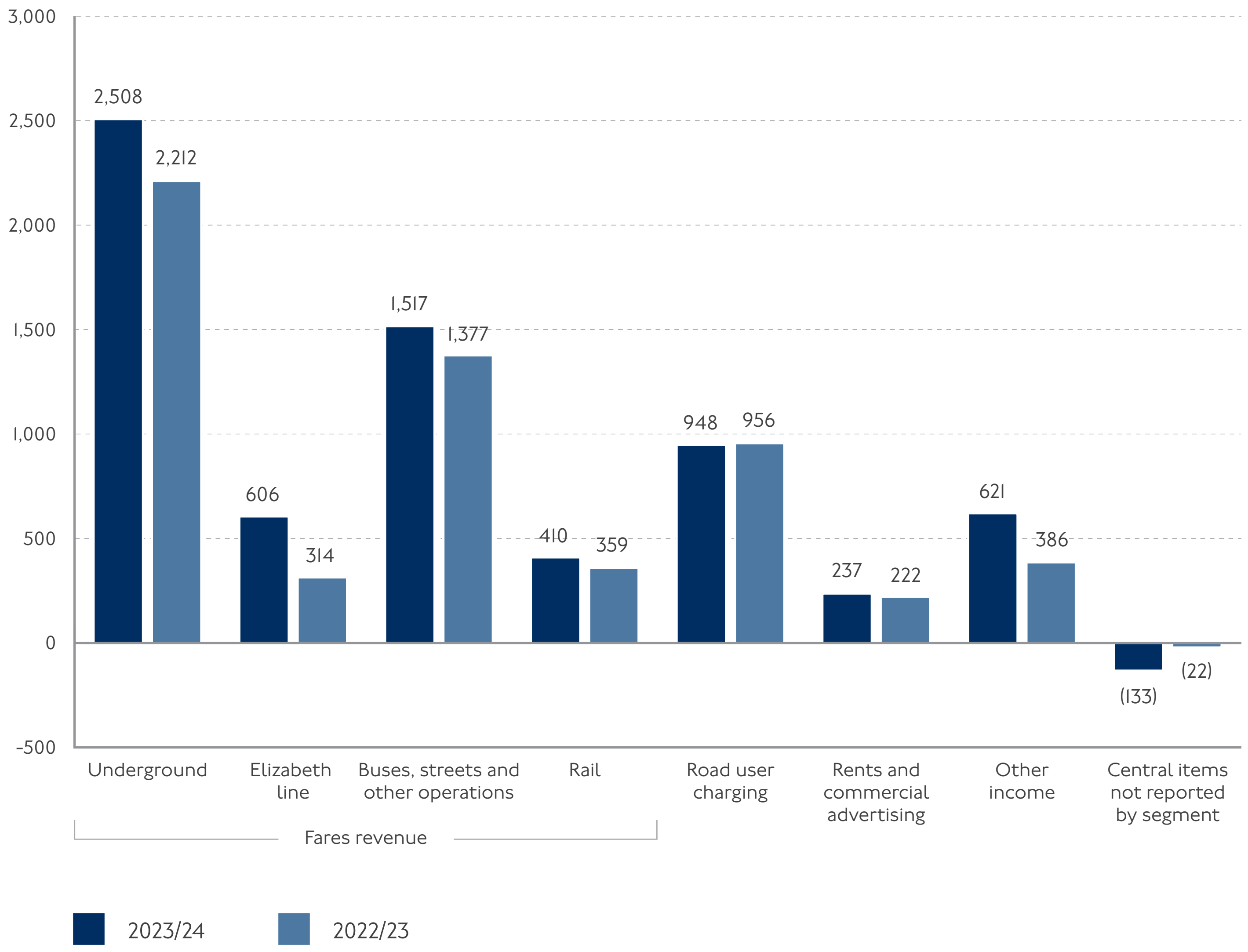
Funding sources
Our activities are funded from four main sources:

- Passenger fares income – the largest single source of our income
- Other income, including commercial activity and income from the Congestion Charge scheme and the Low Emission Zone / Ultra Low Emission Zone schemes
- Grant income, including a share of London Business Rates passed down to TfL from the GLA and grants from the DfT
- Prudential borrowing and cash reserves

Our Business Plan is financially balanced over the medium term, with planned funding sources sufficient to meet planned expenditure. Short-term timing differences between expenditure and funding are managed through transfers to or from our cash reserves. Government recognises that we may require further capital funding beyond the current funding settlement.

Gross service income

Gross service income breakdown by type (£m)

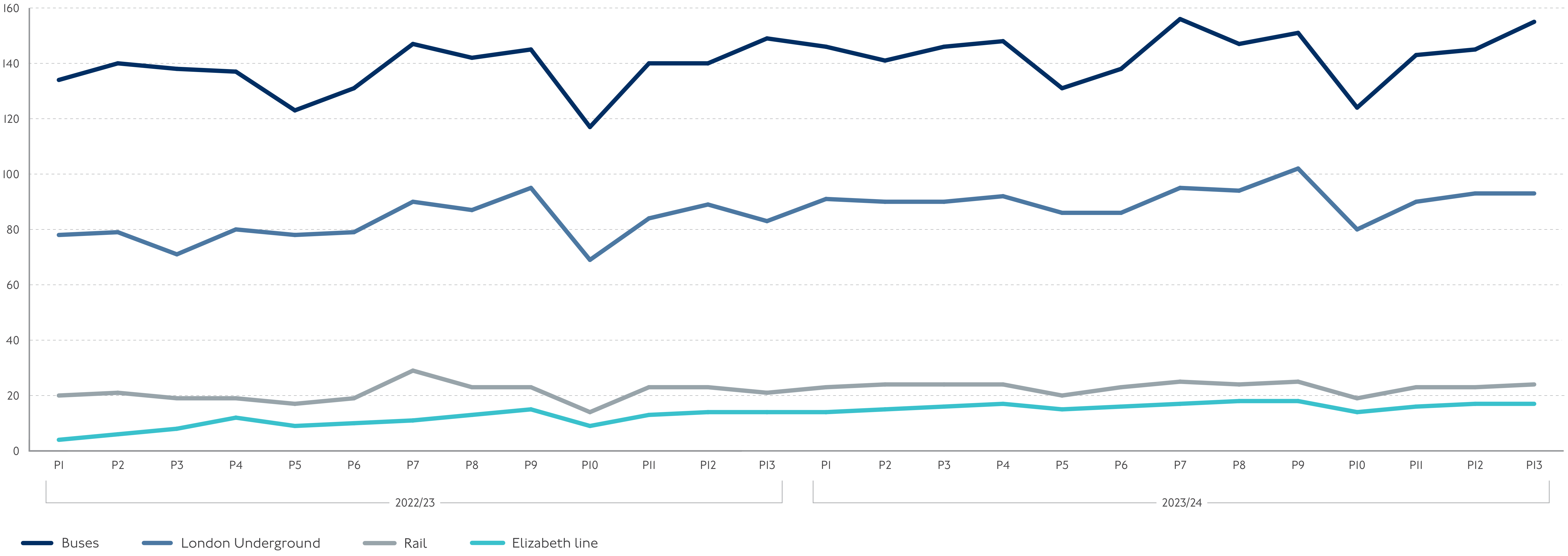


Total gross service income increased by 16 per cent from £5,804m in 2022/23 to £6,714m in 2023/24, reflecting our commitment to explore new ways of actively growing passenger demand and creating new sources of revenue to reduce our reliance on fares income.

Our primary source of income comes from passenger fares income. Currently fares make up around 75 per cent of our gross service income (exclusive of grant revenue). Fares income have increased from £4,241m in 2022/23 to £5,045m in 2023/24, a growth of 19 per cent. Passenger journeys are relatively steady at 90 per cent of pre-pandemic levels, up from 85 per cent at the end of 2022/23, as full-year figures show 3,560 million journeys have been completed, compared with 3,252 million last year.

Narrative Report and Financial Review (continued)

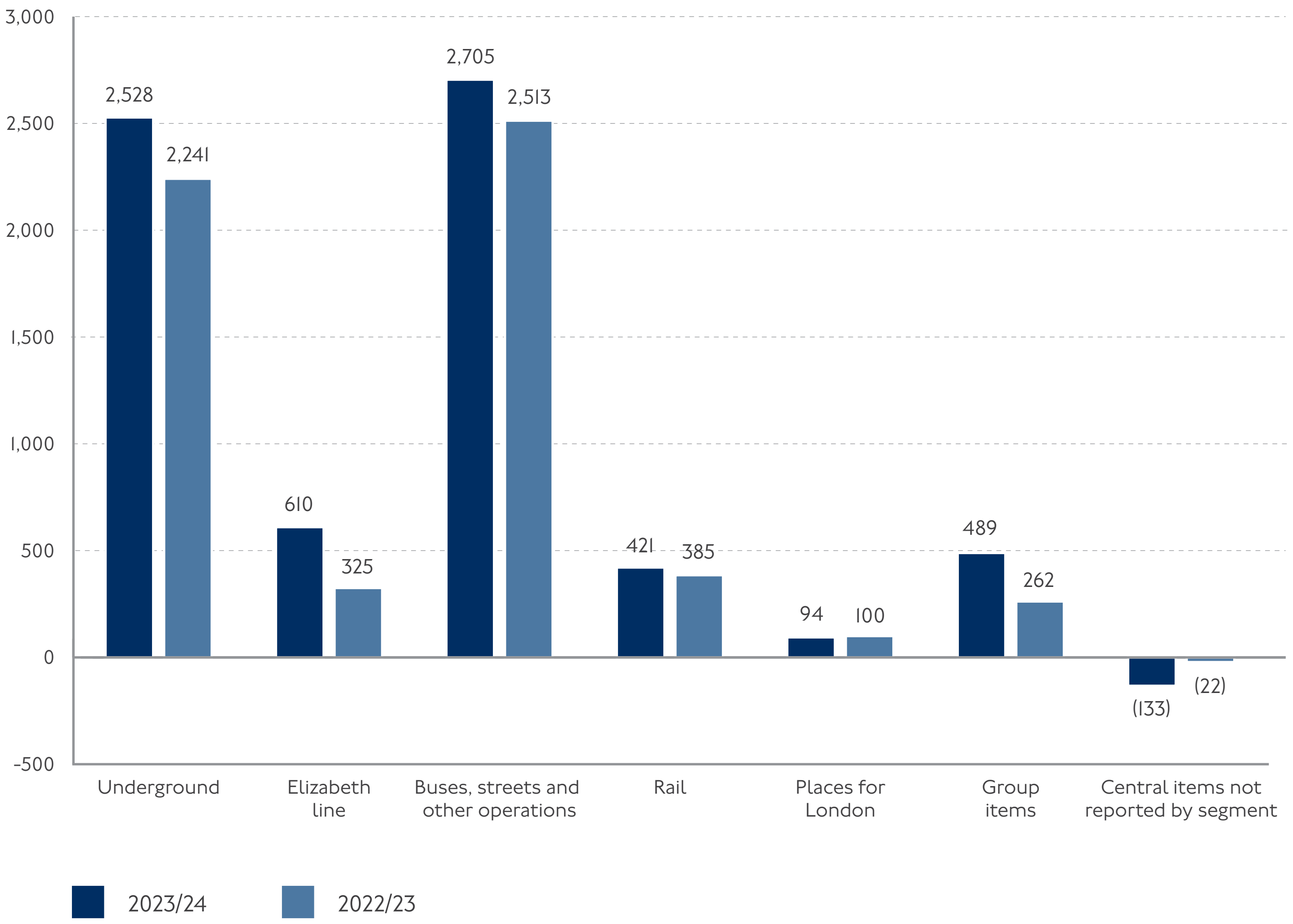
Passenger journeys per period (millions)



As well as the increase in passenger journeys, passenger revenues also reflect fare levels. TfL fares decisions are taken annually by the Mayor who, following five years of fare freezes and taking into account the requirements of Government funding agreements, increased fares initially in March 2021, and again in March 2022 by an average of 4.8 per cent (reflecting retail price index (RPI) plus one per cent) and in March 2023 by 5.9 per cent in line with National Rail fares. In March 2024, the Mayor announced a freeze on all fares under his control from March 2024.

Narrative Report and Financial Review (continued)

Total gross service income by operating division (£m)



Total gross service income for the Underground was £2,528m, which is £287m higher than 2022/23. The fares component made up the majority of this increase as a result of the increase in passenger journeys from 1,063 million to 1,181 million in 2023/24 (an 11 per cent increase).

Gross service income for the Elizabeth line increased by 88 per cent from £325m in 2022/23 to £610m in 2023/24. Within this total, passenger income increased from £314m to £606m. In 2023/24, the Elizabeth line saw 210 million passenger journeys. This is an increase of 72 million over the previous year and passenger journeys on the Elizabeth line are now averaging around four million journeys every week.

Income from Buses, streets and other operations rose eight per cent from £2,513m in 2022/23 to £2,705m in 2023/24. Within this total, passenger income for buses, at £1,517m, was £140m more than the previous year. London's bus network saw an increase in passenger journeys of 87 million with demand steadily improving during the year, along with the launch of the Superloop service which has also added additional bus kilometres to the capital's bus network, helping to drive ridership. Fares income from the IFS Cloud Cable Car, at £10m for the year, was £1m higher than the prior year.

Road user charging income, at £948m, was £8m lower than 2022/23 levels as we continue to see high levels of compliance.

In the Rail division, income at £421m was nine per cent above prior year levels. Within this, passenger income of £410m was £51m above the 2022/23 total. Rail journeys, including London Overground, DLR and London Trams, were 30 million higher than this time last year, showing rising demand on the network from 270 million in 2022/23 to 300 million in 2023/24.

Places for London income has decreased by six per cent from £100m in 2022/23 to £94m in 2023/24, mainly owing to lower dividend payments from joint ventures.

Income from Group items relates to a variety of activities, including media, estates management and travelcard administration.

Government grants and other funding

During 2023/24, the DfT contributed grant funding totalling £188m (2022/23 £135m) to protect our growing passenger income against any demand shocks, and £nil (2022/23 £808m) towards running our day-to-day operations. Although we have achieved operating financial sustainability, TfL still requires Government funding for major capital expenditure and in 2023/24, the DfT contributed £810m to support our capital programme. In addition, we continued to receive funding from the GLA as part of local authority devolved arrangements. The Mayor retains a share of London's business rates and then allocates a proportion of this to us as a resource grant.

Other sources of grant income included specific capital grant from the GLA for Housing Infrastructure projects, such as DLR train replacement and the East London Line, Levelling-up funding for step free access at Leyton and Colindale stations, Home Office funding for communication networks on the Underground, and other contributions from third parties.

The total of resource and capital grants receivable by us in 2023/24 amounted to £3,505m (2022/23 £3,523m).

Narrative Report and Financial Review (continued)

Prudential borrowing

Movements in borrowing during 2023/24 (£m)

Opening borrowing at 1 April 2023 per the accounts	12,910
Green Finance Fund loan from GLA – £100m due in 2027	100
Issuance of rolling short-term Commercial Paper	88
Repayments on Public Works Loan Board (PWLB) and European Investment Bank (EIB) loans	(129)
Repayment of DfT Crossrail loans	(35)
Fair value movements, issue premia/discounts and fee adjustments	2
Closing borrowing at 31 March 2024 per the accounts	**12,936**

The authorised limit for direct borrowings for the Corporation set by the Mayor for 2023/24 was £14,108.5m.

In addition to these sources of financing, other sources include Private Finance Initiative contracts (PFIs) (note 28 to the accounts) and other leasing arrangements which are discussed in more detail in note 14 to the financial statements.

Gross expenditure

Gross expenditure, which includes day-to-day operating costs as reported to management (see Note 2 to the financial statements) and central items not reported on a segmental basis (including depreciation and amortisation) increased by seven per cent from £8,490m in 2022/23 to £9,084m in 2023/24.

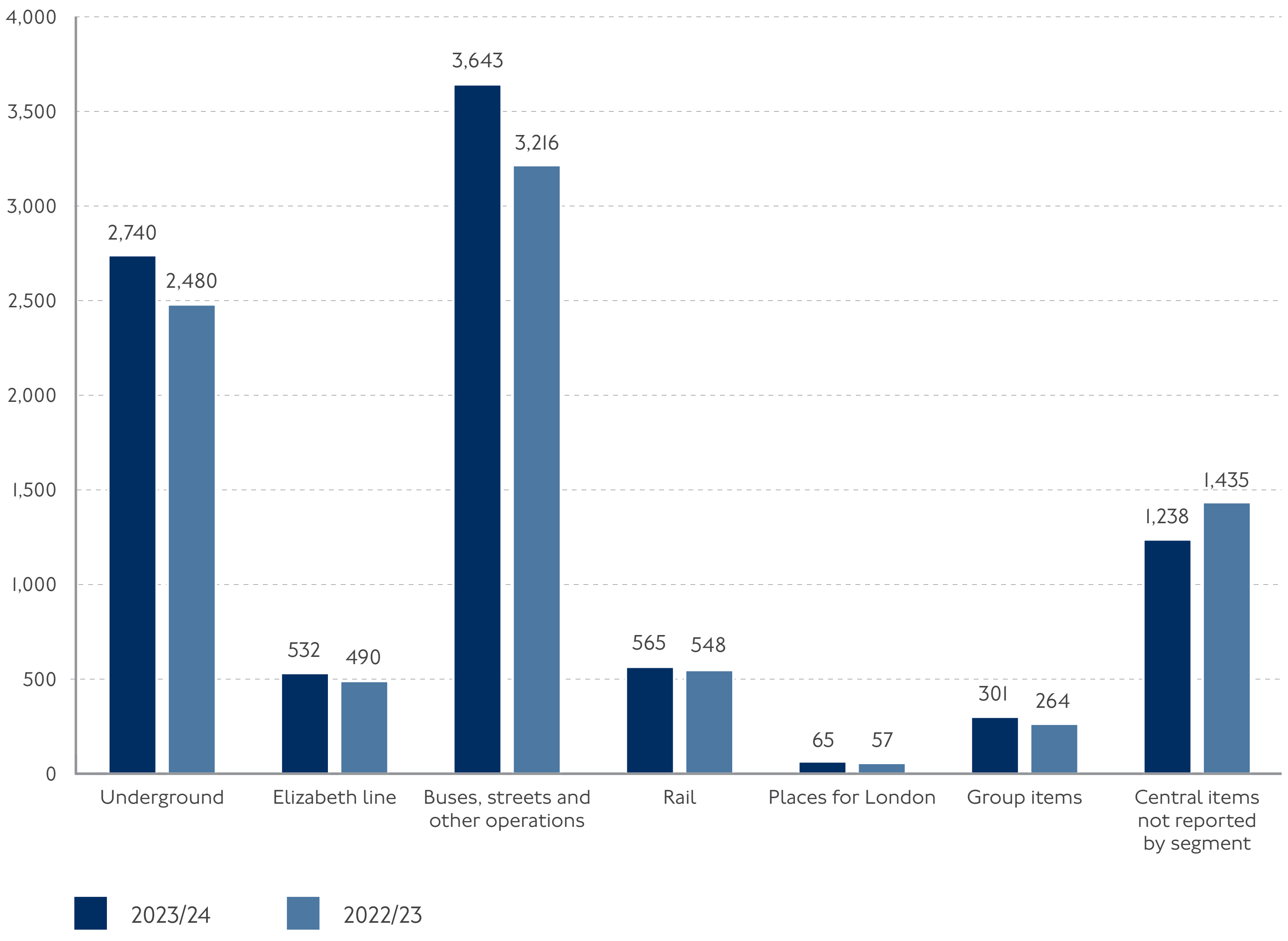
Year-on-year costs of operations (£m)

	2023/24	2022/23	2021/22
Cost of operations as per internal management reports	**(7,846)**	**(7,055)**	**(6,478)**
Adjust for one-off items incurred	42	44	35
Adjust for investment programme operating costs included in operating expenditure	312	146	157
Adjust for Elizabeth line direct operating costs	519	477	422
Adjust for other new services	253	177	85
Accounting and other changes	(16)	(25)	-
Cost of operations (like-for-like basis)	**(6,736)**	**(6,236)**	**(5,779)**
Adjust for RPI at 12.9% in 2022/23	**710**	710	-
Adjust for RPI at 7.5% in 2023/24	**469**	-	-
Cost of operations (like-for-like basis) in real terms (2021/22 prices)	**(5,557)**	**(5,526)**	**(5,779)**
Like-for-like cost decrease compared to 2021/22	**222**		
Like-for-like cost decrease as a percentage compared to 2021/22	**-3.8%**		

Like-for-like costs have reduced from £5.8bn in 2021/22 to £5.6bn in 2023/24 (in 2021/22 prices). We made £138m of recurring savings in 2023/24, taking total recurring savings delivered since 2016 to £1.4bn. We remain focused on right control of expenditure and reducing our core costs where possible.

Narrative Report and Financial Review (continued)

Gross expenditure by operating division (£m)



Operating costs across the Group were impacted by the pay deals for 2023/24 which consisted of a five per cent increase in base pay plus a £1,000 consolidated payment, with further consolidated payments for our lowest earners.

On the Underground, costs increased by £260m (10 per cent) in the year.

Total operating expenditure on the Elizabeth line at £532m was £42m (nine per cent) higher than the prior year figure of £490m with higher maintenance and operations costs following the introduction of the full peak timetable on 21 May 2023,

The cost of operating Buses, streets and other operations at £3,643m increased by 13 per cent on the prior year figure of £3,216m.

Operating expenditure for the Rail division increased by three per cent from £548m in 2022/23 to £565m in 2023/24 with lower costs in London Overground (£54m) offset by higher costs in Trams (£50m).

Property costs have increased during the year – from £57m to £65m, partly a result of catching up on the maintenance underspend in the prior year.

Operating costs included within Group items reflect the fact that the internal management recharge of central overheads to divisions includes elements of income (including amounts for taxi and private hire licencing, estates management and travelcard administration). At the total Group level, for management reporting purposes, this income is shown as an element of 'total income'. However, in the divisional analysis of performance, this income is included in the management recharge of net central overheads in the indirect operating cost of individual divisions.

As set out in Note 2, Central items not reported on a segmental basis primarily represent charges not included in internal management reporting. The most significant line item within this balance comprises depreciation, amortisation and impairment charges recognised in relation to property, plant and equipment and intangible assets. The total of these charges increased from £1,524m in 2022/23 to £1,628m in 2023/24. This category also absorbs the difference between the accounting methodologies used in the statutory versus the management accounts. The most significant of these relate to the treatment of defined benefit pension schemes, and to the treatment of former operating lease payable arrangements. In our management accounts the costs of these items are recognised within operating expenditure based on cash flows, whereas in the statutory financial statements, as set out in the Accounting Policies notes to the accounts, IFRS 16 Leases and IAS 19 Employee Benefits are applied.

Narrative Report and Financial Review (continued)

Net interest and finance income/charges
Gross financing and investment expenditure for the year was £623m, £126m below the prior year.

This decrease was primarily a reflection of valuation losses of £108m recognised in relation to the Group's investment property portfolio. In 2022/23, £155m of valuation losses had been recognised within financing and investment income.

Also within this overall total, interest payable on direct borrowings increased by five per cent from £444m to £466m. This increase was primarily due to the prevailing interest rates on variable rate borrowing during the year and on borrowing refinanced during 2023/24. As at 31 March 2024, TfL had a nominal £12.961bn of borrowings, of which around £0.6bn was short-term borrowing under the Commercial Paper programme. The weighted average interest rate was 3.5 per cent and the borrowings had a weighted average remaining life to maturity of 18.6 years.

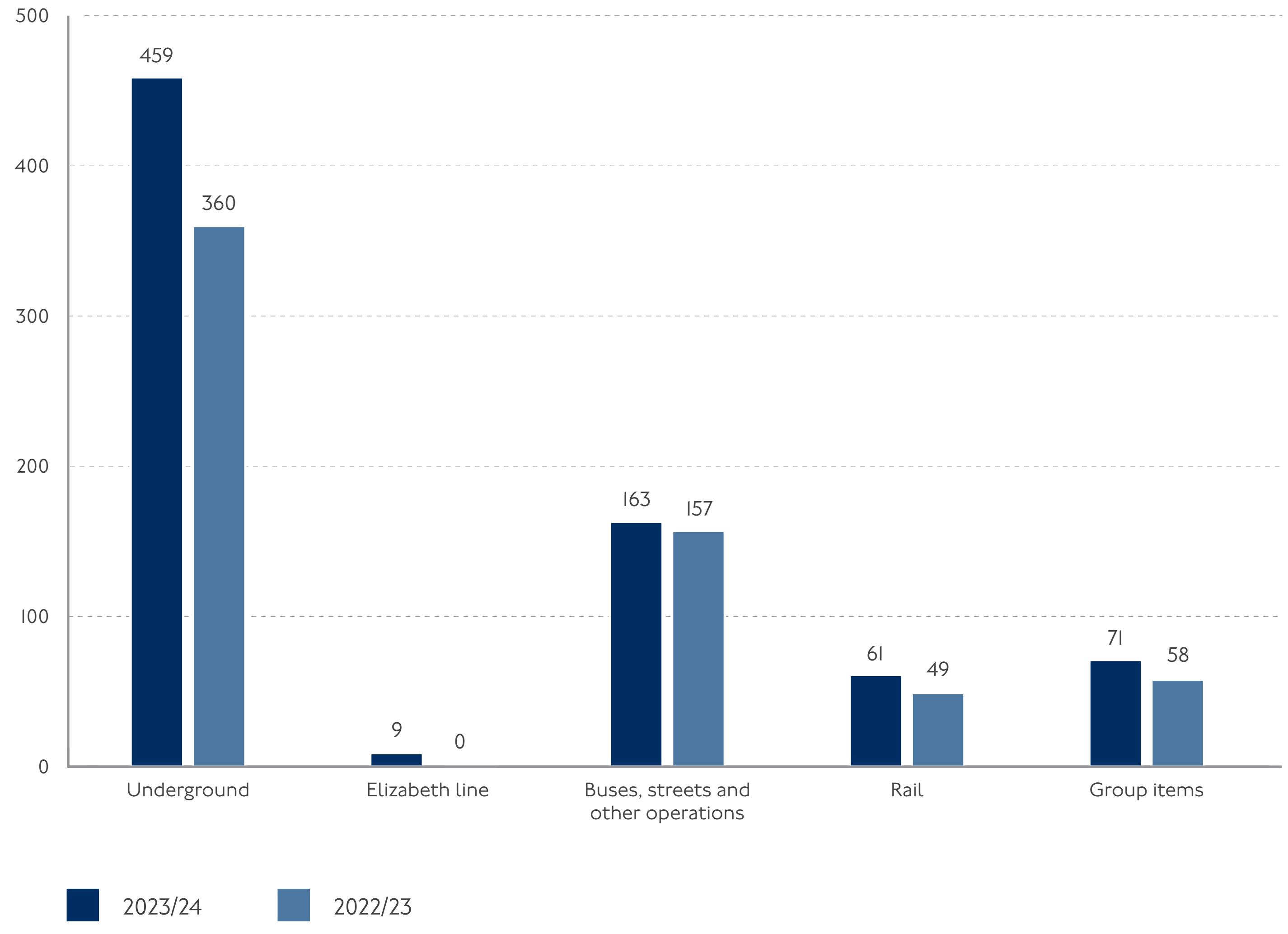
Interest payable on borrowings was offset, to a degree, by the amount of interest capitalised into the cost of qualifying property, plant and equipment. Interest capitalised in 2023/24 totalled £12m (£32m in 2022/23).

Interest payable on leases, including contingent rentals in respect of PFIs, increased from £93m in 2022/23 to £136m in 2023/24, reflecting a portion of lease contracts that are impacted by increasing interest rates. The Group's net interest income in respect of its defined benefit pension scheme obligations increased from an expense of £79m in 2022/23 to income of £80m in 2023/24.

Gains from the disposal of investment properties decreased from £22m in 2022/23 to £16m in 2023/24.

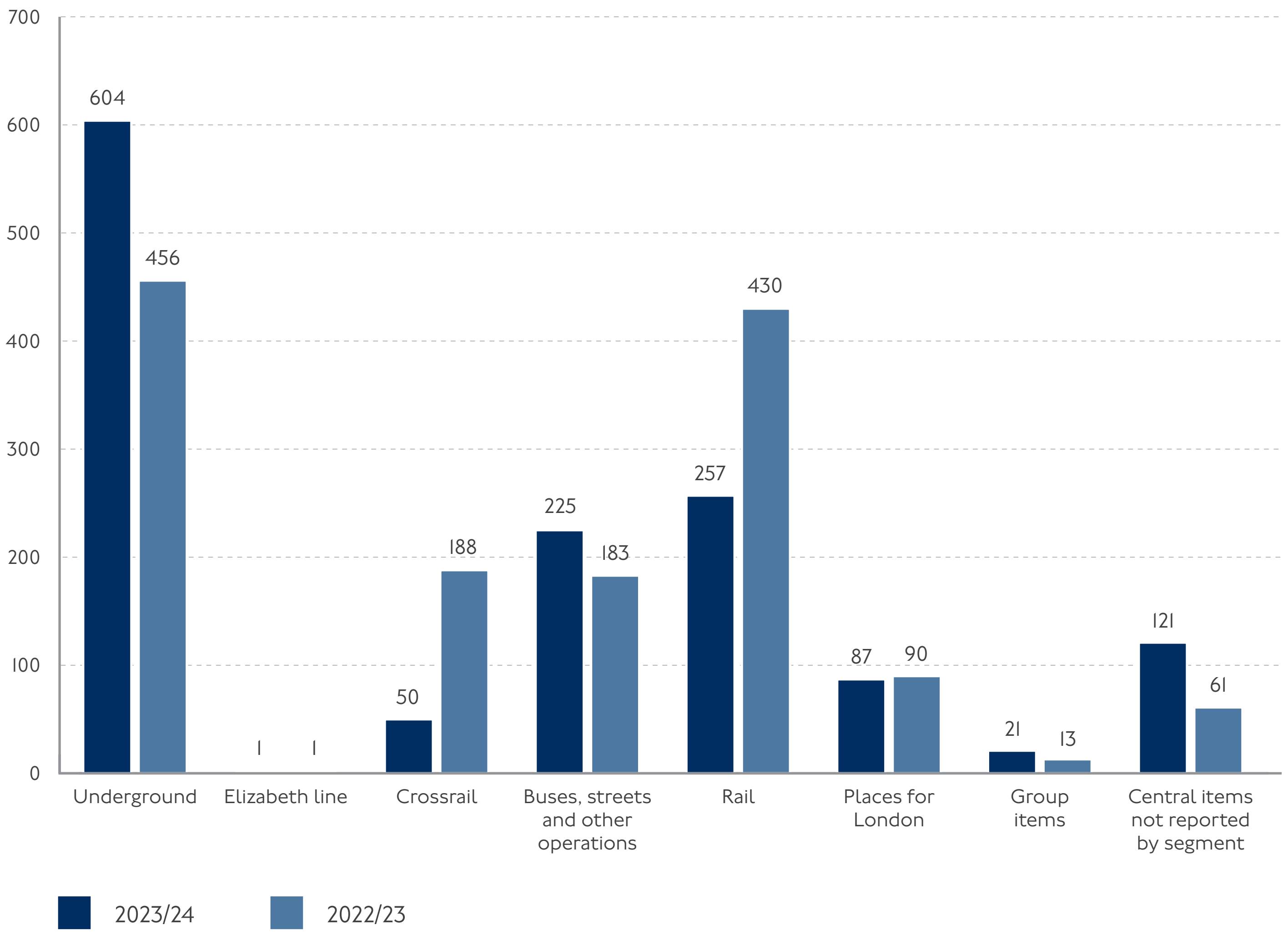
Capital expenditure
Total Group capital expenditure for the year, including property, plant and equipment intangibles, investment in associates and investment properties totalled £2,129m (2022/23 £2,046m). Within this total £763m was spent on capital renewals (2022/23 £624m).

Capital renewals by business area (£m)



Narrative Report and Financial Review (continued)

New capital investment by business area (£m)



On the Underground, capital expenditure totalled £1,063m, an increase of £247m from £816m in the prior year. This included £604m of new capital investment and £459m of asset renewals.

The Piccadilly line upgrade continues to progress with a further £445m invested this year. During 2023/24, a rephased schedule of payments and delivery was agreed under the contract with Siemens Mobility, which is currently building the new, higher capacity walk-through trains. This enables us to better align the introduction of the new trains with the refurbishment of our depots.

The delivery of the first train to London remains on target for 2024, ahead of entering service in 2025. The revised schedule means that up to 80 per cent of the new trains will now be built in the UK at the Siemens' factory in Goole, Yorkshire, surpassing the 50 per cent target originally planned. Siemens is investing up to £200m and creating up to 700 jobs at the Goole factory, with up to 1,700 new jobs in the supply chain.

Modifications are under way within the existing depots to provide initial maintenance facilities for the first new trains. The construction of three new stabling and reversing sidings at Northfields is substantially complete, with final commissioning planned for October 2024. At Cockfosters depot, site preparation and enabling works are under way for the new wheel lathe facility, and a contract has been awarded for building construction.

We continue to make progress on modernising the Circle, District, Hammersmith & City and Metropolitan lines with £99m being spent on the project in 2023/24. New signalling is being progressively installed on sections of the railway known as signal migration areas (SMAs).

We reached a significant milestone when the installation of the trackside signalling assets was finished at the end of March 2024. With these trackside assets in place, each SMA is tested with the new software before it is ready to go live with the new signalling system.

In 2023, we successfully commissioned SMA 6 (Stepney Green to Becontree) and SMA 7 (Dagenham East to Upminster), increasing the area operating under the new automated signalling system to 62 stations. This includes the entire Circle and Hammersmith & City lines, leaving just the Metropolitan line and parts of the District line to be completed.

Total capital expenditure within the Buses, streets and other operations division of £388m is £48m higher than in 2022/23. Within this total, the amount spent on renewals increased from £157m to £163m and on new capital investment from £183m to £225m.

Narrative Report and Financial Review (continued)

Work continues on the Silvertown Tunnel, a new 1.4km long twin-bore public transport focused road tunnel linking the A102 Blackwall Tunnel Approach on the Greenwich Peninsula to the Tidal Basin Roundabout in the Royal Docks area. Construction of the permanent wall to the tunnel portal approach is progressing well. Building of the tunnel domes in the area that was previously excavated has been completed, with backfilling started. At Greenwich, similar work has commenced to allow waterproofing of the tunnel domes prior to backfilling.

Another milestone was reached with the completion of cable tray installation throughout the entire 1.1km stretch of tunnels and cross passages. Cable pulling has now started within the tunnel, including the first tranche for lighting, following which around 75km of electrical cable will be fitted.

Following several productive weekend closures, works have progressed well at the A102, including the installation of gantries across the carriageway, construction of a new overbridge and resurfacing. This progress has negated the need to utilise proposed contingency weekends.

Total capital expenditure within the Rail division of £318m is £161m lower than in 2022/23 which included the purchase of the London Overground class 378 fleet (£281m).

Work continues on the DLR rolling stock replacement programme, which will see 54 new walk-through trains introduced, 33 replacing the oldest trains in the fleet and the remainder used to boost capacity and meet growing demand across the DLR network. £223m was spent this year, an increase of £90m, with the manufacture of 30 trains completed in Spain.

The new trains will improve the customer experience with live travel information, more capacity and air conditioning. Main line testing and signalling integration is under way, with the first new trains expected to begin entering passenger service in 2024/25.

On the London Overground, we are upgrading Surrey Quays station and improving our signalling and power infrastructure to enable us to increase train frequencies on the core section of this line. Following successful preparatory works in January, we have now installed a tower crane within the main works compound to support critical lifting activity for construction work over the coming months.

Our property company, Places for London, is creating the spaces that are vital for London's growth and development and invested £87m during 2023/24. To date, Places for London has started building more than 4,000 homes, as part of its ambition to deliver 20,000 new homes, including 50 per cent affordable housing.

During the year, £50m was spent on the Crossrail project. The full Elizabeth line peak timetable was introduced on 21 May 2023. This timetable change saw the railway move to a peak service of 24 trains per hour in the central section, an increase from 22 trains per hour, and increased connectivity and reduced journey times.

Cash and investments

Total cash, cash equivalents and investments with maturities greater than three months held by the Group at 31 March 2024 amounted to £1,494m, an increase of £92m since the end of 2022/23. Of the total cash balance, £142m is held for the Crossrail project, London Transport Museum Limited (LTM), London Transport Insurance (Guernsey) Limited (LTIG) and Places for London Limited.

Our liquidity policy requires that we aim to maintain cash reserves equivalent to at least 60 days' worth of forecast annual operating expenditure, on average (around £1.3bn for 2023/24). Our cash reserves remained on average around this level. This was in line with the long-term funding settlement agreed with Government in August 2022.

The average yield from TfL's cash investments for 2023/24 was 5.03 per cent, an increase from 2.21 per cent in 2022/23. The increased investment yield reflects the recent interest rates environment.

Pensions

As at 31 March 2024, most TfL employees were members of the TfL Pension Fund. Every three years, the TfL Pension Fund actuary makes valuations and recommends the level of contributions to be made by the participating employers to ensure the long-term solvency of the Fund. The latest available valuation of the Fund was carried out as at 31 March 2021 by the Actuary, a partner of consulting actuaries Willis Towers Watson, using the projected unit method. A revised Schedule of Contributions was agreed between the Trustee and the employers following the formal funding valuation of the Public Sector Section.

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

A separate valuation of the TfL Pension Fund has been prepared, by actuaries at the XPS Pensions Group, for accounting purposes on an IAS 19 basis as at 31 March 2024. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, while the present value of the schemes' defined benefit obligation is derived from cash flow projections. Due to the timescale covered, neither the assumptions nor the cash flow projections may necessarily be borne out in practice.

On this IAS 19 basis, the Public Sector Section's net deficit/surplus increased from a £1,630m surplus at the start of the year to a £2,342m surplus at the end of the year, as a result of a change in the financial assumptions adopted. The increase in discount rate reduced the value of the liabilities over the accounting period.

The total net surplus recognised in respect of all funded and unfunded pension arrangements at 31 March 2024 amounted to £2,269m (2023 £1,543m surplus).

Narrative Report and Financial Review (continued)

Prospects, outlook, and principal risks

Government funding

TfL is one of the only major authorities in Europe not to receive a regular central Government grant to cover day-to-day operations. The pandemic devastated our finances and exposed the inadequacy of our current funding model. Our high fixed cost base and our dependence on revenue from passenger fares meant that we were particularly susceptible to the significant alterations in travel patterns arising from Government-mandated lockdowns and the resulting of 'new-normal' changes to post-Coronavirus passenger behaviour.

We are grateful for the various Funding Settlements that central Government provided to TfL since the onset of the pandemic, enabling TfL to continue to provide services to Londoners and deliver its programme of capital investment, culminating in the August 2022 settlement, which expired on 31 March 2024. In December 2023, the Government agreed to a further £250m of capital funding to support the delivery of our rolling stock and signalling replacement projects for the 2024/25 financial year.

In 2023/24, TfL has delivered strong results that show we are successfully implementing our financial strategy. We are actively growing passenger demand and creating new sources of revenue to reduce our reliance on fares income, delivering recurring savings and maintaining solid and effective cost control. In 2023/24, we achieved operational financial sustainability, generating an operating surplus for the first time and no longer relying on Government funding to support our day-to-day operations. Our focus is now firmly on maintaining and building on this sustainability as the financial foundation of our ambitious plans.

The latest TfL Budget, published in March 2024, shows us delivering an increased operating surplus in 2024/25 of £161m and every penny of this surplus will be re-invested to help fund our capital programme.

However, despite this increased surplus, looking ahead this will not be enough to ensure TfL can deliver on all our plans. The 2024 TfL Business Plan assumes that further Government capital funding is provided from April 2025 onwards to contribute towards major projects and asset replacement. Based on our latest business plan, in 2025/26, we are able to fund around 80 per cent of the total £1.9bn of capital investment, but a Government funding contribution of £350m is assumed.

The Government continues to recognise that TfL is not expected to fund major projects and asset replacement through its own operating income, and we look forward to continuing the constructive conversations we are having with Government about the need for a longer-term funding settlement that will enable us to commit to the projects that will better serve this great city.

Passenger income

Rebuilding our ridership is still a key area of focus, after the pandemic. Our colleagues have continued to work tirelessly to attract customers back onto our network, including by delivering exceptional customer service, and creating a safe and clean environment on our buses, trains and in stations through an enhanced cleaning regime. In 2023/24 our demand rose by six per cent from the end of 2022/23 – representing a nine per cent annual average growth. Passenger demand is expected to return to pre-pandemic levels of four billion journeys by the end of 2026/27.

In March 2024, the Mayor announced a freeze on all fares under his control from March 2024. TfL was compensated by the Mayor for the foregone revenue. Nationally regulated fares rose by an average of 4.9 per cent in March 2024 and we continue to plan on the basis that all fares are uplifted by average annual RPI from March 2025, subject to a Mayoral decision for non-regulated fares.

Commercial development activity

On 20 June 2023, TTL Properties Limited (TTLP) was renamed to Places for London Limited. On 1 April 2022, Places for London was financially separated from TfL as a fully self-financing commercial property company. It has the twin objectives of supporting TfL's financial sustainability through delivering an increasing annual income stream and helping London's post-pandemic recovery, including through building thousands of new homes. Places for London's funding will come from a combination of receipts from property disposals and commercial debt.

Other income sources

Other operating income initially increases over the course of this Business Plan, based on the London-wide Ultra Low Emission Zone (ULEZ) scheme, which went live on 29 August 2023 and was supported by the Mayor's Scrappage Scheme for more polluting vehicles, before falling as policy outcomes of reducing polluting cars are achieved. We are also seeking to grow our non-fares revenue through a number of commercial media and partnership activities. Other revenue grants include the Mayor's proposal for an increase in band D council tax precept by £20 in 2024/25, and the funding from the Mayor for the Scrappage Scheme is also included here.

Narrative Report and Financial Review (continued)

Operating expenditure

Achieving financial sustainability in 2023/24 was a key aim for us. To do this at the same time as reducing our reliance on fares income, and during time of high inflation, has meant a strong focus on our operating costs has been a core part of our strategy.

In the 2023 Business Plan we committed to £600m of recurring operating savings by 2025/26, adding to the £1.1bn of savings already delivered between 2016/17 and 2021/22. The 2024 Business Plan stretched that target to £650m to help us achieve our 2030 strategy of growing our costs by inflation less two per cent.

Savings will be delivered through a number of measures including improved working practices, optimising our procurement and commercial approach to deliver savings across our third-party expenditure (including our operational concessions), other key operating and maintenance contracts, and our head office accommodation. We will also maintain tight controls on recruitment and overtime. Creating a whole-life assets approach and working effectively across our value-chain creates the opportunity to deliver, maintain and renew our assets more efficiently.

To build a new programme of savings initiatives to 2030 will require us to embrace the benefits of innovation and new technology. We will use our innovation team to identify opportunities and run trials that can develop into a new programme of savings initiatives, which we can deliver over the second half of this decade.

Service levels

With the change in the post-pandemic travel patterns, we are seeking to adjust service levels to better reflect the changing needs of passengers while balancing the need to make savings and efficiencies and to respond to new Mayoral policies such as the expansion of the existing ULEZ London-wide in August 2023.

In March 2023, the Mayor announced plans for the Superloop, a transformative network of 10 express bus services linking outer London's town centres, hospitals, schools and transport hubs. The new Superloop network is adding more than six million scheduled bus kilometres each year to outer London's bus network and maximising the benefits of the London-wide ULEZ expansion, while also helping deliver the faster journeys, improved connections and customer experience set out in our Bus action plan.

Over the course of this Business Plan, we are aiming for an overall increase of four per cent in outer London scheduled bus kilometres to offer more alternative sustainable transport options to key amenities such as shopping centres and hospitals. This will make journeys easier and more reliable for customers and generate more revenue that can be reinvested into the public transport network.

The Elizabeth line's full peak timetable started in May 2023, marking the final milestone of the Crossrail project. There are now up to 24 trains running every hour between Paddington and Whitechapel at peak times, roughly a train every two and a half minutes. The Elizabeth line has already become one of the most used railways in the country, supporting more than 250 million journeys since its launch, and regularly enabling more than 700,000 journeys every day. The improved connectivity it enables across London, Berkshire, Buckinghamshire and Essex, including to Heathrow Airport, provides a real boost for new housing, workspaces, retail and economic growth.

The Elizabeth line has also transformed accessibility on our transport network, with 41 step-free stations unlocking new journeys for disabled and older customers, as well as those with buggies or luggage.

Pay, benefits and pensions

We will continue to keep our reward strategy, including the pension arrangements offered to all TfL employees, under review to ensure the reward package is affordable while remaining fair and competitive: both attracting and retaining the best talent.

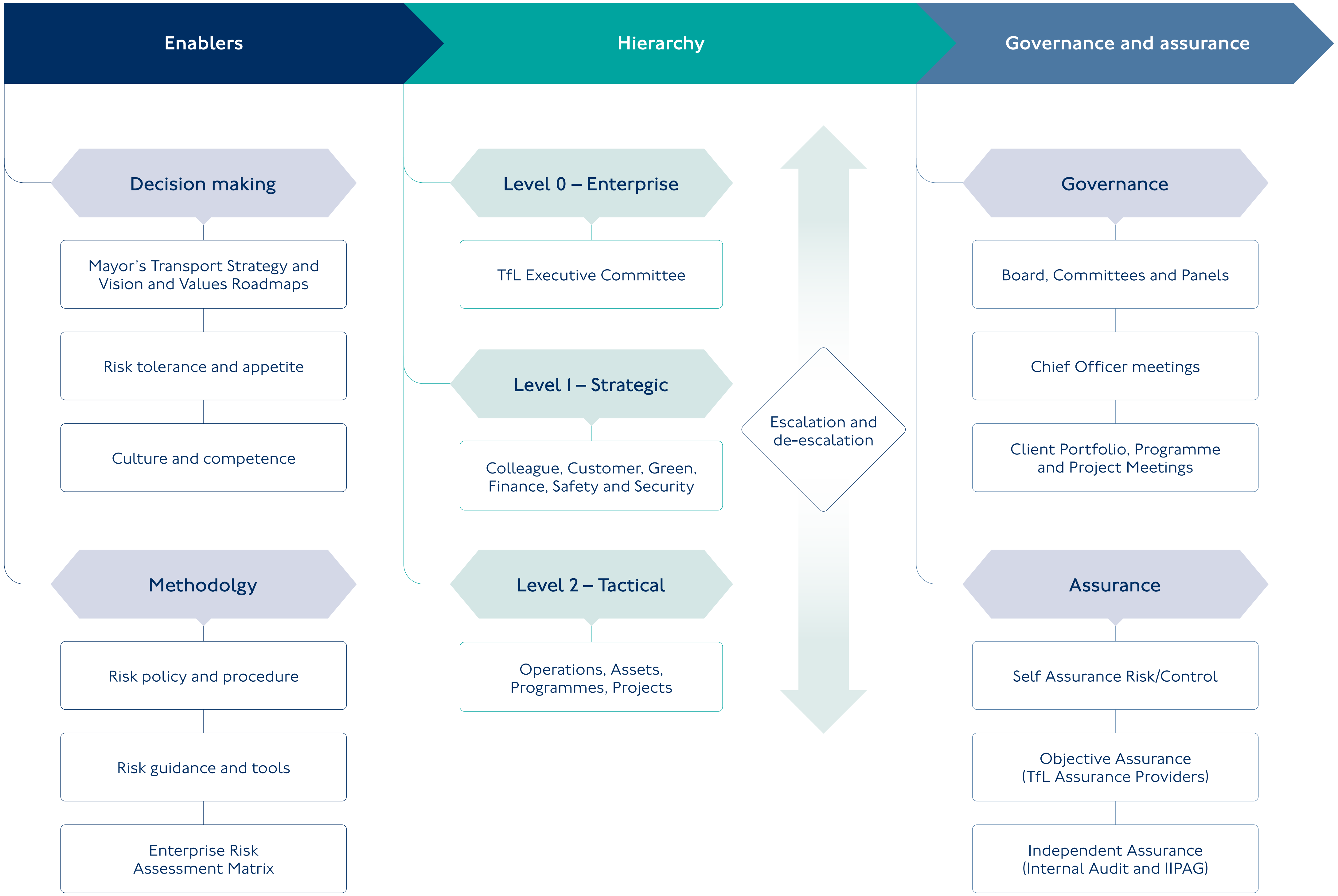
In December 2023, the Mayor provided funding for an improved pay offer for London Underground colleagues for the 2023/24 year. TfL's reward strategy has aimed to bring pay settlements for both operational and non-operational colleagues closer together. Therefore, the same pay deal was also offered to colleagues on TfL contracts 2023/24, which was accepted.

In April 2024, TfL confirmed that it had delivered against the targets set in its annual scorecard, and therefore will proceed with the payment of performance awards for the 2023/24 financial year.

Enterprise Risk Management Framework
The TfL Board has overall accountability for risk management. TfL's risk appetite and tolerance approach is agreed by the Executive Committee and endorsed by the Board. Our Enterprise Risk Management Framework (ERMF) supports a broader and more integrated approach to managing risks across the organisation, enabling a co-ordinated and less siloed process including the provision of governance and assurance activities. Risk Management activities are aligned with the vision and values themes; Safety and Security, Customer, Colleague, Green, and Finance, to help deliver our objectives. The ERMF has been updated to reflect these themes. An extract of the ERMF is shown below covering the rnablers to risk management, TfL's risk hierarchy and governance and assurance overview.

Our Strategic Risks are directly categorised by the vision and values themes and the enterprise level risks have been mapped to a relevant theme. The enterprise level risks have been assigned to an appropriate panel or committee and continue to be presented annually for scrutiny. Our Executive Committee reviews and discusses the enterprise risks on a quarterly cycle once a full assessment of each enterprise risk has been carried out. Emerging risks are reported to the Executive Committee on a six monthly basis.

The governance process has been strengthened in the last 12 months with the introduction of thematic Executive Committee sub groups. The Audit and Assurance Committee is updated on key risk management activities every quarter.



Narrative Report and Financial Review (continued)

TfL's enterprise risks
TfL's enterprise risks, as well as the top three key mitigations for each risk, are detailed in the table below.

Risk	Title	Key mitigations
ER01	Inability to deliver safety objectives and obligations	• Safety, health and environment culture • Safety management system • Safety governance
ER02	Attraction, retention, wellbeing and health of our employees	• Delivery of the Colleague Wellbeing Plan • Strategic Workforce Plan • Reward Strategy
ER03	Environment including climate adaptation	• Safety, health and environment management system and assurance measures • Environmental governance and oversight
ER04	Significant security incident, including cyber security	• Security Governance and Culture programme • Cyber Security Improvement Programme • Security governance
ER05	Efficient and high performing supply chains and effective procurement	• Pan-procurement and commercial risk management process • Supply chain management and risk management analytics • Financial monitoring

Risk	Title	Key mitigations
ER06	Deterioration of operational performance	• Long-term asset degradation control • Short-term asset degradation controls • Delivery planning optimisation (longer term)
ER07	Financial resilience	• Maintaining minimum cash reserves (liquidity control) • Demand forecasting (systematic control) • Periodic analysis against budget (operating control)
ER08	Delivery of TfL key investment programmes and projects	• Supply chain engagement • Capital Efficiencies Plan • Project management community
ER09	Changes in customer demand	• Business planning and budgeting • Scenario and risk-based planning • Delivery of the customer strategy
ER10	Governance and controls suitability	• Privacy and security • Management system • Governance Framework including the TfL Board, panels and committees

Narrative Report and Financial Review (continued)

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

We have used invoiced consumption and metered data and have calculated emissions using government conversion factors for company reporting of greenhouse gas emissions 2024. District heating and cooling factors are specific to the Olympic Park district heating system.

Streamlined energy and carbon reporting 2023/24

Description	Amounts	Units	2022/23 comparison
Total energy consumption	1,625,182,625	kWh	1,572,490,169
Total gas consumption	60,705,848	kWh	83,309,200
Total fuel for company fleet	1,204,272	litres	1,245,548
Purchased district heating and cooling	3,405,748	kWh	3,449,667

Emissions breakdown	Amounts	Units	Conversion factor ($kgCO_2e$)
Scope 1 – emissions from combustion of gas	11,105	tCO_2e	0.183 (natural gas)
Scope 1 – emissions from combustion of fuel for transport purposes	2,973	tCO_2e	2.512 (diesel) 2.097 (petrol)
Scope 2 – emissions from purchased electricity	336,533	tCO_2e	0.207 (UK grid electricity)
Scope 2 – emissions from purchased heating and cooling	434	tCO_2e	0.202 (district heating) 0.053 (district cooling)
Total gross CO_2e based on the above	**351,045**	**tCO_2e**	
Total gross CO_2e including energy/fuel purchased by public transport service operators	**821,157**	**tCO_2e**	

Intensity metric	Amounts	Units	
Operated train kilometres	101,221,283	3.47$kgCO_2e$/operated train km	
Average headcount	26,344	13.33 tCO_2e/employee	

Narrative Report and Financial Review (continued)

Our financial disclosure on climate change

Our central purpose is to keep London moving to make the city as safe, sustainable, and inclusive as possible.

The Mayor's Transport Strategy outlines how TfL should approach the delivery of a safe and sustainable transport system, and the London Environment Strategy combines policy and action to deliver environmental benefits to London, including improving air quality. This year we are trialling our first Taskforce on Nature-related Financial Disclosures (TNFD) report alongside Task Force on Climate-related Financial Disclosures (TCFD) reporting. Combining both reports, TCFD and TNFD will be covered under the four key areas: governance, strategy, risk and metrics and targets.

Our sustainability governance

Responsibility for managing climate risk sits with our Executive Committee, overseen by the Board. Environmental management is embedded across the organisation, with all areas represented at our Executive Committee Sustainability Group. The Executive Committee Sustainability Group which meets at least six times a year, oversees the strategic and operational direction on our behalf by ensuring we align between the vision, purpose, and corporate plans relating to climate risks and opportunities.

Governance structure for sustainability

Group	Role
TfL Board	• The Board has overall responsibility for the oversight of TfL's sustainability-related strategies and management guidelines. TfL's environmental initiatives are scrutinised by the Board's Finance Committee and Safety, Sustainability Human Resources (SSHR) Panel, who meet quarterly to scrutinise and support environmental initiatives • The Board meets a minimum of six times a year • The SSHR Panel considers wide-ranging issues including policy, strategy and the implementation of the Mayor's Transport Strategy and operating business performance in relation to safety and sustainability considerations for TfL services, this includes climate • In the last 12 months the SSHR Panel have discussed: implementation of the Corporate Environment Plan for capital and operations, Environment including adaption Enterprise Risk update, progress on Climate Change Adaptation Plan 2023, and approval and endorsement for the Green Infrastructure and Biodiversity Plan 2024
Executive Committee	• TfL's Commissioner and Chief Officers are responsible for fulfilling the priorities and objectives set out in the Mayor's Transport Strategy and TfL Business Plan • The Executive Committee is responsible for the management of TfL's Enterprise-level environmental risk • The Executive Committee meets on a weekly cadence and has performance and strategic meetings every four weeks
Executive Committee Sustainability Group	• The Executive Committee Sustainability Group is responsible for the co-ordination of cross-organisational environmental and sustainability issues and work-programmes, on behalf of the Executive Committee • The group is chaired by TfL's Chief Safety, Health and Environment Officer and Chief Capital Officer, and includes representation from all TfL business units The Executive Committee Sustainability Group meets at least six times a year and its role includes: • Agreeing the strategy for environmental management, including setting targets, monitoring, and reporting on performance • Providing central oversight of the Group's management of climate impact to ensure that climate chance informs strategic planning and decision making across all TfL activities • Overseeing management practices that ensure that these exposures are controlled in line with TfL's risk appetite and Corporate Environment Plan • Promoting internal awareness and understanding of climate- related threats and opportunities • Ensuring actions and responses to climate are proportionate

Integrating sustainability across TfL
To meet our sustainability-related legal requirements and policy commitments, we have set out clear accountabilities and actions for our leadership and business areas. We have mapped out high level environmental accountabilities within the Chief Officer areas and across the value chain, to ensure that climate and nature-related impacts and dependencies are considered, while our risks are managed and opportunities are taken up to improve our climate, decarbonise our network and enhance our green infrastructure and biodiversity.

During 2023/24:

- The Green Infrastructure Steering Group was formed to deliver on our nature-related actions. The group leads on the short-, medium- and long-term actions in our Green Infrastructure and Biodiversity Plan and work to ensure resources and funding for the work
- We formalised our Adaptation Steering Group, which is responsible for delivering the Climate Change Adaptation Plan. The responsibilities of this cross-functional group are to identify key strategic actions and decisions on adaptation, share knowledge and best practice, embed considerations of climate risk and adaptation work across the organisation, improve our understanding of climate risk, and identify adaptation-related projects that require funding
- The Net Zero Matrix team was established to support and accelerate delivery of net zero commitments

  The team manage setup, delivery and oversight of specific programmes and projects, as well as other initiatives, with the primary objective of reducing TfL's operational carbon emissions to net zero by 2030
- Following all the Executive Committee completing sustainability awareness training in 2022/23, more than 90 per cent of our directors completed the same training in 2023/24
- In September 2023, we also hosted a five-day Sustainability Summit for all TfL colleagues, which included more than a dozen events attended by more than 2,000 colleagues
- Through our Carbon Literacy Programme, we trained more than 75 colleagues as certified, volunteer Carbon Literacy trainers and nearly 20 volunteer coordinators. This network of colleagues facilitated the training of more than 4,000 colleagues from all areas of TfL in 2023/24. This was supplemented with a three-part online Carbon Management training course, targeted at enabling project managers, sponsors and engineers to use the carbon modelling tool to assess and reduce their project's carbon footprint
- TfL received the Bronze Accreditation from the Carbon Literacy Project in February 2024, and was shortlisted for the 2024 Chartered Institution of Highways and Transportation Sustainability Award. Of those who attended, 93 per cent of colleagues became certified in Carbon Literacy with the Carbon Literacy Project. At the close of 2023/24, 3,135 people of the around 88,384 people certified globally were trained at TfL, meaning 3.5 per cent of all people certified globally in Carbon Literacy were trained at TfL
- In September 2023, we launched Sustainability Apprenticeship and Sustainability Graduate schemes, to promote the skills pipeline for sustainability expertise. We recruited five sustainability graduates and five sustainability apprentices and a further five sustainability graduates will join TfL in September 2024
- More than 30 per cent of the capital's population – nearly three million people – is under 25 years old. Therefore, we work with young people and organisations representing young people to ensure these views inform our work. One example is the TfL Youth Panel, made up of 30 volunteers aged 16 to 25, who travel in London. In October 2023, the TfL Youth Panel concluded a 12-month exploration into sustainability at TfL and published its report with nine recommendations. In February 2024, we responded to the recommendations and have already begun to put these into action, including appointing a youth representative to attend some of the TfL Board level meetings such as the SSHR Panel and the Customer Service and Operational Performance Panel

Managing our Green Estate
The development of the first Natural Capital Account (NCA) involved a wide range of internal stakeholders, including senior managers, to gain full understanding of the nature-related impacts and dependencies, as well as risks and opportunities within TfL. The baseline NCA (2022) includes our top impacts and dependencies, risk and asset register, and identifies gaps and opportunities for the future. Managing the risks identified in the NCA is critical for the safe running of our transport network. Our green infrastructure provides many wide-ranging benefits, which, when managed correctly, provide safer, more attractive, comfortable, and adaptable spaces for Londoners to live, visit and work in.

From February 2024, the Environment Act 2021 required that developments going through planning leave the land in a measurably better position than it was before. To prepare for this requirement, in 2023/24, we established the Biodiversity Net Gain (BNG) steering group with key stakeholders across the business, to address these BNG requirements. The aim of the group is to identify projects that need to comply with BNG and establish the overall strategic BNG position. Failing to comply with this piece of legislation could result in financial, reputational, and legal risks to the business. Early engagement with key stakeholders aids us in identifying and understanding scheme viability, the costs of providing BNG, and future funding options.

Narrative Report and Financial Review (continued)

In 2024/25, we will be exploring options such as the Habitat Bank project; to identify potential Habitat Bank sites within TfL boundaries to provide off-site biodiversity gains. This project has the potential for key lessons learned for TfL, as well as other future parties who wish to adopt similar projects and initiatives.

In 2024/25, we plan to update our biodiversity baseline to understand the changes in biodiversity from our last assessment, which was conducted in 2019. The data for green infrastructure and biodiversity, which is to be improved and updated in this baseline, will be employed by our Geographical Information System (GIS) team to improve our surveying, monitoring and asset management. At the same time, we will investigate the data requirements for BNG and procurement of further management systems.

Integrating sustainability across London's communities

Our natural assets provide wide ranging benefits to London's communities, and to the people living in, working in, and visiting the city. As these benefits are so impactful at the community level, we will continue to collaborate with stakeholders across London and more widely. We look to share best practices, provide inspiration, and support London in unlocking opportunities to maximise our positive impact on nature and sustainability. We collaborate with external stakeholders on climate and nature-related risks and opportunities. This work includes projects with community groups at various locations across our network. For example, in 2023/24, teams at Hatch End and South Tottenham London Overground stations, collaborated to continually improve their thriving community hub. Hatch End station is renowned for its gardens and floral displays, as well as its annual community events. The team at South Tottenham also aims to create a greener London while building valuable relationships with the local community, which in turn provides an enhanced level of customer service.

We are also active members of various industry-lead nature related working groups (for example, the RSSB Nature Value working group) to contribute to and learn from the community, as well as tackle various challenges collaboratively. Internally, gardening enthusiasts across TfL hold an annual In Bloom competition. This more than 100-year-old competition extends to all parts of the network, including stations, depots, service control rooms and offices. In 2024/25, the theme is sustainability and future-focused: gardens are expected to represent what gardens of the future would be like.

As a transport authority, we acknowledge that improving green infrastructure and providing sustainable travel access will also help reduce social and environmental inequalities as follows:

- Our Leisure Walking Plan seeks to enhance and improve the Walk London Network. In 2023/24, we continued to deliver actions to upgrade existing routes and improving communities' access to green spaces
- Marginalised and vulnerable groups are more likely to experience climate change impacts. TfL's work on green infrastructure ensures equitable access to active travel opportunities. For example, walking is the most common transport option for older Londoners, as stated in our 2019 report: Understanding London's diverse communities. We are continuing to work with community groups, to improve the walking environment for everyone

Our sustainability strategy

To deliver the Mayor's Transport Strategy, we work with many partners, including other parts of the GLA and London's 32 boroughs and the City of London. In 2023/24, we developed our internal strategy, which sets out how we will deliver our vision of being a strong, green heartbeat for London and our values, which describe the culture we are building and how we work.

This strategy is broken down into five key themes, which cover customers, safety and security, our green future, colleagues and finance. Within these areas, we have key priorities to help shape our plans and ensure we can secure the best future for London's transport network as we support the capital's growth and development.

Progress against our strategic targets is tracked using our TfL scorecard and Mayor's Transport Strategy progress reporting. Structured to clearly align to our vision, values and strategy, it plays an important role in keeping us on track and helping us to maintain momentum.

To deliver our vision to be a strong, green heartbeat for London, we need to turn the Mayor's Transport Strategy into day-to-day reality. Centring around creating a fairer, greener, healthier, and more prosperous city by changing how people get around, this requires us to deliver a huge array of projects and initiatives across our business over the coming two decades.

The TfL scorecard is structured according to the themes of our vision and values and strategy – with our environmental priorities driven through the theme of 'Our Green Future'. We continually track our progress against metrics aligned to these, giving us an objective view of our performance. This helps us to manage our resources and informs the decisions we make as we run our organisation responsibly.

There are also local scorecards which feed into the overarching TfL view and further specify areas of focus to ensure the day-to-day delivery of key targets. This ensures that our environmental priorities are delivered with responsibility held in the Chief Officer area including Customer and Strategy, Capital, and Operations.

The 'Our Green Future' theme focuses on delivering three priorities and outcomes:

- Reduce carbon emissions and adapt to climate change;
- Improve air quality; and
- Protect, connect, and enhance green infrastructure and biodiversity

Narrative Report and Financial Review (continued)

Our annual Green Roadmap sets out the quarterly actions we will progress against these priorities. The Green Roadmap ultimately sets TfL on the path to achieve our 2030 success measures:

- Net zero operations by the end of December 2030;
- Reduce nitrogen dioxide concentrations to less than 26 micrograms per cubic meter in central London, less than 22 in inner London and less than 19 in outer London;
- Add 40,000 square meters of catchment area draining into sustainable drainage systems (SuDS) to our network

Nature-related dependencies, impacts, risks and opportunities the organisation has identified

Our first natural capital assessment (carried out in 2022, in line with BS:8632 Natural Capital Accounting for Organisations) focused on the nature-related impacts and dependencies related to the physical attributes of TfL owned and managed land. The purpose of the Natural Capital Account is to show the benefits provided by the natural capital assets that the organisation owns, manages, or depends on over the future time period. We held internal workshops to identify the area of focus for scenario analysis. We decided upon:

- Meeting legal and policy commitments for biodiversity net gain and green infrastructure leading to increased expenditure. In the scenario analysis, we will be focussing on the risks and opportunities of delivering our commitment to street tree planting

As part of the materiality assessment, the following impacts and dependencies were concluded:

Impacts	• Air pollutants • Greenhouse gas emissions • Biodiversity loss • Disturbances • Use of fossil fuels
Dependencies	• Erosion and soil regulation • Use of fossil fuels • Solid waste • Flood attenuation • Land availability

The six highest rated impacts and dependencies are:

1. Greenhouse gas emissions
2. Use of fossil fuels
3. Air pollutants
4. Biodiversity loss
5. Use of materials
6. Flood attenuation

This Natural Capital Approach uses qualitative, quantitative, and monetary data to assess impacts and dependencies. The final account tables tend to be in monetary units.

Extract from TfL natural capital balance sheet, PV60 £m

Produced at: February, 2022 Year-on-year costs of operations	Valuation metric	Value to TfL	Value to London	Value to global society	Total
Asset values (monetised)					
Carbon Sequestration	Value of CO_2e sequestered by woodland, semi-improved grassland, and shrub			18.0	18.0
Air Quality Regulation	Value of PM2.5 removal by woodland		65.0		65.0
Flood risk and Water Management	Avoided volumetric charge, energy cost and greenhouse gas emissions from water treatment	0.3			0.3
Recreation	Income from land rents	2.5			2.5
	Welfare value of recreational visits		130.0		130.0
Physical health	Avoided medical treatment costs		112.0		112.0
Volunteering	Value of volunteer time	0.2			0.2
Total gross asset value	**Mix of values**	**3.0**	**307.0**	**18.0**	**328.0**
Asset values (non-monetised)					
Biodiversity	Biodiversity score of natural capital assets: 8,171BUs				
	Number of hibernating bats species: 44				
	Area of wildflower verges: 7 hectares				
Visual screening	Potential visual screening provided by trees: 147 hectares				
Shading	Potential shading of passengers at TLRN transport nodes provided by trees: 0.08 hectares				
Unquantified material benefits					
Mental Health					
Education					
Liabilities*					
Production costs					
Natural capital maintenance costs					
Total gross asset maintenance costs					
Total net asset value (monetised)					

* Certain items are not disclosed and these lines have been left blank in the table above

In 2023/24, we used the results from the NCA to apply to projects, decision making and investment. In 2024/25, we will use the information to set targets for green canopy cover.

Asset Location for Green Infrastructure
In March 2024, as part of our Green Infrastructure and Biodiversity Plan, we published the locations of sites of importance for nature conservation areas on our network. We identified intersections between our estate and two Special Areas of Conservation, six Sites of Special Scientific Interest, eight Local Nature Reserves and 139 Sites of Importance for Nature Conservation. This work also included our previous habitat and biodiversity assessments, which identified more than 1,000 animal species and 700 plant species.

In 2024/25, we will conduct a re-assessment of our entire network's biodiversity potential. This will track changes over time when compared to the previous biodiversity baseline assessment conducted in 2019. This will meet our latest BNG requirement, and inform further locations for biodiversity offsetting, as well as which are priority locations within TfL's value chains.

Narrative Report and Financial Review (continued)

Risks and opportunities over the short, medium and long-term

In 2023/24, we began our first scenario analysis in collaboration with the Government Actuary's Department (GAD). Our aim is to pilot scenario analysis with a sample of risks and opportunities, covering transition, physical and nature related risk and opportunities to align with both TCFD and TNFD. For this years annual report, we have identified seven risks, and selected scenarios. Each of these risks link to a number of existing risks within our Enterprise Risk Framework, the modelling completed through scenario analysis, will be embedded into existing risk profiles. In 2024/25, we will further the analysis by conducting a qualitative and quantitative assessment of our sample risks.

We have chosen three timeframes for analysis, and they are short-term (to 2030), medium-term (to 2050) and long-term (to 2080). The financial impacts within climate scenarios are time- sensitive. For example, transition risks may be a dominant influence in the short term, but physical risks might dominate in the longer term. We have chosen these timeframes to align with TfL, Mayoral, Governmental and International climate time horizons. We have done this to ensure our scenario analyses take advantage of the best, most current data available, while producing results we can then use when planning for our operational and financial future.

- Short term – to align with TfL Strategy which sets out our path over the coming years to 2030

- Medium term – to align with London Environment Strategy, which sets out the plan until 2050. Also aligning with our medium time horizon within our Climate Risk Assessment

- Long term – to align with the long-term time horizon within our Climate Risk Assessment

To select physical risks for scenario analysis, we used our Climate Risk Assessment, which was published in 2021. This risk assessment covered risks to assets and people from chronic and acute climate change. This risk assessments covers 333 risks, and they are rated minor, moderate, major and severe, over three timeframes 2021, 2050 and 2080. We consolidated our risks, to group together similar risks to aid in prioritisation. We chose two physical risks to complete scenario analysis on in 2024/25. These risks are both acute risks, and they are rated as major and severe over the timeframes. We will explore a wider range of physical risks, in future scenario analysis. The physical risks we chose were:

- Extreme precipitation leading to flooding London Underground stations, shafts and portals. This risk was chosen as it is rated as a major and severe risk for TfL due to the potential impact to services and high likelihood of significant asset and infrastructure damage

- Extreme high temperatures on transport and in buildings. This was chosen as it is rated as major and severe for TfL due to the health, safety and wellbeing impacts on staff, tenants, and customers

To prioritise transition risks, we worked with GAD to identify a long list of transition risks which were relevant to us. This list contained 44 transition risks covering policy and legal, market, reputational, technology, resilience, resource efficiency, energy sources, and products and services. We held workshops with colleagues from across business areas to decide upon risk ratings for each risk, and to determine the financial impact route. Through this process, we prioritised four transition risks and opportunities for scenario analysis this year:

- Tighter regulation leading to higher capital expenditure for TfL due to assets becoming prematurely obsolete or non-performing

- Early adoption of new and novel technologies for sustainability initiatives leading to increased capital and operational expenditure

- Skills requirement relating to TfL strategic sustainability ambitions and Mayoral commitments becoming misaligned to our skills profile

- Improved building efficiency for Places to London leading to higher income from tenants

Narrative Report and Financial Review (continued)

The financial impact routes for the above climate and nature-related risks and opportunities are as follows:

Seven selected climate- and nature-related risks and opportunities

Risk type	Description	Risks financial impact route	Opportunities financial impact route	Management of risks and opportunities and strategic response
Nature	Increasing legal and policy commitments for biodiversity net gain and green infrastructure	• Increased expenditure for sourcing stock and materials • Increased costs of maintenance • Increased public interest and transparency • Reputational consequences	• Health and wellbeing benefits • Air quality benefits • Co-benefits with adaptation and mitigation • Increased wildlife and habitat in urban environment • Carbon sequestration benefits	Our Green Infrastructure and Biodiversity Plan sets out the actions to deliver our commitments to improve biodiversity and maximise the benefits of TfL's green infrastructure. Projects to deliver commitments are included in TfL's budget.
Physical	Extreme precipitation leading to flooding of London Underground tunnel shafts and portals	• Increased asset repair costs • Revenue loss from closures, reduced service or reduced customer confidence. • Capital costs associated with replacement of damaged assets • Compensation payments to tenants due to station closures • Increased insurance claims, leading to higher insurance premiums		We manage climate risk through the implementation of the Climate Change Adaptation Plan. We are incorporating adaptation requirements into asset strategies and engineering standards. We use research and modelling to better under our future risk and what interventions might be most suitable. We collaborate with industry partners and stakeholders to share best practice on adaptation measures.
Physical	Extreme high temperatures on transport and in buildings	• Increased health, safety and wellbeing incidents • Overtime costs to cover staff illness • Increased investment in portable cooling systems • Revenue loss from customers choosing not to travel during hot periods • Increased asset repair costs • Revenue loss from closures, reduced service or customer comfort. • Capital costs associated with replacement of damaged assets • Compensation payments to tenants due to station closures • Increased insurance claims, leading to higher insurance premiums		We manage climate risk through the implementation of the Climate Change Adaptation Plan. We are incorporating adaptation requirements into asset strategies and engineering standards. We use research and modelling to better under our future risk and what interventions might be most suitable. We collaborate with industry partners and stakeholders to share best practice on adaptation measures.
Transition	Tighter regulation leading to assets becoming prematurely obsolete or non performing	• Third party external investment more difficult to secure due to asset obsolescence • Slower development resulting in increased costs and lower revenue • Fines or penalties for not complying with new regulation • Increased capital costs to upgrade or replace assets to adhere to new regulation • Reputational consequences from negative media attention	• Lower maintenance and replacement costs as assets may be more efficient	Active management with Government, and the GLA enables us to be aware of upcoming regulation. Known regulation is included in TfL asset strategies with plans to avoid assets becoming prematurely obsolete.

Narrative Report and Financial Review (continued)

Risk type	Description	Risks financial impact route	Opportunities financial impact route	Management of risks and opportunities and strategic response
Transition	Early adoption of new and novel technologies for sustainability initiatives	• Increased capital expenditure to buy new technologies • Increased obsolescence costs of current assets • Increased costs of new technology due to price increases, caused by high demand and low supply in the market • Costs incurred from new technologies being superseded quickly • Costs of asset write offs, before time expiry • New technologies incurring increased maintenance costs • New technologies requiring additional integration costs	• New technologies bringing reliability benefits, lowering operational expenditure • New technologies being more energy efficient and having lower running costs, lowering operational expenditure	New technology is budgeted into financial accounting in line with business strategy. TfL has a strategy to decarbonise the network which includes adoption of new technologies, risks associated with this is included in our risk management.
Transition	Skills requirement misaligned with strategic sustainability ambitions and Mayoral commitments	• Increased costs of outsourcing and reliance and contractors and non-permanent labour • Increased training costs to meet new technical skills • Increased resource costs, due to high demand for sustainability skills across UK • Skills shortages causing slower transition to net zero • Increased costs of culture change associated with embedding sustainability across business areas • Costs associated with sustainability skills retention		TfL has a skills pipeline including critical role identification. In addition to this, we are actively reviewing reward management, talent management and strategic resourcing to align skills profile with skills requirements.
Transition	Changes to building energy efficiency on our Places for London commercial properties	• Increased capital investment to improve building efficiency • Decreased income if building energy efficiency is not improved	• Higher income on our commercial properties • Better quality properties leading to improved wellbeing for tenants • Lower operational expenditure due to increased energy efficiency • Increased attractiveness for third party investment	Places for London have a sustainability strategy which covers improving building efficiency. We continually evaluate our real estate portfolio to ensure our premises are suitable for clients.

Through scenario analysis, we will be analysing the scale of financial impact for each scenario under the three timeframes we have set out. The results of scenario analysis will be used for business strategy and financial planning.

We have developed four scenarios which can be used for scenario analysis. These link to existing internal TfL scenarios: Green Innovation, Rebalancing, Agglomeration and Instability. We have mapped climate related factors to existing scenarios to produce relevant and plausible scenarios that are relevant to TfL. In 2023/24, we short-listed our risks for scenario analysis, based on risks that are most material to us, we have also agreed our scenarios. The focus of 2024/25 will be to further our work by completing quantitative and qualitative analysis for the seven risks and opportunities we have identified.

Narrative Report and Financial Review (continued)

For TCFD, scenarios must be plausible, distinctive, consistent, relevant and challenging.

- Plausible: we used the scenarios set out by NGFS (Network of Greening the Financial System) as a baseline. We have then linked these with existing TfL internal scenarios which we use for business planning to create realistic, credible and believable scenarios
- Distinctive: we focused on a combination of key factors which are differentiated under each scenario. The factors we consider for our scenarios are:
  - » Global climate action
  - » Global climate conditions
  - » Macro-economic trends
  - » Low carbon technology
  - » Energy costs and mix in the UK
  - » Natural environment in the UK
  - » Sustainability regulation in the UK
  - » Socioeconomic London
  - » Climate action and sustainable behaviours in London
  - » Level of Government spending on transport
  - » Level of private investment appetite for sustainable projects
  - » TfL supply chains
  - » Skills of the workforce
  - » Modal and customer preferences
- Consistent: each scenario aligns with industry best practice, as well as using internal scenarios and datasets
- Relevant: each scenario has a narrative that is consistent with potential futures for London. We have related the scenarios to the strategic and financial implications of climate: related TfL risks and opportunities
- Challenging: the scenarios cover a range of factors, which challenge the conventional wisdom and simplistic assumptions about the future

	Low transition risk	High transition risk
Low physical risk	**Orderly transition** Coordinated global climate action aims for net zero emissions by 2050, limiting warming to 1.5°C by the end of the century and largely avoiding the most severe physical impacts of climate change. London thrives through its booming environmental technology sector, achieving net zero emissions ahead of the global target, by 2030. Coordinated public and private investment focuses on decarbonisation, adaptation and nature. Widespread behavioural change leads to sustainable travel practices, low carbon technologies and products becoming the norm. A fall in commuting to central London is balanced with increased off-peak and recreational travel. Walking and cycling are popular. Regulations monitor sustainability and penalise non-compliance.	**Disorderly transition** Global climate action is limited in the short term but there is a race to decarbonise from 2030 onwards, and aggressive global climate action is taken, effectively reducing global emissions and limiting warming to 2°C by the end of the century. In London, the population ages, growth stagnates, and the city loses its world-leading reputation causing travel demand within central London to decline. Investment in transport and technologies becomes available but is often erratic and lacks coordination. Growing individual responsibility, drives a shift to local and sustainable travel options. Effective adaptation planning addresses climate impacts in the medium-to-long term and London's economy and population recover.
High Physical Risk	**Hot House World** Global climate action has stalled, non-binding pledges do not all materialise. Emissions continue rising until 2080, pushing global warming beyond 3°C by the end of the century. In London, extreme weather events intensify and become more frequent, leading to significant losses and disruption. Although London's economy booms in the short term with an increasing population driving increased demand for public transport, in the long-term London's economic growth declines as it experiences more frequent extreme weather events. Investment in mitigation and adaptation lags, adoption of sustainable behaviours is slow and increased exposure to climate hazards stress natural habitats.	**Too little too late** London's economy suffers and demand for public transport decreases. Uptake and development of low carbon technologies is slow and fossil fuels dependency persists. Geopolitical shocks affect energy costs and inequality persists. Environmental degradation worsens and biodiversity, water quality, and soil health decline. There is little appetite for low carbon investment in the short term. Spending on adaptation is necessary in the long term.

Narrative Report and Financial Review (continued)

We have aligned our climate scenarios with TfL's strategic scenarios, which are used to help the business make plans and agree priorities which are resilient to multiple futures. Using our climate scenarios we anticipate increased transition risks and opportunities in the shorter term, as we decarbonise across TfL. We have clear plans to decarbonise, which is detailed in our Corporate Environment Plan (2021). In the longer term, we anticipate increased physical risks, which we are planning for through the implementation of our Adaptation Plan. In addition to managing physical risk, we have robust operational emergency response in place for extreme weather across our operation managed through our Control Centres.

Our sustainability risks

Enterprise Risk Management (ERM) refers to the holistic management of risks across all areas of the business (threats and opportunities) that may impact the achievement of TfL's objectives. The TfL Enterprise Risk Management Framework (ERMF) provides a structured and consistent approach to risk management across the organisation. The TfL Board has overall accountability for risk management, and the Audit and Assurance Committee (AAC) reviews risk management activities on a quarterly basis on behalf of the Board. The ERMF applies to all categories of risk including sustainability, climate and adaptation risks at three levels Enterprise (Level 0), Strategic (Level 1) and Tactical (Level 2). The Framework also covers governance and assurance which includes reporting at Panels and Committees (Safety Sustainability and Human Resources Panel), Executive Committee and Sustainability Executive Committee.

There is a dedicated Enterprise level risk ER03 Environment, including climate adaptation. ER03 is subject to an annual deep dive review at Sustainability Executive Committee, main Executive Committee and Safety, Sustainability and HR panel. This covers risks associated with not meeting environmental commitments and compliance, including transition to net zero, adaptation to long-term climate change and extreme weather events, and nature-related risks. Risk owners provide details of the risk assessments including financial impacts, key risk indicators and key mitigations to manage the risks. In the last 12 months, the Level 1 environment and climate Strategic risks feeding into ER03 have been developed and presented at Sustainability Executive Committee.

Climate risks at the Enterprise, Strategic and Tactical levels are captured in TfL's risk database, Active Risk Manager. This allows climate and / environment risks to be tagged enabling visibility of the risk cascade. Interdependencies between risks are also considered, for example, there are clear linkages between our supply chain and climate risks. Climate change is recognised as a potentially significant future supply chain disruptor that needs to be actively monitored and mitigated.

Since last year's report, we have made progress on climate risk development. We have included our seven sample risks and opportunities for scenario analysis, in our Enterprise Risk Framework at Level 2, to ensure they are embedded into our business risk processes. In 2023/24, we inputted environmental risks into the Enterprise Risk Framework at Level 1. This gives accountability and more specific risk detail to risk owners and responsible managers. In 2024/25, we will continue to embed environmental risks into the Enterprise Risk Framework at strategic and tactical level.

Climate risks at the Enterprise, Strategic and Tactical levels are captured in TfL's risk database, Active Risk Manager. This allows climate/ environment risks to be tagged enabling visibility of the risk cascade. Interdependencies between risks are also considered, for example, there are clear linkages between our supply chain and climate risks. Climate change is recognised as a potentially significant future supply chain disruptor that needs to be actively monitored and mitigated.

We have introduced processes by which projects must assess the impact they make on the natural environment. Initially sponsors, along with project managers, identify how planned developments pose a risk to the natural environment. Projects then manage and mitigate impacts with relevant measures outlined in Pathway (TfL's delivery methodology for projects and programmes) and create appropriate biodiversity reinstatements to meet legal (BNG), and other corporate requirements. Pathway is part of our management system, within Pathway's toolkit, we have a tool called the Environmental Evaluation, which is accessible to all sponsors and project managers. It is a rigorous process to establish the monitoring of nature-related risks, biodiversity progress, carbon impacts and climate risk.

Since last year's report, we have made progress on climate risk development. We have included our seven sample risks and opportunities for scenario analysis, in our Enterprise Risk Framework at Level 2, to ensure they are embedded into our business risk processes. In 2023/24, we inputted environmental risks into the Enterprise Risk Framework at Level 1. This gives accountability and more specific risk detail to risk owners and responsible managers. In 2024/25, we will continue to embed environmental risks into the Enterprise Risk Framework at strategic and tactical level.

We are continually improving our understanding of our physical climate risks. In 2023/24, we began work on Adaptation Reporting Power (ARP) fourth round. This involved updating our risk assessment from ARP3 (2022) and including additional transport modes and business areas that were not captured previously. This work also involved engagement with London Boroughs, developing the first borough climate risk assessment for London's road network. In addition to this, we also explored risks through understanding a multitude of organisational interdependencies and their associated risks for the land-based transport sector, this included working with all key infrastructure owners in London. We will continue to finalise our risk assessments and publish the results in December 2024.

Narrative Report and Financial Review (continued)

In our Green Infrastructure and Biodiversity plan published for the 2023/24 period, we established that NCA will be updated every four years. Methodology for this update will be informed by latest industry recommendations, and we will take any lessons learned from the first Account into consideration. The first NCA did not include any upstream or downstream value chain assessments, however our intention is to include these in the next evaluation. We will also focus on identifying the most innovative methodology and software to use for these projects, which will be tailored to assess green infrastructure and canopy cover within our network.

Our sustainability metrics and targets
Carbon emissions from TfL's operations is measured on TfL's scorecard, we annually report on our carbon emissions and energy usage in accordance with Streamlined Energy and Carbon Reporting (SECR).

Our target set out in the Mayor's Climate Budget is to be net-zero carbon by 2030 for our operational emissions. This target covers all Scope 1 and 2 emissions, as well as Scope 3 Purchased Goods And Services emissions associated with operating some TfL services, such as Buses and rail franchises. We publish our forecast of carbon emissions to 2030 in the Mayors Budget, as well as setting internal performance targets (scorecard) for carbon emissions, which are aligned to the 2030 Mayors Budget forecast.

In 2023/24, we committed to setting science-based targets for all emissions scopes, including scope 3 categories material to TfL's activities. We have undertaken emissions calculations for scope 1, 2 and 3 emissions in line with the GHG Protocol. External validation of these targets will continue in 2024/25 so that we are working towards validated science-based targets for carbon emissions from 2024/25.

In 2024/25, our targets include achieving 70 per cent of our Green milestones, transitioning 500 more buses to zero emissions, bringing the total to 1,900 and converting 15 Tube stations, including Kings Cross to LED lighting.

TfL's Green Infrastructure and Biodiversity Plan sets out short-, medium- and long-term nature-related targets:

- From February 2024, we aim to achieve 10 per cent biodiversity net gain on applicable schemes (for example, planning system projects and nationally significant infrastructure projects)
- Deliver a net gain in biodiversity across TfL's estate by 2030, compared to the 2019 biodiversity baseline map
- Increase TfL-wide tree canopy cover by 10 per cent by 2050 compared with the 2016 baseline
- Increase TfL's street-tree numbers by one per cent every year between 2016 and 2025
- Double the area of our wildflower verges to 260,000 square metres in 2024
- Deliver an additional 5,000 square meters of catchment draining into TfL highways SuDS every year, as laid out in our Adaptation Plan, this measure is included in our TfL scorecard

To embed green infrastructure and biodiversity targets into our processes and projects, we include requirements in our Environmental Evaluation for Pathway, which is the system used for project and programme management. As discussed above, the Mayor's Transport Strategy included a target of a one per cent increase in street trees each year, from 2016 to 2025. While there have been annual fluctuations in the achievement of this target due to climate, resources, and external variables, we are still on track to meet this target.

Since the completion of a successful trial of wildflower verges on our road network, we are now positioned to double the wildflower road-verge area this year. This work showcases the excellent symbiosis between our enhanced management approaches in our strategy, and tangible biodiversity benefits. Further expansion and exploration of our wildflower verges will also identify future potential for the delivery of biodiversity net gain; this has the added benefit of meeting the newly released legal requirements for BNG.

Narrative Report and Financial Review (continued)

External audit

Appointment, re-appointment and assessment of effectiveness

In July 2016, the Secretary of State specified Public Sector Audit Appointments Limited (PSAA) as an appointing person under the Local Audit and Accountability Act 2014. This meant that for audits of accounts from 2018/19, PSAA was responsible for appointing an auditor to, and setting the level of audit fees for, relevant bodies that have chosen to opt into its national auditor appointment scheme. TfL has opted into this scheme.

In order for an audit firm to be eligible to tender for an audit contract with PSAA, the firm must appear on the Institute of Chartered Accountants in England and Wales (ICAEW) register of Local Auditors, having fulfilled the criteria determined by legislation as evaluated by the ICAEW (The Recognised Supervisor Body). Contracts were awarded after a competitive tender that balanced audit quality with price. The primary consideration in allocating proposed appointments to individual opted-in bodies was to ensure independence. TfL's appointed external auditor is Ernst & Young LLP.

During the year Ernst & Young LLP was appointed by the PSAA as auditor of TfL for the duration of the five-year appointing period, covering the audit of the accounts from 2023/24 to 2027/28.

TfL's Audit and Assurance Committee, through the use of questionnaires and reports, formally reviews the performance of the external auditors at least annually against the four criteria of:

- Qualification
- Expertise and resources
- Effectiveness
- Independence

The Audit and Assurance Committee remains satisfied with the quality, integrity and the effectiveness of the work undertaken by Ernst & Young LLP. The Committee carries out regular reviews to ensure that auditor objectivity and independence is maintained at all times.

Non-audit services

Under guidance issued by Financial Reporting Council in December 2019, only non-audit work that is closely related to the statutory audit may be undertaken by an entity's auditor. Furthermore, total fees for non-audit services provided is limited to no more than 70 per cent of the average of the fees paid in the last three consecutive financial years for the audit of the audited entity and of its controlled undertakings and of the consolidated financial statements of that group of undertakings.

Under TfL's policy on external audit services, Ernst & Young LLP is required to report to the Committee every six months on fees billed for non-audit services. During 2022/23, the non-audit services provided by Ernst & Young LLP were in respect of audit-related services provided in relation to the use of grant monies received and for procedures relating to regulation 4 of the Railway Safety Levy Regulations 2006. Total non-audit fees for the TfL Group represented one per cent of the total statutory audit fees paid in respect of the combined audit for the TfL and Transport Trading Limited (TTL) Groups, and seven per cent of the audit fee of the Corporation as a single entity for 2023/24.

Accounting statements

TfL is a statutory corporation established by section 154 of the GLA Act 1999. It is a functional body of the GLA and reports to the Mayor of London.

The legal structure is complex in comparison to that of most local authorities and comprises:

- The Corporation, which is made up of London Streets, Taxi and Private Hire, and the corporate centre which, for legal and accounting purposes, constitutes TfL
- The TfL Group, which is made up of the Corporation and its subsidiaries, joint ventures and associated undertakings as set out in notes 17, 18 and 19

Under the GLA Act 1999, the Corporation is treated as a Local Authority for accounting purposes and the Statement of Accounts, which includes the individual financial statements of the Corporation as well as those of the TfL Group, has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), which is based on approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements.

Our subsidiaries are subject to the accounting requirements of the Companies Act 2006 and separate statutory accounts are prepared for each subsidiary and for the TTL Group. These accounts are prepared under International Financial Reporting Standards as adopted by the UK. Appropriate adjustments are made to the accounting policies of the subsidiaries upon consolidation into the TfL Group financial statements to ensure they are aligned to the requirements of the Code.

The financial statements for the TfL Group, which consolidate the accounts of the Corporation, its subsidiaries, and the Group's share of the results and net assets of its joint ventures and associated undertakings on the basis set out in the Statement of Accounting Policies (paragraph c) are here presented alongside the financial statements of the Corporation. The Statement of Accounts comprises:

- The Group and Corporation Comprehensive Income and Expenditure Statements, Balance Sheets, Cash Flow Statements and the Movement in Reserves Statements
- The Statement of Accounting Policies
- The Statement of Responsibilities for the Accounts
- Notes to the Group and Corporation financial statements

References to the 'Corporation' relate to the transactions, assets and liabilities of TfL. References to the 'Group' relate to the accounts of TfL and its subsidiaries.

Narrative Report and Financial Review (continued)

Purposes of major schedules within the financial statements
The nature and purpose of the primary schedules included within the financial statements are set out below:

Comprehensive Income and Expenditure Statement
This statement shows both the revenue received and the costs incurred in the year of providing services, in accordance with Generally Accepted Accounting Practices. Other comprehensive income and expenditure comprises unrealised gains and losses including revaluation gains on property, plant and equipment, fair value movements on derivative financial instruments and remeasurement gains or losses on defined benefit pension schemes.

The Balance Sheet
The Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by TfL. The net assets of TfL (assets less liabilities) are matched by the reserves held by TfL. Reserves are reported in two categories. The first category is usable reserves, being those reserves that TfL may use to provide services, subject to the need to maintain a prudent level of reserves. The second category is those reserves that TfL is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold, and reserves that hold timing differences shown in the movement in reserves statement line 'Adjustments between accounting basis and funding basis under regulations'.

The Cash Flow Statement
The Cash Flow Statement shows our changes in cash and cash equivalents during the financial year. The statement shows how we generate and uses cash and cash equivalents by classifying cash flows as derived from operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which our operations are funded by way of passenger income and grants. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to our future service delivery.

Movement in Reserves Statement
This statement shows the movement in the year on the different reserves we held, analysed into usable reserves and other reserves. The surplus or deficit on the provision of services is different from the statutory amounts required to be charged to the General Fund balance. The net increase/decrease before transfers to Earmarked Reserves line shows the statutory General Fund balance before any discretionary transfers to or from Earmarked Reserves.

Statement of Responsibilities for the Accounts

Statutory Chief Finance Officer certification
The Corporation is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Statutory Chief Finance Officer) has responsibility for the administration of those affairs
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Approve the Statement of Accounts

The Statutory Chief Finance Officer is responsible for the preparation of the Statement of Accounts for the Corporation and the Group in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Statutory Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently
- Made judgements and estimates that were reasonable and prudent
- Complied with the Code
- Kept proper accounting records that were up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Corporation and Group at the accounting date and of the income and expenditure for the year ended 31 March 2024.

SIGNATURE

Patrick Doig
Statutory Chief Finance Officer
XX November 2024

Independent Auditor's Report to the Members of Transport for London

Opinion
We have audited the financial statements of Transport for London ('the Corporation') and its subsidiaries ('the Group') for the year ended 31 March 2024. The financial statements comprise the:

- Group Comprehensive Income and Expenditure Statement
- Group Balance Sheet
- Group Movement in Reserves Statement
- Group Statement of Cash Flows
- Corporation Comprehensive Income and Expenditure Statement
- Corporation Balance Sheet
- Corporation Movement in Reserves Statement
- Corporation Statement of Cash Flows
- Accounting Policies
- the related notes 1 to 44

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion the financial statements:

- give a true and fair view of the financial position of Transport for London and the Group as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

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 and parent company 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 as applied to listed public interest entities and the Code of Audit Practice 2020, 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. Our evaluation of the directors' assessment of the Group and Corporation's ability to continue to adopt the going concern basis of accounting included:

- We understood management's assessment of funding requirements and commitments for the going concern period to 31 March 2026
- We considered the historical accuracy of management's budgets and forecasting by comparing the last two years variances in actual outturn as well as the post-year end period
- We validated performance to date on efficiency savings programmes, to determine the potential risk of non-delivery of the savings assumed within the budget
- We validated the performance against conditions set out in the DfT funding agreement dated 30 August 2022 to assess the likelihood of a clawback of funding or a dispute being raised by the Department for Transport
- We corroborated management's base case model for 2024/25 and 2025/26 through to the approved budget and challenged the key assumptions with the model including fare increases, passenger increases and RPI increase
- We challenged each material element of downside risk Identified by management, including those related to inflation and passenger income and tested to supporting evidence to assess the underlying assumptions and the appropriateness of TfL calculations
- We stress tested the downside risk, using plausible downside parameters and calculated a "worst case" downside risk– this included no increase to passenger demand, further non-delivery of savings and reduced funding
- We considered the mitigations available to TfL, challenged the assumptions over access to further borrowing and other potential mitigations to determine the reasonableness of those options. We assessed the headroom available against TfL's Authorised Prudential Borrowing Limit over the going concern period and considered the accessibility of borrowing from the Public Works Loans Board
- We assessed the adequacy of the going concern disclosures relating to the ability to deliver current planned operational services within available sources of funding in the financial statements

Management has concluded that the Group has access to sufficient mitigations including accelerating planned borrowing within their Authorised Prudential Borrowing Limit and descoping and deferring planned capital investment in its 2024 Business Plan to mitigate the risks of insufficient funding being received as outlined in their going concern assessment. The Authority's management has determined, having set a balanced budget for 2024/25 and 2025/26, that they have sufficient income to continue to provide services within the going concern period without having to make unplanned service reductions.

Independent Auditor's Report to the Members of Transport for London (continued)

Going concern has also been determined to be a key audit matter
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 Corporation's ability to continue as a going concern for a period to 31 March 2026.

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.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of two components • The components where we performed full audit procedures accounted for 100 per cent of expenditure, 100 per cent of revenue and 100 per cent of total assets
Key audit matters	• Going concern • Fares revenue • Capital projects • Property valuation
Materiality	• Overall group materiality of £131.5m which represents one per cent of group operating and capital expenditure

An overview of the scope of the parent and group audits

Tailoring the scope
Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Corporation and Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Corporation and Group and effectiveness of group wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the three reporting components Transport for London Corporation, Transport Trading Limited and London Transport Insurance (Guernsey) Limited, only Transport Trading Limited and the Corporation are material to the Group, representing 100 per cent of the Group's expenditure. The other entity represents less than 0.5 per cent of Group's expenditure, revenue and total assets and is considered immaterial to the Group.

We performed an audit of the complete financial information of Transport for London Corporation and Transport Trading Limited ("full scope components") which were selected based on their size or risk characteristics. For the remaining component we performed other audit procedures including analytical review, testing of consolidation journals and intercompany eliminations to respond to any potential risks of material misstatement to the Group financial statements.

The reporting components where we performed audit procedures accounted for 100 per cent (2023: 99 per cent) of the Group's operating and capital expenditure, 100% (2023: 100%) of the Group's revenue and 100 per cent (2023: 99 per cent) of the Group's total assets.

Changes from the prior year
There were no changes in scope in the current year.

Involvement with component teams
All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change
Stakeholders are increasingly interested in how climate change will impact Transport for London. The Group has determined that the most significant future impacts from climate change on its operations will be from impact of the increase in frequency of extreme weather events with periods of hot and cold weather, flash flooding and storm events. Such events can cause widespread disruption to operations and damage to assets whether caused by falling debris, flooding or failure of assets. These are explained on pages 115 to 119, in the Task Force On Climate Related Financial Disclosures and on pages 120 to 125 in the principal risks and uncertainties, which form part of the "Other information" rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in its climate change accounting policy its articulation of how climate change has been reflected in the financial statements. There are no significant judgements or estimates relating to climate change in the notes to the financial statements as it is not considered that climate change risks have a material impact on the Group's judgements or sources of estimation uncertainty.

Independent Auditor's Report to the Members of Transport for London (continued)

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition and their climate commitments, and whether these have been appropriately reflected in asset values, retirement benefits and the going concern assessment (see accounting policy aj). As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Our efforts to adapt to climate change have been considered

Independent Auditor's Report to the Members of Transport for London (continued)

Fares revenue

Risk	Our response to the risk	Key observations communicated to the Audit and Assurance Committee
Passenger income £4,843.1m (2022 £4,046.6m) - refer to Note 1 in the consolidated financial statements. Transport for London (TfL) generated 72.1 per cent of its revenue from fares charged to customers during FY23/24. Fares revenue remains a focus of the financial statements audit due to the complexity of the IT systems and arrangements with service organisations used to record revenue and the amount of judgement required to determine the apportionment of revenue due to TfL and other Train Operating Companies. This risk over revenue recognition specifically arises in the following judgemental areas, where there is risk of overstatement of revenue: • Oyster Pay As You Go and Contactless Pay • Travelcard and Through Ticket	Our testing of revenue recognition included both tests of control and substantive testing. Our test of controls focused on the effectiveness of the cash collection process and sales made at various sales outlets to provide evidence of existence of passenger income and services delivered. We obtained an understanding of the processes for recording fares revenue including the IT applications. We tested IT controls using our IT specialists for the SAP, CPAY and OXNR systems. We evaluated the conclusions, with the support of our IT specialists, from the ISAE3402 reports on the controls operated by service organisations over contactless ticketing and Oyster Pay as You Go. Our substantive testing of revenue relating to Oyster Pay as You Go, Contactless Pay, Travelcard and Through Ticket included: • We selected a sample of sales included in the sales database and agreed the information to sales returns received, analysed by outlets. For each return we have then re-performed the calculation of the amount to be recognised as revenue based on the product type and agreed it to the revenue recorded for that period. This calculation also includes the apportionment of revenue between TfL and the Train Operating Companies, which was tested for this sample. • We agreed the values reported as revenue in advance to the revenue system reports identifying the proportion of revenue relating to future periods for annual or periodic tickets and travel cards purchased in the 2023/24 year. We tested the parameters used in the report to confirm the appropriate calculation of this amount as payments received in advance. • We compared the assessment of fares apportioned to the Train Operating Companies for reasonableness against latest agreements, settlements in year and correspondence with the Train Operating Companies. • We performed journals testing over manual journal posted to fares revenue. We performed full scope audit procedures over this risk area for the whole Group, which covered 100 per cent of passenger income.	We concluded that the basis on which fares revenue is recognised is in accordance with the requirements of IFRS15 – Revenue from contracts with customers as applied by the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24. The judgements made related to fares revenue in the financial statements have been appropriately described.

Independent Auditor's Report to the Members of Transport for London (continued)

Capital projects

Risk	Our response to the risk	Key observations communicated to the Audit and Assurance Committee
Additions to Group property, plant and equipment £1,981.1m (2023: £1,978.3m). Refer to note 13 in the consolidated financial statements. The TfL Group undertakes multiple capital projects at any point in time. These projects vary in size, complexity and length of time to complete and therefore there is a risk of inappropriate capitalisation of costs that do not meet the criteria of IAS16: Property, Plant and Equipment as applied by the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.	Testing of capital expenditure included both tests of controls and substantive testing to assess whether the expenditure capitalised in property, plant and equipment met the criteria under IAS16. We have gained an understanding of key controls and governance surrounding capital project accounting and management. Our test of controls focused on the effectiveness of the approval process for expenditure and for capitalisation, by testing controls related to the approval of capital expenditure recorded in property, plant and equipment to evidence of appropriate authorisation and of review of amounts capitalised. The following procedures were performed as part of our substantive testing: • We selected a sample of major projects and tested expenditure capitalised during the financial period to supporting project documentation, including third party reports and valuations and assessed whether the expenditure met the criteria for capitalisation • We met with project managers for a sample of projects to understand the scope, progress and viability of the project, to enable us to consider whether the accounting amounts recorded were consistent with the understanding gained of any delivery challenges encountered, or disputes with contractors and to consider whether this indicated any expenditure did not meet the criteria for capitalisation • We have compared the latest positions of the projects recorded in respect of "pain or gain" arrangements to contract terms and conditions and to the latest project outturn forecasts to assess the related value recorded in accruals • We have also performed detailed testing on a sample of capital accruals to source documentation to test completeness of costs recognised at 31 March 2024 • We visited a sample of project sites to further understand the scope and the progress on projects for a sample of projects, to enable us to consider whether the accounting amounts recorded were consistent with the understanding gained of any delivery challenges encountered, or disputes with contractors and to consider whether this indicated any expenditure did not meet the criteria for capitalisation • We performed journals testing over unusual manual journals posted to capital during the year We performed full scope audit procedures over this risk area for the whole Group, which covered 100 per cent of the risk amount.	We are satisfied that the capitalised costs in the year meet the criteria for capitalisation of IAS16: Property, Plant and Equipment as applied by the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Independent Auditor's Report to the Members of Transport for London (continued)

Property valuation

Risk	Our response to the risk	Key observations communicated to the Audit and Assurance Committee
Investment properties £1,615.1m (2023: £1,573.4m) Refer to note 16 in the consolidated financial statements. The TfL Group has an extensive and diversified property portfolio across London. Any changes to the assumptions used to value properties within the portfolio could have a significant impact on the financial statements due to the nature of the properties. External valuers perform a detailed valuation across the property portfolio during each financial year. Significant judgement is used during the valuation of the property portfolio due to the uniqueness thereof. Inaccuracies in inputs or inappropriate bases used in these judgements (in respect of estimated rental value and yield profile applied) could result in a material misstatement of the balance sheet.	The following procedures were performed as part of our substantive testing: • We obtained an understanding of management's process and controls around the valuation of properties • We obtained management's valuations report for properties valued at 31 March 2024 • We evaluated the competence of the Group's external valuers, CBRE, which included consideration of their qualifications, expertise and independence • We tested the valuations report prepared by TfL's external valuers, agreeing the entries in the report back to the financial statements to confirm the accuracy of the entries • We met with TfL's external valuers and discussed the methodology applied and key judgements used in the valuation. Such judgements included the estimated rental value, yield profile and other assumptions that impact the value • We challenged whether certain assets were classified correctly as Investment Property under IAS 40 or whether they should be classified as operational assets under IAS 16 or lease receivables under IFRS 16 • We selected a sample of investment properties based on a number of factors including size, risk and representation across asset classes. For all assets in this sample of properties, we tested source documentation provided by the Group to CBRE and the appropriateness of assumptions applied. This included agreeing a sample back to underlying lease data • For certain assets within this sample, we used our valuation experts to assist in our testing of assumptions. Assets tested by our valuation experts were determined based on risk factors such as properties valued on a project basis and properties with significant movements in valuation from the prior year. Our valuation experts reviewed and challenged the approach and assumptions that have been applied in the valuation of these assets. They compared the yields applied to each property to an expected range of yields taking into account available market data and asset specific considerations. They assessed whether the other assumptions applied by the external valuers, such as the estimated rental values, voids and tenant incentives were supported by available data. They also considered whether other market transactions contradict the assumptions used in the valuation We performed full scope audit procedures over this risk area for the whole Group, which covered 100 per cent of the risk amount.	We conclude that the balances and disclosures in the financial statements and notes appropriately reflect the risk factors identified and are in compliance with the requirements of IAS40: Investment Property as applied by the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Independent Auditor's Report to the Members of Transport for London (continued)

Our application of materiality
We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £131.5m (2023: £86.8m), which is one per cent (2023: one per cent) of operational and capital expenditure. TfL Group's key responsibilities are to provide transportation services across London and to continue to develop the capital's transport infrastructure. TfL has two key purposes: operational responsibilities for transport services and the development of London's transport infrastructure. Both of these elements are of significant interest to the users of the financial statements identified above and we therefore determined that TfL expenditure in these areas is an appropriate measure for planning materiality. The increase in materiality reflects the increased expenditure incurred by the group following the return of activity to pre-pandemic levels. Materiality has increased due to an increase in operational and capital costs in year.

We determined materiality for the Transport for London Corporation to be £165.6m (2023: £163.4m), which is 0.5 per cent (2023:0.5 per cent) of total assets. As this results in a higher materiality for Corporation than Group (based on total assets rather than gross expenditure for group), we reduced materiality for Corporation to the lower group level of £131.5m.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50 per cent (2023:50 per cent) of our planning materiality, namely £65.8m (2023: £43.4m). We have set performance materiality at this percentage based on our assessment of the Group's internal control environment and the extent and nature of audit findings identified in the prior period.

Audit work at Transport for London Corporation and Transport Trading Limited for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total group performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, we set performance materiality for the Transport for London Corporation of £39.5m (2023: £15.2m) and Transport Trading Limited £55.9m (2023: £36.9m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Assurance Committee that we would report to them all uncorrected audit differences in excess of £6.6m (2023: £4.3m), which is set at five per cent of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

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.

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.

Opinion on other matters prescribed by the National Audit Office's Code of Audit Practice 2020

In our opinion:

- the parts of the Remuneration Report identified as subject to audit have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Independent Auditor's Report to the Members of Transport for London (continued)

Matters on which we are required to report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Group and the Corporation
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- we are not satisfied that the Group and the Corporation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024

We have nothing to report in these respects.

Responsibility of the Statutory Chief Finance Officer

As explained more fully in the directors' responsibilities statement set out on page 127, the directors are responsible for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, 2023/24 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 and 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.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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 Authority and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are Accounts and Audit Regulation 2015, the Local Government Act 2003 and the Local Government Finance Act 2012. In addition, we considered that there are certain specific laws and regulations which could have an effect on the determination of the amounts and disclosures in the financial statement, in particular, the Civil Enforcement of Road Traffic Contraventions Regulations
- We engaged appropriate internal specialists to support in our procedures concerning management's compliance with these laws and regulations

Independent Auditor's Report to the Members of Transport for London (continued)

- We understood how the Group is complying with those frameworks by making enquiries with management and those responsible for legal and compliance procedures. 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 reading of board minutes and papers provided to the Audit and Assurance Committee

- 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 the 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 reading of board minutes to identify any non-compliance with laws and regulations, a review of the reporting to the Audit and Assurance Committee on compliance with regulations, enquiries of the Head of Counter-Fraud and Corruption, enquiries of legal and enquiries of management

- To address our fraud risk around the manipulation of reported financial performance through improper recognition of revenue, we have completed the procedures set out in the key audit matter above on revenue recognition relating to the allocation of fares received based on time periods, services provided by other parties and refunds

- To address our fraud risk of inappropriate capitalisation of revenue expenditure we have completed the procedures set out in the key audit matter above on capital projects

- To address our fraud risk of misstatement due to fraud or error, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately

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

Other matters we are required to address

We were appointed by Public Sector Audit Appointments on 6 December 2022 to audit the financial statements for the year ending 31 March 2024 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is nine years, covering the years ending 31 March 2016 to 31 March 2024. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or Corporation and we remain independent of the Group and Corporation in conducting the audit. The audit opinion is consistent with the additional report to the Audit and Assurance Committee.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in May 2024, as to whether the Transport for London had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Transport for London put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether Transport for London had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Independent Auditor's Report to the Members of Transport for London (continued)

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance certificate in respect of the Whole of Government Accounts consolidation pack and the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of Transport for London. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements.

In addition, we cannot formally conclude the audit and issue an audit certificate until we have completed our procedures related to objections we have received. We are satisfied that this work does not have a material effect on the financial statements or on our value for money work.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of Transport for London, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

SIGNATURE

Janet Dawson
For and on behalf of Ernst & Young LLP, Statutory Auditor London
XX November 2024

We work to ensure our economic security

Group Comprehensive Income and Expenditure Statement

Year ended 31 March	Note	Gross service income 2024 £m	Gross expenditure 2024 £m	Net income/ (expenditure) 2024 £m	Gross service income 2023 £m	Gross expenditure 2023 £m	Net income/ (expenditure) 2023 £m
Operating segment							
London Underground		**2,528.0**	**(2,740.0)**	**(212.0)**	2,241.0	(2,480.0)	(239.0)
Elizabeth line		**610.0**	**(532.0)**	**78.0**	325.0	(490.0)	(165.0)
Buses, streets and other operations		**2,705.0**	**(3,643.0)**	**(938.0)**	2,513.0	(3,216.0)	(703.0)
Rail		**421.0**	**(565.0)**	**(144.0)**	385.0	(548.0)	(163.0)
Places for London		**94.0**	**(65.0)**	**29.0**	100.0	(57.0)	43.0
Other group items		**489.0**	**(301.0)**	**188.0**	262.0	(264.0)	(2.0)
	2	**6,847.0**	**(7,846.0)**	**(999.0)**	5,826.0	(7,055.0)	(1,229.0)
Central items not reported on a segmental basis	2	**(132.7)**	**(1,237.7)**	**(1,370.4)**	(22.4)	(1,435.2)	(1,457.6)
Net cost of services	2	**6,714.3**	**(9,083.7)**	**(2,369.4)**	5,803.6	(8,490.2)	(2,686.6)
Other net operating expenditure	7			**(97.3)**			(86.4)
Financing and investment income	8			**86.2**			101.8
Financing and investment expenditure	9			**(623.4)**			(749.6)
Grant income	10			**3,504.6**			3,522.5
Surplus on the provision of services				**500.7**			101.7
Group share of profit before tax of joint ventures	18			**0.1**			8.8
Group share of loss before tax of associated undertakings	19			**(58.3)**			(41.5)
Group surplus before tax				**442.5**			69.6
Taxation	11			**(49.5)**			4.8
Group surplus after tax				**393.0**			73.8

Year ended 31 March	Note	Gross service income 2024 £m	Gross expenditure 2024 £m	Net income/ (expenditure) 2024 £m	Gross service income 2023 £m	Gross expenditure 2023 £m	Net income/ (expenditure) 2023 £m
Group surplus after tax				**393.0**			73.8
Other comprehensive income and expenditure							
Items that will not be subsequently reclassified to profit or loss							
(Deficit)/surplus on the revaluation of property, plant and equipment*	13			**(11.4)**			1.6
Surplus on the valuation of newly created investment properties	16			**-**			6.0
Net remeasurement gain on defined benefit pension schemes*	35			**602.4**			5,087.3
				591.0			5,094.9
Items that may be subsequently reclassified to profit or loss							
Movement in fair value of derivative financial instruments*	37			**(44.0)**			17.6
Derivative fair value loss reclassified to income and expenditure*	37			**1.1**			9.4
Discontinued hedging relationship	37			**-**			13.5
				(42.9)			40.5
				548.1			5,135.4
Total comprehensive income and expenditure				**941.1**			5,209.2

* There is no tax effect of these items on other comprehensive income and expenditure in the years ended 31 March 2024 or 2023 (see Note 11)

Group Balance Sheet

	Note	31 March 2024 £m	31 March 2023 £m
Long-term assets			
Intangible assets	12	**271.9**	257.1
Property, plant and equipment	13	**45,261.2**	44,588.5
Right-of-use assets	14	**1,970.4**	1,954.5
Investment property	16	**1,615.1**	1,574.6
Investment in joint ventures	18	**78.8**	79.7
Investment in associated undertakings	19	**114.3**	166.7
Other investments	24	**1.2**	-
Derivative financial instruments	32	**28.6**	26.2
Finance lease receivables	20	**18.2**	9.1
Retirement benefit surplus	35	**2,352.7**	1,631.4
Debtors	22	**28.9**	60.2
		51,741.3	50,348.0
Current assets			
Inventories	21	**101.4**	78.7
Debtors	22	**608.2**	696.3
Assets held for sale	23	**-**	53.7
Derivative financial instruments	32	**0.7**	1.7
Finance lease receivables	20	**7.1**	5.2
Other investments	24	**5.8**	15.0
Cash and cash equivalents	25	**1,488.3**	1,387.5
		2,211.5	2,238.1
Current liabilities			
Creditors	26	**(2,022.1)**	(2,062.9)
Capital grants received in advance	26	**(34.6)**	(43.4)
Borrowings	27	**(864.0)**	(693.7)
Right-of-use lease liabilities	14	**(275.4)**	(299.6)
PFI liabilities	28	**(15.5)**	(14.3)
Other financing liabilities	29	**(20.5)**	(6.6)
Derivative financial instruments	32	**(10.8)**	(3.4)
Provisions	30	**(230.9)**	(175.1)
		(3,473.8)	(3,299.0)

	Note	31 March 2024 £m	31 March 2023 £m
Long-term liabilities			
Creditors	26	**(310.8)**	(83.5)
Capital grants received in advance	26	**(3.2)**	(4.1)
Borrowings	27	**(12,071.6)**	(12,216.6)
Right-of-use lease liabilities	14	**(2,029.2)**	(1,915.9)
PFI liabilities	28	**(61.2)**	(76.7)
Other financing liabilities	29	**(94.7)**	(115.1)
Derivative financial instruments	32	**(48.6)**	(10.1)
Deferred tax liabilities	11	**(422.4)**	(370.4)
Provisions	30	**(55.1)**	(49.9)
Retirement benefit obligation	35	**(83.9)**	(88.1)
		(15,180.7)	(14,930.4)
Net assets		**35,298.3**	34,356.7
Reserves			
Usable reserves		**455.1**	319.1
Unusable reserves	37	**34,843.2**	34,037.6
Total reserves		**35,298.3**	34,356.7

The notes on pages XX to XX form part of these financial statements. These financial statements were approved by the Audit and Assurance Committee acting on behalf of the Board on XX November 2024 and signed on its behalf by:

SIGNATURE

Mark Phillips
Chair, Audit and Assurance Committee
XX **November 2024**

Group Movement in Reserves Statement

	Note	General Fund £m	Earmarked Reserves £m	**General Fund and Earmarked Reserves £m**	Street Works Reserve £m	Capital grants unapplied account £m	**Usable reserves £m**	Corporation unusable reserves £m	**Total Corporation reserves £m**	Share of Group Unusable reserves £m	**Total reserves £m**
At 1 April 2022		500.0	108.9	**608.9**	25.2	-	**634.1**	13,516.4	**14,150.5**	14,996.4	**29,146.9**
Movement in reserves during 2022/23											
Group surplus after tax		1,889.2	-	**1,889.2**	-	-	**1,889.2**	-	**1,889.2**	(1,815.4)	**73.8**
Other comprehensive income and expenditure		-	-	**-**	-	-	**-**	5,039.9	**5,039.9**	95.5	**5,135.4**
Total comprehensive income and expenditure		1,889.2	-	**1,889.2**	-	-	**1,889.2**	5,039.9	**6,929.1**	(1,719.9)	**5,209.2**
Adjustments between group and authority accounts		(2,058.1)	-	**(2,058.1)**	-	-	**(2,058.1)**	-	**(2,058.1)**	2,058.1	**-**
Net (decrease)/increase before transfers		(168.9)	-	**(168.9)**	-	-	**(168.9)**	5,039.9	**4,871.0**	338.2	**5,209.2**
Derivative fair value loss reclassified to the Balance Sheet	37	-	-	**-**	-	-	**-**	-	**-**	0.6	**0.6**
Adjustments between accounting basis and funding basis under statutory provisions	38	(250.3)	-	**(250.3)**	2.0	102.2	**(146.1)**	146.0	**(0.1)**	0.1	**-**
Net (decrease)/increase before transfer to/from Earmarked Reserves		(419.2)	-	**(419.2)**	2.0	102.2	**(315.0)**	5,185.9	**4,870.9**	338.9	**5,209.8**
Transfer to/from Earmarked Reserves		108.9	(108.9)	**-**	-	-	**-**	-	**-**	-	**-**
(Decrease)/increase in 2022/23		(310.3)	(108.9)	**(419.2)**	2.0	102.2	**(315.0)**	5,185.9	**4,870.9**	338.9	**5,209.8**
Balance at 31 March 2023		**189.7**	**-**	**189.7**	**27.2**	**102.2**	**319.1**	**18,702.3**	**19,021.4**	**15,335.3**	**34,356.7**
Movement in reserves during 2023/24											
Group surplus after tax		2,153.1	-	**2,153.1**	-	-	**2,153.1**	13.2	**2,166.3**	(1,773.3)	**393.0**
Other comprehensive income and expenditure			-	**-**	-	-	**-**	600.2	**600.2**	(52.1)	**548.1**
Total comprehensive income and expenditure		2,153.1	-	**2,153.1**	-	-	**2,153.1**	613.4	**2,766.5**	(1,825.4)	**941.1**
Adjustments between group and authority accounts		(1,767.1)	-	**(1,767.1)**	-	-	**(1,767.1)**	-	**(1,767.1)**	1,767.1	**-**
Net increase before transfers		386.0	-	**386.0**	-	-	**386.0**	613.4	**999.4**	(58.3)	**941.1**
Derivative fair value loss reclassified to the Balance Sheet	37	-	-	**-**	-	-	**-**	-	**-**	0.5	**0.5**
Adjustments between accounting basis and funding basis under statutory provisions	38	(324.6)	-	**(324.6)**	4.8	69.8	**(250.0)**	250.0	**-**	-	**-**
Increase in 2023/24		61.4	-	**61.4**	4.8	69.8	**136.0**	**863.4**	**999.4**	(57.8)	**941.6**
Balance at 31 March 2024		**251.1**	**-**	**251.1**	**32.0**	**172.0**	**455.1**	**19,565.7**	**20,020.8**	**15,277.5**	**35,298.3**

Group Movement in Reserves Statement (continued)

Earmarked Reserve have been established to finance future projects and form part of the overall funding available for the Investment Programme and revenue projects. Application of funds against specific projects is dependent on the level and mix of other sources of funding also available to fund TfL's Investment Programme.

Capital receipts received in the Corporation are fully applied during the year and a Capital Receipts Reserve has not been shown in this statement. Refer to Note 38.

Adjustments between group and authority accounts represent intra-group transactions between the Corporation and subsidiaries. This includes capital and revenue grants and interest income. The balance is adjusted against the Group deficit after tax.

Group Statement of Cash Flows

Year ended 31 March	Note	2024 £m	2023 £m
Surplus on the provision of services		**500.7**	101.7
Adjustments to the surplus on the provision of services for non-cash movements	36b	**2,245.8**	2,159.4
Adjustments to the surplus on the provision of services for investing or financing activities	36c	**(1,880.3)**	(2,147.9)
Net cash flows from operating activities		**866.2**	113.2
Investing activities	36d	**(471.2)**	283.7
Financing activities	36e	**(294.2)**	(399.6)
Increase/(decrease) in net cash and cash equivalents in the year		**100.8**	(2.7)
Net cash and cash equivalents at the start of the year		**1,387.5**	1,390.2
Net cash and cash equivalents at the end of the year	25	**1,488.3**	1,387.5

Our transport network is integral to London's growth

Corporation Comprehensive Income and Expenditure Statement

Year ended 31 March	Note	2024 £m	2023 £m
Highways and Transport Services			
Gross service income	1	**1,176.0**	1,160.0
Gross expenditure	4	**(1,734.1)**	(1,817.7)
Net cost of services		**(558.1)**	(657.7)
Other net operating expenditure	7	**(109.0)**	(0.3)
Financing and investment income	8	**565.4**	489.8
Financing and investment expenditure	9	**(420.3)**	(559.2)
Grant income	10	**3,468.5**	3,475.6
Grant funding of subsidiaries		**(2,547.3)**	(2,917.0)
Surplus/(deficit) on the provision of services		**399.2**	(168.8)
Other comprehensive income and expenditure			
Items that will not be subsequently reclassified to profit or loss			
Deficit on the revaluation of property, plant and equipment	13	**-**	(1.1)
Net remeasurement gain on defined benefit pension schemes	35	**600.2**	5,040.8
		600.2	5,039.7
Total comprehensive income and expenditure		**999.4**	4,870.9

Corporation Balance Sheet

	Note	31 March 2024 £m	31 March 2023 £m
Long-term assets			
Intangible assets	12	**190.8**	167.6
Property, plant and equipment	13	**4,519.6**	4,379.6
Right-of-use assets	14	**319.4**	339.8
Investment property	16	**117.8**	86.9
Investments in subsidiaries	17	**13,062.5**	13,062.5
Other investments	24	**0.2**	-
Finance lease receivables	20	**13.0**	-
Retirement benefit surplus	35	**2,349.3**	1,630.0
Debtors	22	**12,220.2**	12,326.9
		32,792.8	31,993.3
Current assets			
Debtors	22	**422.4**	389.4
Assets held for sale	23	**-**	3.0
Finance lease receivables	20	**0.2**	-
Cash and cash equivalents	25	**1,294.2**	1,131.3
		1,716.8	1,523.7
Current liabilities			
Creditors	26	**(715.0)**	(823.3)
Capital grants received in advance	26	**(18.8)**	(24.3)
Borrowings	27	**(864.0)**	(693.7)
Right-of-use lease liabilities	14	**(25.6)**	(27.0)
PFI liabilities	28	**(15.5)**	(14.3)
Provisions	30	**(107.3)**	(113.0)
		(1,746.2)	(1,695.6)

	Note	31 March 2024 £m	31 March 2023 £m
Long-term liabilities			
Creditors	26	**(163.4)**	(51.3)
Capital grants received in advance	26	**-**	(0.9)
Borrowings	27	**(12,075.6)**	(12,221.5)
Right-of-use lease liabilities	14	**(324.1)**	(341.1)
PFI liabilities	28	**(61.2)**	(76.7)
Provisions	30	**(34.3)**	(20.3)
Retirement benefit obligation	35	**(83.9)**	(88.1)
		(12,742.5)	(12,799.9)
Net assets		**20,020.9**	19,021.5
Reserves			
Usable reserves		**455.1**	319.1
Unusable reserves	37	**19,565.8**	18,702.4
Total reserves		**20,020.9**	19,021.5

The notes on pages XX to XX form part of these financial statements. These financial statements were approved by the Audit and Assurance Committee acting on behalf of the Board on XX November 2024 and signed on its behalf by:

SIGNATURE

Mark Phillips
Chair, Audit and Assurance Committee
XX November 2024

Corporation Movement in Reserves Statement

	Note	General Fund £m	Earmarked Reserves £m	General Fund and Earmarked Reserves £m	Street Works Reserve £m	Capital grants unapplied account £m	Usable reserves £m	Unusable reserves £m	Total reserves £m
At 1 April 2022		500.0	108.9	**608.9**	25.2	-	**634.1**	13,516.4	**14,150.5**
Movement in reserves during 2022/23									
Deficit on the provision of services		(168.9)	-	**(168.9)**	-	-	**(168.9)**	-	**(168.9)**
Other comprehensive income and expenditure		-	-	**-**	-	-	**-**	5,039.9	**5,039.9**
Total comprehensive income and expenditure		(168.9)	-	**(168.9)**	-	-	**(168.9)**	5,186.0	**4,871.0**
Adjustments between accounting basis and funding basis under statutory provisions	38	(250.3)	-	**(250.3)**	2.0	102.2	**(146.1)**	146.1	**-**
Net (decrease)/increase before transfer to/from Earmarked Reserves		(419.2)	-	**(419.2)**	2.0	102.2	**(315.0)**	5,186.0	**4,871.0**
Transfer to/from Earmarked Reserves		108.9	(108.9)	**-**	-	-	**-**	-	**-**
(Decrease)/increase in 2022/23		(310.3)	(108.9)	**(419.2)**	2.0	102.2	**(315.0)**	5,186.0	**4,871.0**
Balance at 31 March 2023		**189.7**	**-**	**189.7**	**27.2**	**102.2**	**319.1**	**18,702.4**	**19,021.5**
Movement in reserves during 2023/24									
Surplus on the provision of services		386.0	-	**386.0**	-	-	**386.0**	13.2	**399.2**
Other comprehensive income and expenditure		-	-	**-**	-	-	**-**	600.2	**600.2**
Total comprehensive income and expenditure		386.0	-	**386.0**	-	-	**386.0**	613.4	**999.4**
Adjustments between accounting basis and funding basis under statutory provisions	38	(324.6)	-	**(324.6)**	4.8	69.8	**(250.0)**	250.0	**-**
Increase in 2023/24		61.4	-	**61.4**	4.8	69.8	**136.0**	863.4	**999.4**
Balance at 31 March 2024		**251.1**	**-**	**251.1**	**32.0**	**172.0**	**455.1**	**19,565.8**	**20,020.9**

Earmarked Reserves have been established to finance future projects and form part of the overall funding available for the Investment Programme and revenue projects. Application of funds against specific projects is dependent on the level and mix of other sources of funding also available to fund TfL's Investment Programme.

Capital receipts received in the Corporation are fully applied during the year and a Capital Receipts Reserve has not been shown in this statement. Refer to Note 39.

Corporation Statement of Cash Flows

Year ended 31 March	Note	2024 £m	2023 £m
Surplus/(deficit) on the provision of services		**399.2**	(168.8)
Adjustments to surplus on the provision of services for non-cash movements	36b	**209.8**	823.1
Adjustments to surplus on the provision of services for investing or financing activities	36c	**(1,851.2)**	(2,095.5)
Net cash flows from operating activities		**(1,242.2)**	(1,441.2)
Investing activities	36d	**1,423.1**	1,437.4
Financing activities	36e	**(18.0)**	(96.7)
Increase/(decrease) in net cash and cash equivalents in the year		**162.9**	(100.5)
Net cash and cash equivalents at the start of the year		**1,131.3**	1,231.8
Net cash and cash equivalents at the end of the year	25	**1,294.2**	1,131.3

Our projects are helping transform and connect areas of London

Accounting Policies

a) Code of practice

TfL is required to prepare an annual Statement of Accounts under Section 3 of the Local Audit and Accountability Act 2014, and by the Accounts and Audit Regulations 2015 (the 2015 Regulations). The 2015 Regulations require the Statement of Accounts to be prepared in accordance with proper accounting practices. The Statement of Accounts have therefore been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code Board under the oversight of the Financial Reporting Advisory Board. The Code constitutes proper accounting practice for the purpose of the 2015 Regulations.

The Code for 2023/24 is based on UK-adopted international accounting standards (hereafter the 'Adopted IFRS') and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements. It requires that local authorities prepare their financial statements in accordance with the International Accounting Standards Board (IASB) 'Conceptual Framework for Financial Reporting' as interpreted by the Code.

CIPFA/LASAAC announced its plans to delay mandatory implementation of IFRS 16 Leases in the Code until 1 April 2024. IFRS 16 Leases (mandatory for years beginning on or after 1 January 2019 under Adopted IFRS) replaces the previous guidance in IAS 17 on leases. However, as a significant proportion of the Group's activities are conducted through subsidiary companies, which were obliged, under Adopted IFRS, to apply IFRS 16 from 1 April 2019, CIPFA included a provision in the Code that permits TfL to adopt IFRS 16 from the same date. The Group has therefore adopted IFRS 16 in its financial statements from 1 April 2019.

The areas where the Code differs materially from Adopted IFRS are listed below:

Capital grants and contributions

Capital grants and contributions are recognised immediately in the Comprehensive Income and Expenditure Statement once there is reasonable assurance that all conditions relating to those grants have been met. Under Adopted IFRS capital grants and contributions are recorded as deferred income and recognised in the Comprehensive Income and Expenditure Statement over the useful life of the assets funded by that grant.

FRS 102 The Financial Reporting Standard: Heritage assets

The Code has adopted the requirements of FRS 102 in respect of its rules on accounting for heritage assets. The Group has taken the exemption available under the Code to hold heritage assets at historical cost less any accumulated depreciation or impairment losses and has made additional disclosures on its heritage assets as required by the standard. There is no equivalent standard for accounting for heritage assets under Adopted IFRS.

IAS 36 Impairment of Assets

The Code requires that impairments be accounted for in accordance with IAS 36 Impairment of Assets, except where interpretations or adaptations to fit the public sector are detailed. Consequently, these financial statements have been prepared in accordance with the guidance contained in IPSAS 21 Impairment of Non-Cash-Generating Assets and IPSAS 26 Impairment of Cash-Generating Assets. This guidance stipulates that where an asset is not held primarily with the intention of generating a commercial return, that asset's value in use should be regarded as the present value of its remaining service potential, rather than the present value of the future cash flows that are expected to be derived from it.

Peppercorn rents

The Code includes an adaptation to IFRS 16 Leases in respect of the accounting for peppercorn lease arrangements for lessees. Leases with payments at peppercorn or nominal consideration that are provided at substantially below market terms, and leases for nil consideration, are accounted for as follows:

a. Any portion of the lease that is payable is accounted for in the same way as other lease obligations under IFRS 16 Leases;

b. The difference between the present value of any future lease payments due and the fair value of the lease on initial recognition is recognised as a fair value right-of-use asset on the Balance Sheet, with a corresponding gain recognised in grant income within the surplus or deficit recognised on the provision of services.

TfL has a number of leases over property and other transport infrastructure under which it pays £nil or peppercorn rents. The majority of these leases were held at peppercorn rents by a previous lessee prior to the leases being taken on by TfL. An exercise was undertaken to assess the fair value of the assets leased under these arrangements and it was concluded that they have no material value. No amounts have therefore been recorded in these financial statements in respect of these leases.

b) Basis of preparation

The accounts are made up to 31 March 2024. The Corporation is a single service authority and all expenditure is attributable to the provision of highways, roads and transport services. The Corporation has granted a standing delegation in its Standing Orders by which each wholly owned subsidiary (Subsidiary Entity) is delegated power to discharge any functions of TfL relevant to that Subsidiary Entity's role and responsibilities within the Group, except those functions reserved to the TfL Board. Those subsidiaries therefore directly discharge TfL's statutory functions and do so within the scope of the same statutory arrangements that apply to TfL itself.

The accounting policies set out below have been applied consistently across the Group and to all periods presented in these financial statements.

Accounting Policies (continued)

The financial statements 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 assets 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 Corporation's and Group's financial performance.

c) Basis of consolidation

The Code requires local authorities with, in aggregate, material interests in subsidiary and associated companies and joint ventures, to prepare group financial statements.

The Group financial statements presented with the Corporation's financial statements consolidate the individual financial statements of TfL and its subsidiary undertakings. A subsidiary undertaking is an undertaking controlled by the Corporation. Control is achieved when the Corporation: has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Corporation reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control.

The Group incorporates its share of the profits or losses and its share of the net assets of associated undertakings and joint ventures using the equity accounting method. Associate undertakings are those where the Group is considered to have the power to significantly influence, but not control, the financial and operating policies of the investee. Joint ventures are those where the Group has an interest in the net assets of an investee and has joint control over its financial and operating policies.

The acquisition method of accounting has been adopted for acquisitions or disposals into the Group of subsidiary undertakings. Under this method, the identifiable assets and liabilities of an acquired entity are recorded at their fair values at the date of acquisition. Costs of acquisition are expensed in line with IFRS 3 (revised) Business Combinations. The results of subsidiary undertakings acquired or disposed of are included in the Group Comprehensive Income and Expenditure Statement from the date of acquisition until the date of disposal.

The Corporation is required to make adjustments between the accounting basis and funding basis under statutory provisions. Further detail regarding these adjustments is included within Note 38 For the alignment of accounting policies for the purposes of Group accounts, the Group transfers amounts between the Retained Earnings Reserve in its subsidiaries and the Group Capital Adjustment Account on the same basis as if those statutory provisions applied to its subsidiaries. Further details regarding this alignment is included within Note 37.

d) Going concern

The financial statements have been prepared on a going concern basis as the Board remain confident that TfL will continue in operational existence from the date of signing these financial statements for the period ending 31 March 2026 (i.e. the remainder of 2024/25 and 2025/26 financial years), which is the going concern assessment period, and will meet its liabilities as they fall due for payment. In making this assessment, the Board has had regard to Practice Note 10: Audit of financial statements of public sector bodies, which sets out that a public sector entity is presumed to be a going concern unless there is a clearly expressed Parliamentary intention to discontinue the provision of services that the entity provides.

In the 2022/23 accounts, Management highlighted two key areas that represented a level of judgement to the going concern position for TfL:

a. The dispute mechanism in the 30 August 2022 funding settlement to 31 March 2024 remained, with outstanding funding of £85m at the date of approving the 2022/23 TfL accounts

b. The Government capital funding contribution of £475m assumed in the 2023 Business Plan for 2024/25, which was not confirmed at the date of approving the 2022/23 TfL accounts

These two areas of judgement have been resolved. The 30 August 2022 funding settlement with Government has now concluded, with no disputes being raised by Government and the funding outstanding has been received. A capital funding settlement for 2024/25 was agreed with Government on 18 December 2023, which provided £250m of further capital funding. The shortfall in the amount compared to the 2023 TfL Business Plan was mitigated in the 2024 TfL Business Plan.

The December 2023 capital funding settlement expires on 31 March 2025 and there is no certainty on future capital funding support from Government. In its funding settlement letters, the Government has consistently recognised that TfL – similar to transport authorities around the world – cannot solely finance investment in major capital projects and asset replacement from its own operating incomes.

Based on these statements, and the track record of Government providing TfL funding since the start of the pandemic, TfL's 2024 Business Plan assumes £350m of further Government capital funding is provided in 2025/26 to contribute towards major capital projects and asset replacement, with TfL able to fund the other three-quarters of its circa £2bn capital investment.

The level of funding support assumed alongside our strategy to rebuild our finances are sufficient to create a balanced budget for the going concern assessment period ending 31 March 2026.

Accounting Policies (continued)

Management has mitigations available to support continuation of its capital programme over the going concern period, which include:

1. Descoping and deferring planned capital investment in its 2025 Business Plan, due to be published in December 2024 including delaying those elements of the programme that are not subject to contractual delivery commitments into future periods beyond 31 March 2026. This would require approval from the Board and assessment against contracts but is within TfL's control

2. Accelerating planned borrowing from beyond March 2026. This reduces available funding in future years, but could enable TfL to continue to meet its contractual commitments as they fall due over the going concern period. TfL has headroom against its Authorised External Debt Limits, which can be accessed at short notice from a number of sources including the PWLB for capital expenditure purposes

3. Completing asset disposals, which would take longer to deliver and offer poor value. This would only be utilised in a severe downside case scenario should multiple risks highlighted above crystallise. This would require approval from the Board and assumes a buyer can be found

On this basis, management has a reasonable expectation that they will have adequate resources to continue in operational existence throughout the going concern period ending 31 March 2026 maintaining the provision of its services without significant amendment or reductions. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

e) The application of new and revised standards

The Group applied the following amendments related to IAS 12 'Income Taxes' for the first time for the financial period beginning 1 April 2023:

- Amendments to IAS 12 'Income Taxes' International Tax Reform – Pillar Two Model Rules. The Group applied the relief from deferred tax accounting for Pillar Two top-up taxes upon the release of the amendments in May 2023. The Group have also provided new disclosures about its exposure to these taxes. See note 11 for further information

- The group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes

The following standards, effective for the Group for the financial period beginning 1 April 2023, were considered and were concluded that they are either not relevant to the Group or that they do not have a significant impact on the Group's financial statements:

- IFRS 17 'Insurance Contracts'

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgements' on the disclosure of accounting policies

- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' on the definition of accounting estimates

- Amendments to IAS 12 'Income Taxes' on Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' on the sale or contribution of assets between an investor and its associate or joint venture

f) Accounting standards that have been issued but have not yet been adopted

The following standards and revisions will be effective for future periods:

- Amendments to IFRS 16 'Leases' on lease liability in a sale and leaseback

- Amendments to IAS 1 'Presentation of Financial Statements' on the classification of liabilities as current or non-current

- Amendments to IAS 1 'Presentation of Financial Statements' on non-current liabilities with covenants

- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure' on supplier finance arrangements

- Amendments to IAS 21 'Effects of Changes in Foreign Exchange Rates' on lack of exchangeability

The Group has considered the impact of the remaining above standards and revisions and have concluded that they will not have a significant impact on the Group's financial statements.

g) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative Comprehensive Income and Expenditure Statement is re-presented as if the operation had been discontinued from the start of the comparative period.

Accounting Policies (continued)

h) Uses of estimates, judgements and errors

The preparation of financial statements in conformity with the Code requires the use of certain critical accounting estimates, which by definition, will seldom equal the actual results. Management additionally exercise judgement in applying the Group's accounting policies.

Outlined below is a summary of areas that involve a higher degree of judgement or complexity, and items that are more likely to be materially adjusted due to estimates and assumptions changing. Detailed information about the sensitivity of such judgement is including within the relevant note.

Use of Estimates

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. 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 £301.6m (2023 £596.8m). These losses relate to subsidiaries that have a history of losses, do not expire, and may be used to offset future taxable income in those subsidiaries. If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by £304.7m (2023 £600.0m).

Defined benefit plans

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality.

Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates.

Further details about pension obligations are provided in Note 35.

Use of Judgements

Determining whether an arrangement contains a lease

In determining whether an arrangement contains a lease, as required by IFRS 16 Leases, there is a 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.

Determining whether a lease is an operating or a finance lease as the lessor

In determining whether a lease is an operating or finance lease under IFRS 16 Leases, there is a significant judgement in determining whether the lease transfers from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the asset.

The Group is a lessor for a number of property assets on long leases (99 years or longer), which can be an example of a situation where substantially all the risks and rewards incidental to ownership of the underlying asset have transferred to the lessee. However, for the long leases which have variable rents – either regular market reviews or landlord rental shares of five per cent or greater – it is judged that substantially all the risks and rewards incidental to ownership have not been transferred to the lessee. Therefore, these leases are accounted for as operating leases.

Determining whether the Group has an unconditional right to a refund of surplus pension assets

After consideration of the Trust Deed and Rules, the Group has assessed that under IFRIC 14 TfL has an unconditional right to a refund of surplus assets for accounting purposes assuming the gradual settlement of plan liabilities for the Crossrail Shared Cost Section of the Railways Pension Scheme (Crossrail Section) and the Public Sector Section of the TfL Pension Fund. As a result, the net pensions surplus has been recognised in full.

For the London Pension Fund Authority Pension Fund (Local Government Pension Fund) the recognition of a surplus has been limited to the lower of the surplus in the defined benefit plan and the asset ceiling, being the present value of any economic benefit available to the Group in the form of reduction in future contributions to the plan.

Accounting Policies (continued)

i) Revenue recognition
Revenue includes income generated from the provision of travel, other fees and charges, the letting of commercial advertising space and the rental of commercial properties.

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

Fares revenue
Revenue from annual or periodic tickets and Travelcards is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the period of validity of the ticket or Travelcard as TfL has a stand ready obligation to provide unlimited travel over the period of validity of the ticket or Travelcard. Oyster pay as you go revenue is recognised on usage and one-day Travelcards and single tickets are recognised on the day of purchase.

Revenue received in advance is not recognised in the Comprehensive Income and Expenditure Statement and is recorded on the Balance Sheet within current liabilities as contract liabilities. Contract liabilities represent receipts in advance for Travelcards, bus passes and Oyster cards.

Revenue in respect of free and reduced fare travel for older customers and disabled customers
Revenue from the London Borough Councils in respect of free travel for older and disabled customers is recognised on a straight-line basis over the financial year to which the settlement relates, as TfL has a stand ready obligation to provide unlimited travel over the financial year to which the settlement relates.

Congestion Charging
The standard daily Congestion Charge, including those paying through auto-pay, is recognised as income on the day the eligible vehicle enters the Congestion Charge zone.

Income from penalty charge notices is recognised at an amount adjusted for the probability of cancellation, as payment becomes due. Each increase in charge results in income being recognised in full at the date the increase is applied.

Road network compliance
Income from penalty charge notices for traffic and parking infringements on red routes is recognised as it becomes due. Each increase in charge results in income being recognised in full at the date the increase is applied.

Taxi licensing
Income from taxi and private hire licences is recognised on a straight-line basis over the term of the licence.

Commercial advertising
TfL grants a concessionaire partner control over certain advertising assets to facilitate the generation of advertising income across its estate and receives income from this arrangement. This is considered a lease arrangement for accounting purposes.

Where the arrangement is viewed as an operating lease under IFRS 16, revenue is recognised on a straight-line basis over the term of the contract.

Where the arrangement is viewed as a finance lease (where the lease transfers substantially all the risks and rewards of ownership of the underlying asset to the third party), a lease receivable is recognised. Finance income is recognised over the term of the lease, based on a pattern reflecting a constant periodic rate of return on the lease receivable. Lease receipts are allocated between reducing the principal balance and interest income.

TfL, through its concessionaire partner, also sells advertising space to customers and receives income from such arrangements under a revenue share agreement with its concessionaire. Revenue share income is dependent upon the revenue generated by the concessionaire and is therefore contingent in nature. Such revenue is recognised in the period when it is earned.

The Group receives performance monitoring credits when certain performance standards are not met. The performance monitoring credits are recognised as revenue when they are earned.

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

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

Third party contributions to operating costs
Revenue from third-party contributions to operating costs is earned on services performed by TfL in conjunction with other organisations or Government in relation to works such as dropping curbs, building roundabouts, installing traffic lights, installing shelters, escalators or elevators in stations, installing bus shelters, etc.

Revenue from third-party contributions is measured on the basis of progress towards completion, calculated using the proportion of costs incurred to date in relation to the total costs to be incurred on the entire project.

Revenue from telecoms concessionaire arrangements
Revenue from the concessionaire arrangements relates to the exclusive right granted to the concessionaire to access TfL's broader asset base to install and maintain its new telecommunications assets. The Fixed Concession Fee is recognised on a straight-line basis over the period of the concessionaire term. Revenue share fees are recognised as income when they occur.

Accounting Policies (continued)

Cycle hire scheme revenues
Sponsorship revenue is recognised on a straight-line basis over the term of the contract as it represents an obligation to provide branding promotion to the customer during the period of the contract.

Annual memberships scheme revenue is recognised on a straight-line basis over the membership period, as it represents an obligation to provide specific numbers of memberships to clients during the membership period.

Daily access fees are recognised upon providing the customer with access to the bicycles.

Museum income
Store sales
Revenue from store sales is recognised at the point of sale to the customer.

Venue hire revenue
Revenue from venue hire is recognised on the date when the space is provided to the customer.

Venue hire catering commission
Venue hire catering commission is recognised upon completion of the event based on the estimated consideration receivable from the customer.

Corporate membership scheme
Corporate membership scheme revenue is recognised on a straight-line basis over the period of membership, as it represents a stand-ready obligation to provide unlimited entry during the period of membership.

Café concessionaire commission
Revenue from café concessionaire commission income is recognised over the term of the concessionaire contract and measured based on the estimated consideration receivable from the concessionaire in each period.

Ticket and photocard commission income
Revenue from ticket and photocard commission income is recognised upfront when the ticket or photocard is issued.

j) Segmental reporting
In accordance with the Code, the Group's operating segments have been determined by identifying the segments whose operating results are reviewed by the Board, when making decisions regarding the allocation of resources and for the assessment of performance.

The operating segments of the Group and their principal activities are as follows:

- Underground – Provision of passenger rail services on the London Underground and refurbishment and maintenance of certain parts of the rail network
- Elizabeth line – Delivery of passenger rail services on the Elizabeth line
- Buses, streets and other operations – Provision of bus services; maintenance of London's roads and cycle routes; and provision of other operations, including Dial-a-Ride, London River Services, Taxi and Private Hire, Santander Cycles, Victoria Coach Station and the IFS Cloud Cable Car
- Rail – Provision of passenger rail services through contracted third-party operators on the DLR, London Overground and London Trams
- Places for London – Investment in our commercial and residential estate and building portfolio

Amounts included in TfL Group level management reporting, but excluded from divisional breakdowns are referred to as 'Group items'.

TfL's management reports to the TfL Board are presented using a basis of preparation that differs to the accounting requirements of the CIPFA Code. A reconciliation between the operating performance of the Group as reported to the Board to amounts included in the Group Comprehensive Income and Expenditure Statement is set out in Note 2.

k) 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.

l) Grants and other funding
The main source of grant funding during 2023/24 and 2022/23 was the Extraordinary Funding Support Grant from the DfT and share of Business Rate Retention received from the GLA, which is classified as a resource grant; and specific capital grants from the GLA for the Crossrail project.

In the accounts of the Corporation and Group, all non-specific grants are credited to the Comprehensive Income and Expenditure Statement upon receipt or when there is reasonable assurance that the grant will be received. If a capital grant is received but certain conditions remain before it may be applied, it will be held, in the first instance, as capital grant received in advance, within the payables section of the Balance Sheet. Once any relevant conditions have been met, the capital grant is credited to the Comprehensive Income and Expenditure Statement.

Where expenditure on property, plant and equipment is financed either wholly or partly by capital or non-specific grants or other contributions, the amount of the grant applied is credited to the Capital Adjustment Account through the Movements in Reserves Statement. Amounts not utilised in the year are credited to the Capital Grants Unapplied Account, a usable reserve, for application in future periods.

Amounts of non-specific grants not used in the year are credited to the General Fund balance or to an Earmarked Reserve for specific use in future periods, where appropriate.

Accounting Policies (continued)

m) Overheads
Overheads are recognised in the Comprehensive Income and Expenditure Statement on an accruals basis.

n) Financing and investment income and expenses
Financing and investment income comprises interest income on funds invested, interest received in relation to finance leases, and premia received on the early settlement of borrowings. Interest income is recognised in the Comprehensive Income and Expenditure Statement as it accrues, using the effective interest rate method.

Financing and investment costs comprise the interest expense on borrowings and lease liabilities and the net financing cost on defined benefit pension obligations. Also included are premia paid on the early settlement of borrowings and interest rate derivatives. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the Comprehensive Income and Expenditure Statement using the effective interest rate method (see also Accounting Policy z) Borrowing costs).

Also included within financing and investment income or expenditure are fair value gains or losses recognised in relation to the revaluation of investment properties, and any profits or losses recognised on disposal of investment properties.

o) VAT
VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

p) Taxation
In July 2023, the Finance (No.2) Act 2023 was enacted in the UK, which implemented the global minimum tax rules, commonly referred to as Pillar Two. The rules implement a domestic top-up tax and a multinational top-up tax in the UK that will apply to the Group with effect from 1 April 2024. The rules will require the Group to pay top-up taxes on any 'excess profits' in the UK in respect of any operations in territories where a minimum effective tax rate of 15 per cent has not been met. Where overseas jurisdictions in which the Group operates have implemented qualified domestic minimum top-up tax rules, any top-up tax due may be payable in that jurisdiction in part or in full.

The Group has assessed the impact of Pillar Two to estimate its exposure to top-up taxes arising from 1 April 2024 and the impact is expected to be negligible. The Group will continue to closely monitor further developments in respect of Pillar Two to assess the impact on financial performance.

The Group has applied the exception to IAS 12 in respect of recognising and disclosing information relating to deferred tax assets and liabilities arising in respect of Pillar Two, as provided in the amendments to IAS 12 issued in May 2023.

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

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted 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 authority and the Group has the right of offset.

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.

q) Business combinations
On the acquisition of a business, fair values are attributed to the identifiable assets and liabilities and contingent liabilities unless the fair value cannot be measured reliably in which case the value is subsumed into goodwill. Where fair values of acquired contingent liabilities cannot be measured reliably, the assumed contingent liability is not recognised but is disclosed in the same manner as other contingent liabilities. Contingent assets acquired as part of a business combination are not recognised.

Goodwill is the difference between the fair value of the consideration payable and the fair value of net assets acquired.

r) 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 Balance Sheet date. Goodwill is allocated to income-generating units for the purpose of impairment testing.

Accounting Policies (continued)

Other intangible assets

Software costs are measured at cost less accumulated depreciation and accumulated impairment losses.

Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives, they are recognised separately.

Amortisation is charged to the Comprehensive Income and Expenditure Statement on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, unless such lives are indefinite.

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

Software costs Straight-line Up to 10 years

s) Property, plant and equipment

Recognition and measurement

Infrastructure consists of roads, tunnels, viaducts, bridges, stations, track, signalling, bus stations and stands; properties attached to infrastructure which are not separable from infrastructure; and properties attached to infrastructure that are used to facilitate the service provision but are limited in use by operational constraints. Some of these properties generate revenues which are considered to be incidental to the Group's activities.

Infrastructure, plant and equipment and rolling stock are measured at cost less accumulated depreciation and accumulated impairment losses. Assets under construction are measured at cost less any recognised impairment loss.

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

Valuations are performed annually. Movements in the value of the property are taken to the Revaluation Reserve, with the exception of permanent diminutions in value which are recognised in profit or loss.

The cost of certain items of property, plant and equipment was determined by reference to a revalued amount determined under a previous accounting regimen. The Group elected to apply the optional exemption to use this previous valuation as deemed cost at 1 April 2009, the date of transition to IFRS.

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

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. When components are replaced, the costs of the overhaul are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss.

Where there are similar assets with identical useful lives e.g. cabling, these assets are accounted for as pooled items of property, plant and equipment and are depreciated over their useful lives. When pooled items are fully depreciated the gross acquisition value and accumulated depreciation are derecognised.

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

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less the expected residual value at the end of its useful economic life.

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

Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

Accounting Policies (continued)

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

Tunnels and embankments	up to 120 years
Bridges and viaducts	up to 120 years
Track	up to 120 years
Road pavement	up to 40 years
Road foundations	up to 50 years
Signalling	up to 40 years
Stations	up to 120 years
Other property	up to 120 years
Rolling stock	up to 50 years
Lifts and escalators	up to 40 years
Plant and equipment	up to 75 years
Computer equipment	up to 15 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate, the effect of such adjustment being prospectively recognised as a change of estimate.

t) Heritage assets
Property, plant and equipment includes a number of assets classified as heritage assets in accordance with the Code. Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. These provisions apply to the collection of transport-related artefacts held at London Transport Museum. Due to the diverse nature of the assets held and the lack of comparable market values, the cost of obtaining a valuation of TfL's heritage assets is such that it would not be commensurate with the benefits provided to users of the financial statements. TfL has therefore taken the exemption available under the Code to hold its heritage assets at historical cost less any accumulated depreciation or impairment losses.

u) Investment property
Investment property is property held solely 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. Property interests that represent a reversionary interest in property, ground rent assets or an interest in property of a similar substance, are also classified as investment property.

Investment property is measured initially at cost, including transaction costs, and subsequently measured at fair value with any change therein recognised in profit or loss within financing and investment income or expenditure.

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.

See Note 16 - Investment Property for the valuation methods and inputs.

Revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. Any such gains and losses recognised are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and transferred to the Capital Adjustment Account.

v) 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 Group's investments in joint ventures are accounted for using the equity method. Under the equity method, the investment is initially recognised on the Balance Sheet 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.

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

Accounting Policies (continued)

x) Inventories
Inventories consist primarily of fuel, uniforms, and materials required for the operation of services and maintenance of infrastructure. Equipment and materials held for use in a capital programme are accounted for as inventory until they are issued to the project, at which stage they become part of assets under construction.

Inventories are carried at lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

y) Assets held for sale
Long-term assets (and disposal groups comprising a group of assets and potentially some liabilities that an entity intends to dispose of in a single transaction) are classified as held for sale if; their carrying amount will be recovered principally through sale rather than continuing use, they are available for immediate sale and sale is highly probable.

On initial classification as held for sale, long-term assets or disposal groups are measured at the lower of their previous carrying amount and fair value less costs to sell. No amortisation or depreciation is charged on long-term assets (including those in disposal groups) classified as held for sale.

z) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those necessarily taking a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are ready for their intended use.

All other finance and borrowing costs are recognised in the Comprehensive Income and Expenditure Statement in the period in which they are incurred.

aa) Provisions
Provisions are recognised on the Balance Sheet when a present legal or constructive obligation exists for a future liability in respect of a past event and where the amount of the obligation can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the Balance Sheet date and are discounted to present value where the effect is material.

ab) Foreign currencies
Transactions in currencies other than sterling are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Accounting Policy aj) below for hedging accounting policies).

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

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

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

The lease payments are discounted using the TfL Group's incremental borrowing rate, being the rate the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

For the current year, TfL's incremental borrowing rate for each tenor consists of PWLB as this is the source of borrowing we have used during the pandemic.

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

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

Accounting Policies (continued)

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

- The amount of initial measurement of lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs
- Restoration costs

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

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

IFRS 16 permits the use of a practical expedient that permits lessees to make an accounting policy election, by class of underlying asset, to account for each separate lease component of a contract and any associated non-lease components as a single lease component. Contracts for bus services contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. TfL's accounting policy is to apply this expedient to other equipment as a class of underlying asset. If the non-lease components over the contract duration total less than five per cent of the total contract value or £500,000, whichever is lower, then the non-lease and lease components are treated as a single lease.

Peppercorn leases

Leases with payments at peppercorn or nominal consideration that are provided at substantially below market terms, and leases for nil consideration, are accounted for as follows:

- Any portion of the lease that is payable is accounted for in the same way as other lease obligations under IFRS 16 Leases
- The difference between the present value of any future lease payments due and the fair value of the lease on initial recognition is recognised as a fair value right-of-use asset on the Balance Sheet, with a corresponding gain recognised in grant income within the surplus or deficit recognised on the provision of services

The Group has a number of leases over property and other transport infrastructure 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 the financial statements in respect of these leases.

ad) 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 therefore is recognised in the period in which it is earned. The respective leased assets are included in the Balance Sheet within investment properties. Any lease modifications are treated as new leases from the date of modification.

Lease income from finance leases is recognised over the lease term at an amount that produces a constant periodic rate of return on the remaining balance of the net investment in the lease. The net investment in the lease is the sum of lease payments receivable during the lease term discounted at the interest rate implicit in the lease.

Accounting Policies (continued)

ae) Private Finance Initiative (PFI) transactions and similar contracts
The Code requires the Group to account for infrastructure PFI schemes where it controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement. TfL therefore recognises such PFI assets as items of property, plant and equipment together with a liability to pay for them. The fair values of services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

a. The service charge

b. Repayment of the capital

c. The interest element (using the interest rate implicit in the contract)

Services received
The fair value of services received in the year is recorded under the relevant expenditure headings within 'gross expenditure'.

Assets
Assets are recognised as property, plant and equipment or intangible assets when they come into use. The assets are measured initially at fair value in accordance with IPSAS 32 Service Concession Arrangements – Grantor (IPSAS 32).

Where the operator enhances assets already recognised in the Balance Sheet the fair value of the enhancement in the carrying value of the asset is recognised as an asset.

Liabilities
A PFI liability is recognised at the same time as the assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IFRS 16.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the year and is charged to financing and investment expenditure within the Comprehensive Income and Expenditure Statement.

The element of the unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

Life cycle replacement
Components of the asset replaced by the operator during the contract (lifecycle replacement) are capitalised where they meet the Group's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

af) Impairment of non-financial assets
Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Other intangible assets, property, plant and equipment and investments in subsidiaries, joint ventures and associates are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. In assessing whether impairment indicators exist Management have considered climate change risks and the impact of any commitments under the Group's Climate Change Adaptation Plan.

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

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

In accordance with the Code, when an asset is not held primarily for the purpose of generating cash flows but for service provision, value in use is the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. This is the case for the majority of the Group's assets.

ag) Employee benefits
Defined benefit pension plans
The majority of the Group's employees are members of the Group's defined benefit plans, which provide benefits based on final pensionable pay. The assets of schemes are held separately from those of the Group.

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

Every three years the Group's schemes are subject to a full actuarial funding valuation using the projected unit method. Separate valuations are prepared for accounting purposes on an IAS 19 basis as at the Balance Sheet date. Pension scheme assets are measured using current market bid values. Pension scheme defined benefit obligations are measured using a projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the defined benefit obligation.

Accounting Policies (continued)

The difference between the value of the pension scheme assets and pension scheme liabilities is a surplus or a deficit. A pension scheme surplus is recognised to the extent that it is recoverable and a pension scheme deficit is recognised in full. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which it occurs. Remeasurement recognised in other comprehensive income will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit obligation or asset. Defined benefit costs are categorised between; (a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements), (b) net interest expense or income, and (c) remeasurement. The Group presents the first two components in profit or loss within the surplus on the provision of services before tax. Curtailment gains and losses are accounted for as past service costs.

Multi-employer exemption

For certain defined benefit schemes, the Corporation and/or the Group is unable to identify its share of the underlying assets and defined benefit obligations of the scheme on a consistent and reasonable basis. As permitted by the multi-employer exemption in the Code, these schemes are accounted for as defined contribution schemes. Contributions are therefore charged to the Comprehensive Income and Expenditure Statement as incurred.

Group schemes under common control

The Corporation and certain of its subsidiaries are members of a Group defined benefit plan wherein risks are shared between the entities under common control. There is no contractual arrangement in place to apportion the net defined benefit cost across the member entities. Accordingly, in line with the provisions of IAS 19, the total net defined benefit obligation is recognised in the individual financial statements of the sponsoring employer, the Corporation.

Unfunded pension schemes

Ex gratia payments are made to certain employees on retirement in respect of service prior to the establishment of pension funds for those employees. Supplementary payments are made to the pensions of certain employees who retired prior to the index linking of pensions. The Group also augments the pensions of certain employees who retire early under voluntary severance arrangements. In addition, certain employees also accrue benefits under an unfunded pension arrangement. These unfunded pension liabilities are provided for in the Balance Sheet.

Defined contribution plans

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

Other employee benefits

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

ah) Reserves

Reserves consist of two elements, usable and unusable.

Usable reserves are those that can be applied to fund expenditure. They are made up of the General Fund, Earmarked Reserves, the Capital Grants Unapplied Account and the Street Works Reserve. Amounts in the Street Works Reserve represent the net income/expenditure generated from lane rental revenues. These net revenues may only be employed in funding the reduction of disruption and other adverse effects caused by street works.

Unusable reserves cannot be applied to fund expenditure as they are not cash backed. They include the Capital Adjustment Account, Pension Reserve, the Hedging Reserve, the Financial Instruments Revaluation Reserve, the Financial Instruments Adjustment Account, the Retained Earnings Reserve in subsidiaries and the Fixed Asset Revaluation Reserve.

Management has determined that the Retained Earnings Reserve in subsidiaries are unusable unless the subsidiary declares a dividend to the Corporation, and they are able to fund these via their own cash reserves. The majority of assets held in subsidiaries are related to transport infrastructure and are not readily convertible to cash.

The Group's investment property assets are held within a separate property investment vehicle for the purpose of creating an estate of commercial, income-producing assets and development opportunities. They are not available to fund the expenditure of the Corporation.

Accounting Policies (continued)

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

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other Comprehensive Income and Expenditure (FVTOCI)
- Financial assets measured at fair value through the Comprehensive Income and Expenditure Statement (FVTPL)
- Financial liabilities measured at amortised cost
- Financial liabilities at fair value through the Comprehensive Income and Expenditure 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 through the Comprehensive Income and Expenditure Statement, where transaction costs are immediately expensed.

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

Financial assets are measured at amortised cost if:

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

After initial recognition, these assets are carried at amortised cost using the effective interest rate method if the time value of money is significant. Gains and losses are recognised in the Comprehensive Income and Expenditure 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 Comprehensive Income and Expenditure 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 Comprehensive Income and Expenditure Statement. For equity instruments, unlike debt instruments, there is no transfer of accumulated amounts in Other Comprehensive Income to the Comprehensive Income and Expenditure Statement.

Financial assets are measured at FVTPL if they are:

- Derivatives
- Not held as amortised cost or at FVTOCI
- Financial assets that were elected to be designated as measured at FVTPL

After initial recognition, assets are carried in the Balance Sheet at fair value with gains or losses recognised in the Comprehensive Income and Expenditure Statement.

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

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

Financial liabilities are measured at FVTPL if they are:

- Derivatives
- Other liabilities held for trading
- Financial liabilities that were elected to be designated as measured at FVTPL

Loans to subsidiaries
Loans to subsidiaries are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Loans are classified as amortised cost.

Cash and cash equivalents
Cash and cash equivalents comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents are classified as financial assets at amortised cost.

Accounting Policies (continued)

Other investments
Short-term investments with an outstanding maturity, at the date of acquisition, of greater than three months and less than or equal to a year, are classified as short-term investments on the basis that they are not readily convertible to cash. Short-term investments are classified as financial assets at amortised cost.

Long-term investments with an outstanding maturity, at the date of acquisition, of greater than a year, are classified as long-term investments. Long-term investments are classified as fair value through profit and loss.

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

Finance lease receivables
Finance lease 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.

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

Obligations under leases and PFI arrangements
All obligations under leases and PFI arrangements are classified as financial liabilities measured at amortised cost.

Other financing liabilities
Other financing liabilities are classified as financial liabilities measured at amortised cost.

Financial derivative instruments
The Group uses financial derivative instruments to manage certain exposures to fluctuations in foreign currency exchange rates and interest rates. The Group does not hold or issue derivative instruments for speculative purposes. The use of derivatives is governed by the Group's Treasury Management policies, approved by the Board.

Derivative assets and derivative liabilities are classified as FVTPL. Such financial derivative instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated in an effective as a hedge relationship, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of the foreign currency risk of firm commitments (cash flow hedges).

The fair value of derivatives are classified as a long-term asset or a long-term liability if the remaining maturity of the derivative contract is more than 12 months and as a short-term asset or a short-term liability if the remaining maturity of the derivative contract is less than 12 months.

Hedge accounting
In order to qualify for hedge accounting, at inception of the transaction the Group formally designates and documents the hedging relationship, which includes the Group's risk management strategy and objective for undertaking the hedge, identification of the hedging instrument, the hedged item, the ratio between the amount of hedged item and the amount of hedging instrument, the nature of the risk being hedged and how the Group assesses that the hedging instrument is highly effective including analysis of potential sources of hedge ineffectiveness.

At the inception of the hedge relationship and prospectively on an ongoing basis, the Group assesses three criteria in determining the hedge is effective and qualifies for hedge accounting, namely:

- An economic relationship exists such that the fair value or cash flows attributable to the hedged risk will be offset by the fair value of the hedged instrument
- Credit risk does not dominate changes in the value of the hedging instrument or hedged item
- The hedge ratio used for hedge accounting purposes is the same as that used for risk management purposes and is to be maintained as initially set throughout the hedge relationship

Where derivatives or portions of hedges do not qualify for hedge accounting, they are recorded at fair value through the Comprehensive Income and Expenditure Statement and any change in value is immediately recognised in the Comprehensive Income and Expenditure Statement.

Cash flow hedges
Hedge relationships are classified as cash flow hedges when they hedge the Group's exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss. Derivative instruments qualifying as cash flow hedges are principally interest rate swaps (where floating rate interest is swapped to fixed) and foreign currency forward exchange contracts.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred in reserves. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Accounting Policies (continued)

Amounts deferred in reserves are recycled to profit or loss in the periods when the hedged items (the hedged asset or liability) affect the Comprehensive Income and Expenditure Statement. When the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in reserves are transferred from reserves and are included in the initial measurement of the cost of the related asset or liability. For transaction-related hedged items, this will occur once the hedged transaction has taken place. For time-period related hedged items, the amount that is accumulated in reserves is amortised on a systematic and rational basis as a reclassification adjustment.

Hedge accounting is discontinued when the hedging instrument expires, is sold, terminated, exercised or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in reserves at that time remains in reserves and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in reserves is recognised immediately in profit or loss.

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 13.

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.

In the absence of quoted market prices, derivatives are valued by using quoted forward prices for the underlying commodity/currency and discounted using quoted interest rates (both as at the close of business on the Balance Sheet date). Hence, derivatives are within Level 2 of the fair value hierarchy as defined within IFRS 13.

Impairment of financial assets

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

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

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

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

Embedded derivatives

Derivatives that are embedded in other financial instruments or other host contracts are treated as separate derivatives when:

- the host contract is a financial liability or an asset not within the scope of IFRS 9; and
- the derivative's risks and characteristics are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the host contracts are not carried at fair value

In such cases, an embedded derivative is separated from its host contract and accounted for as a derivative carried on the Balance Sheet at fair value from inception of the host contract.

Unrealised changes in fair value are recognised as gains/losses within the Comprehensive Income and Expenditure Statement during the period in which they arise.

aj) Climate change

In preparing the Group's financial statements, consideration has been given to the impact of both physical and transition climate change risks as described within the Task Force on Climate Related Financial Disclosures (TCFD) section of the Narrative Report, and how these impact the financial statements. Management have considered the commitments made under the Group's Climate Change Adaptation Plan and other external commitments and have concluded that there is no material impact to the Group's financial statements.

Accounting Policies (continued)

Impact of climate change on the Group's judgements and estimates

In assessing the Group's judgements and sources of estimation uncertainty, consideration has been given to the impact of climate change risk on these. It is not considered that climate change risks have any material impacts on the Group's judgements or sources of estimation uncertainty for the following reasons:

Estimate/judgement	Explanation
Useful economic lives	• In assessing assets for impairment, Management did not identify any material assets for which there would be climate-related obsolescence or indicators that an asset's useful economic life would be restricted • In particular, in light of the Group's commitment to a net-zero bus fleet by 2034, Management considered whether any right-of-use assets had restricted useful lives. All lease terms were confirmed to expire prior to transition therefore no material impairments were identified
Asset carrying values	• In carrying out impairment assessments, Management considered future committed cashflows in relation to climate in determining the asset's value in use. There were no material climate-related asset impairments identified
Goodwill	• In carrying out their annual impairment assessment of Goodwill, Management ensured that the value-in-use forecasts included climate-related future committed expenditure and appropriate stress testing for climate-related risks and opportunities
Going concern	• Going concern analysis covers the period from the date of signing of these financial statements until the period ending 31 March 2026. Climate events materially impacting the carrying value of reported assets and liabilities are not expected to occur within this period
Post retirement benefits	• Each year Management obtain an IAS 19 valuation of the TfL Pension Fund from actuaries at the XPS Pensions Group. It is not expected that there are climate factors that would materially impact the valuation of the Fund of the assumptions used therein

Policies and market changes in response to climate change are continually developing and therefore the financial statements cannot capture all possible outcomes as these are not yet known. The degree of uncertainty of these changes may also mean they cannot be considered in the determination of asset and liability valuations and the timing of future cashflows.

We must prepare our assets for a changing cliimate

Notes to the Financial Statements
1. Gross service income

a) Group gross service income

Year ended 31 March	2024 £m	% of total	2023 £m	% of total
Passenger income	**4,843.1**	**72.1**	4,046.6	69.7
Revenue in respect of free travel for older and disabled customers	**202.0**	**3.0**	194.2	3.3
Congestion Charging	**345.9**	**5.2**	358.1	6.2
Direct Vision Scheme income	**14.4**	**0.2**	-	-
Ultra Low Emission Zone charges	**534.5**	**8.0**	479.9	8.3
Low Emission Zone charges	**67.7**	**1.0**	118.2	2.0
Charges to London Boroughs and Local Authorities	**13.6**	**0.2**	14.2	0.2
Charges to transport operators	**77.8**	**1.2**	53.1	0.9
Road Network compliance income	**89.3**	**1.3**	86.5	1.5
Commercial advertising receipts	**154.0**	**2.3**	144.9	2.5
Rents receivable	**83.1**	**1.2**	77.1	1.3
Contributions from third parties to operating costs	**62.2**	**0.9**	30.8	0.5
Taxi licensing	**37.7**	**0.6**	37.9	0.7
Ticket and photocard commission income	**16.3**	**0.2**	14.9	0.3
General fees and charges	**55.1**	**0.8**	16.6	0.3
ATM and car parking income	**16.7**	**0.2**	16.6	0.3
Museum income	**15.3**	**0.2**	13.0	0.2
Training and specialist services	**29.3**	**0.4**	22.9	0.4
Cycle hire scheme	**10.2**	**0.2**	14.5	0.2
Other	**46.1**	**0.8**	63.6	1.2
	6,714.3	**100.0**	5,803.6	100.0

b) Corporation gross service income

Year ended 31 March	2024 £m	% of total	2023 £m	% of total
Congestion Charging	**345.9**	**29.4**	358.1	30.9
Direct Vision Scheme income	**14.4**	**1.2**	-	-
Ultra Low Emission Zone charges	**534.5**	**45.5**	479.9	41.4
Low Emission Zone charges	**67.7**	**5.8**	118.2	10.2
Charges to London Boroughs and Local Authorities	**12.5**	**1.1**	12.9	1.1
Road Network compliance income	**89.3**	**7.6**	86.5	7.5
Rents receivable	**0.6**	**0.1**	0.1	-
Contributions from third parties to operating costs	**33.8**	**2.9**	29.5	2.5
Taxi licensing	**37.7**	**3.2**	37.9	3.3
General fees and charges	**4.3**	**0.3**	4.4	0.4
Training and specialist services	**18.7**	**1.6**	15.4	1.3
Other	**16.6**	**1.3**	17.1	1.4
	1,176.0	**100.0**	1,160.0	100.0

Notes to the Financial Statements

1. Gross service income (continued)

c) Congestion Charging

Year ended 31 March	**Group and Corporation 2024 £m**	Group and Corporation 2023 £m
Income	**345.9**	358.1
Toll facilities and traffic management	**(107.7)**	(133.2)
	238.2	224.9
Administration, support services and depreciation	**(2.6)**	(2.4)
Net income from Congestion Charging	**235.6**	222.5

Net income from the Congestion Charge (above), Low Emission Zone and Ultra Low Emission Zone (below) is spent on delivering the Mayor's Transport Strategy.

d) Combined Emission Zone Charging

Year ended 31 March	**Group and Corporation 2024 £m**	Group and Corporation 2023 £m
Income	**602.2**	598.1
Toll facilities and traffic management	**(408.9)**	(373.8)
	193.3	224.3
Administration, support services and depreciation	**(23.3)**	(15.7)
Net income	**170.0**	208.6

Emission zone charging comprises the Low Emission Zone (LEZ) and Ultra Low Emission Zone (ULEZ).

e) Direct Vision Standard and HGV Safety Permit Scheme

Year ended 31 March	**Group and Corporation 2024 £m**	Group and Corporation 2023 £m
Income	**14.4**	-
Toll facilities and traffic management	**(6.7)**	-
Net income recognised within net cost of services	**7.7**	-

f) Street works

Year ended 31 March	**Group and Corporation 2024 £m**	Group and Corporation 2023 £m
Income	**12.8**	10.6
Allowable operating costs of managing the lane rental scheme	**(2.6)**	(2.4)
Application of Street Works Reserve to projects reducing the adverse effects caused by street works	**(5.4)**	(6.2)
Net income recognised within net cost of services	**4.8**	2.0
Net income for the year transferred to the Street Works Reserve	**4.8**	2.0

Under the London lane rental scheme, introduced in 2012, TfL receives payments where utilities carry out certain street works in circumstances significantly affecting traffic. The legislation (SI 2012/425) requires TfL to apply the net proceeds of these payments to reducing the adverse effects caused by street works. The net income shown above has been transferred to the Street Works Reserve.

Notes to the Financial Statements
2. Segmental analysis

2a) Segmental analysis
The breakdown of performance reporting by segment is presented in the Expenditure and Funding Analysis in Note 3. The analysis only shows Group segmental information and no disclosures are included for the Corporation. This is because the Corporation's results are not reported to the TfL Board on a segmental basis.

No Balance Sheet information is reported internally by segment and there is accordingly no requirement under the Code to disclose segmental Balance Sheet information in the Statement of Accounts.

2b) Reconciliation of the internal management reports income statement to the Group Comprehensive Income and Expenditure Statement
The segmental information presented in the Expenditure and Funding Analysis reflects the presentation of the internal management reports income statement, published on TfL's website in the form of Quarterly Performance Reports.
The methodology for preparation and the presentation of figures within the internal management reports differs in several respects from the Group Comprehensive Income and Expenditure Statement as presented in these financial statements. To aid understanding of TfL information as reported in Quarterly Performance Reports, a reconciliation to the Group Comprehensive Income and Expenditure Statement is presented on the following pages.

Our investments help keep London moving

Notes to the Financial Statements

2. Segmental analysis (continued)

Reconciliation of internal management reports to the Group Comprehensive Income and Expenditure Statement (CI&E)

Year ended 31 March 2024	Internal management reports Income Statement £m	Items included in the CI&E but excluded from management reports £m	Items included in management reports but excluded from the CI&E £m	Reclassifications between line items £m	Items with different accounting treatment (see note 2c) £m	Group Comprehensive Income and Expenditure Statement £m
Gross service income/(total operating income)	6,847.0	-	-	(131.6)	(1.1)	6,714.3
Gross expenditure/(operating cost)	(7,846.0)	(1,920.1)	726.6	(56.7)	12.5	(9,083.7)
Net cost of services (divisional net operating deficit excluding grant income)	(999.0)	(1,920.1)	726.6	(188.3)	11.4	(2,369.4)
Other net operating expenditure	-	(97.3)	-	-	-	(97.3)
Grant income	2,311.0	-	-	188.3	1,005.3	3,504.6
Group share of profit before tax of joint ventures	-	0.1	-	-	-	0.1
Group share of loss before tax of associated undertakings	-	(58.3)	-	-	-	(58.3)
(Capital renewals)	(763.0)	-	763.0	-	-	-
(Operating surplus before interest)	549.0	(2,075.6)	1,489.6	-	1,016.7	979.7
Financing and investment income	-	16.2	-	70.0	-	86.2
Financing and investment expenditure	-	(151.5)	-	(481.0)	9.1	(623.4)
(Net interest costs)	(411.0)	-	-	411.0	-	-
Group surplus before tax/(operating surplus)	138.0	(2,210.9)	1,489.6	-	1,025.8	442.5
Taxation	-	(49.5)	-	-	-	(49.5)
Group surplus after tax	138.0	(2,260.4)	1,489.6	-	1,025.8	393.0

Notes to the Financial Statements
2. Segmental analysis (continued)

Reconciliation of internal management reports to the Group Comprehensive Income and Expenditure Statement (CI&E)

Year ended 31 March 2023	Internal reports as reported to management £m	Items included in the CI&E but excluded from the internal reports £m	Items included in the internal reports but excluded from the CI&E £m	Reclassifications between line items £m	Items with different accounting treatment (see note 2c) £m	Group Comprehensive Income and Expenditure Statement £m
Gross service income/(total operating income)	5,826.0	–	–	–	(22.4)	5,803.6
Gross expenditure/(operating cost)	(7,055.0)	(2,106.2)	711.5	–	(40.5)	(8,490.2)
Net cost of services (divisional net operating deficit excluding grant income)	(1,229.0)	(2,106.2)	711.5	–	(62.9)	(2,686.6)
Other net operating expenditure	–	(86.4)	–	–	–	(86.4)
Grant income	2,898.0	–	–	–	624.5	3,522.5
Group share of profit before tax of joint ventures	–	8.8	–	–	–	8.8
Group share of loss before tax of associated undertakings	–	(41.5)	–	–	–	(41.5)
(Capital renewals)	(624.0)	–	624.0	–	–	–
(Operating surplus before interest)	1,045.0	(2,225.3)	1,335.5	–	561.6	716.8
Financing and investment income	–	68.7	–	33.1	–	101.8
Financing and investment expenditure	–	(295.4)	–	(457.1)	2.9	(749.6)
(Net interest costs)	(424.0)	–	–	424.0	–	–
Group surplus before tax/(operating surplus)	621.0	(2,452.0)	1,335.5	–	564.5	69.0
Taxation	–	4.8	–	–	–	4.8
Group surplus after tax	621.0	(2,447.2)	1,335.5	–	564.5	73.8

Where line item descriptors differ between the internal reports and the Comprehensive Income and Expenditure Statement, those used in the internal reports are shown within parentheses in the above tables.

Notes to the Financial Statements

2. Segmental analysis (continued)

2c) Detailed reconciliation of segmental information reported in internal management reports to amounts included in the Group (deficit)/surplus

The segmental analysis is prepared using internal management reporting accounting methodologies. In some cases, these methodologies are different from the accounting policies used in the financial statements. Where there are accounting policy differences between management reports and the statutory accounts, statutory accounting adjustments are not recorded by segment in the underlying accounting records. It is not therefore possible to produce a segmental breakdown of the Group financial statements on a statutory basis of reporting. Differences between the methodologies are explained in the paragraphs and table below.

- Depreciation, amortisation of intangibles and impairment charges are not included in the segmental analysis

- The cost of retirement benefits is recognised within gross expenditure in the internal management report's Income Statement as a charge based on cash contributions paid during the year, rather than the pension service cost and net interest charge on defined benefit pension obligations recognised in the Comprehensive Income and Expenditure Statement. This better reflects the actual charge made to the General Fund in respect of pension costs which is calculated based on actual contributions paid as opposed to the charges flowing through the Comprehensive Income and Expenditure Statement as calculated under IAS 19

- The internal management report's Income Statement excludes the net gain on disposal of investment properties and the change in fair value of investment properties that are included within financing and investment income in the Comprehensive Income and Expenditure Statement. Fair value movements are excluded from management reporting as these gains or losses are unrealised. The net proceeds from disposals, meanwhile, are included in the Capital Account for management reporting purposes, as these income streams may only be employed by the Corporation to fund capital expenditure and do not represent an ongoing revenue stream that can be employed to meeting the day-to-day operating costs of the network

- Similarly, the internal management report's Income Statement excludes gains and losses on the disposal of property, plant and equipment and intangible assets recognised within other operating expenditure, and instead includes the net proceeds from these disposals in the Capital Account

- Internal management reporting includes a charge within operating expenditure for the costs of right-of-use leases, based on cash payments made in the period in relation to those leases. In the net cost of services in the Comprehensive Income and Expenditure Statement, this charge has been stripped out and replaced with the amortisation charge in respect of right-of-use assets within net cost of services and a financing charge included within financing and investment expenditure

- The internal management report's Income Statement includes a charge for capital renewals expenditure which, in the statutory financial statements, is included within additions to property, plant and equipment. Renewals expenditure is included for management reporting purposes to present the ongoing, full, day-to-day cost of running and maintaining our existing network

- The internal management report's Income Statement excludes the adjustment to financing expenditure made in respect of borrowing costs capitalised into qualifying assets (see note 9). Instead this charge is left within net interest costs so that amounts charged to the internal management report's Income Statement reflect the full cost to the Group of financing its debt

- Certain grants received are treated as capital grant for management reporting purposes and are thus excluded from the internal management report's Income Statement (being instead included in the Capital Account). For statutory reporting purposes, however, all grant is recognised as income in the Comprehensive Income and Expenditure Statement. Moreover, certain grants badged as 'capital grant' for management reporting purposes, under law constitute resource grants, and may only be classified as capital grant where they have been applied to fund capital expenditure during the year

- The results of joint ventures and associated undertakings are excluded from the internal management report's Income Statement as the TfL Group does not hold a controlling interest in these undertakings

- Other differences between the Comprehensive Income and Expenditure Statement and the internal management reports are collectively referred to as Central items and are not included in reports to management

Notes to the Financial Statements

2. Segmental analysis (continued)

Detailed reconciliation of net cost of operations per management reports to net cost of services per the Comprehensive Income and Expenditure Statement

	Note	2024 £m	2024 £m	2023 £m	2023 £m
Operating surplus per internal management reports			**138.0**		621.0
Adjustments between management and statutory reports:					
Add amounts included in the Comprehensive Income and Expenditure Statement not reported in management reports					
Depreciation	4	**(1,228.1)**		(1,133.9)	
Amortisation of right-of-use assets	4	**(330.6)**		(357.5)	
Amortisation of software intangibles	4	**(70.0)**		(59.9)	
Impairment	4	**0.5**		27.8	
Pension service costs including scheme expenses	35	**(291.9)**		(582.7)	
			(1,920.1)		(2,106.2)
Other net operating expenditure	7		**(97.3)**		(86.4)
Group share of profit before tax of joint ventures	18		**0.1**		8.8
Group share of loss before tax of associated undertakings	19		**(58.3)**		(41.5)
Premium receivable on settlements	8	**-**		46.3	
Net gain on disposal of investment properties	8	**16.2**		22.4	
			16.2		68.7
Net interest on defined benefit obligation	9	**80.4**		(79.3)	
Interest payable on lease and PFI liabilities	9	**(121.4)**		(81.7)	
Contingent rentals on PFI liabilities	9	**(14.4)**		(11.2)	
Change in fair value of investment properties included in financing and investment expenditure	9	**(107.9)**		(155.0)	
Amounts capitalised into qualifying assets	9	**11.8**		31.8	
			(151.5)		(295.4)
Tax	11		**(49.5)**		4.8
			(2,260.4)		(2,447.2)

	Note	2024 £m	2024 £m	2023 £m	2023 £m
Less items included in the management reports but excluded from the Comprehensive Income and Expenditure Statement					
Cash payments under PFI and lease arrangements		**392.0**		392.0	
Pension payments charged to operating costs		**334.6**		319.5	
			726.6		711.5
Capital renewals			**763.0**		624.0
			1,489.6		1,335.5
Amounts subject to differing accounting treatment between management reports and the Comprehensive Income and Expenditure Statement					
Specific grant income			**1,005.3**		624.5
Central items			**20.5**		(60.0)
			1,025.8		564.5
Group surplus after tax per the Comprehensive Income and Expenditure Statement			**393.0**		73.8

Notes to the Financial Statements

3. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the Group's annual expenditure is used and funded from its resources (including grants and business rates) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how the Group has allocated this expenditure for decision making purposes between TfL's operating segments.

Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	For the year ended 31 March 2024			For the year ended 31 March 2023		
	Net expenditure chargeable to the General Fund £m	**Adjustments***	**Net expenditure in the Comprehensive Income and Expenditure Statement £m**	Net expenditure chargeable to the General Fund £m	Adjustments*	Net expenditure in the Comprehensive Income and Expenditure Statement £m
London Underground	**(212.0)**	**-**	**(212.0)**	(239.0)	-	(239.0)
Elizabeth line	**78.0**	**-**	**78.0**	(165.0)		(165.0)
Buses, streets and other operations	**(938.0)**	**-**	**(938.0)**	(703.0)	-	(703.0)
Rail	**(144.0)**	**-**	**(144.0)**	(163.0)	-	(163.0)
Places for London	**29.0**	**-**	**29.0**	43.0	-	43.0
Group items	**188.0**	**-**	**188.0**	(2.0)	-	(2.0)
Central items not reported on a segmental basis	**546.7**	**1,917.2**	**(1,370.5)**	1,113.4	2,571.0	(1,457.6)
Net cost of services	**(452.3)**	**1,917.2**	**(2,369.5)**	(115.6)	2,571.0	(2,686.6)
Other income and expenditure	**513.7**	**(2,248.7)**	**2,762.4**	(303.6)	(3,064.0)	2,760.4
Surplus/(deficit) after tax	**61.4**	**(331.5)**	**392.9**	(419.2)	(493.0)	73.8
Opening general fund and earmarked reserves balance	**189.7**			608.9		
Surplus/(deficit) on the general fund	**61.4**			(419.2)		
Closing general fund and earmarked reserves balance	**251.1**			**189.7**		

* Management has concluded that the Expenditure and Funding Analysis presents a true and fair view of the Group's financial performance. Central items are not reported to management or maintained on a segmental basis. The effect of this is presented on a separate line item and disclosed in Note 2

Notes to the Financial Statements

3. Expenditure and Funding Analysis (continued)

For the year ended 31 March 2024	Capital adjustments £m	Pension adjustments £m	Other statutory adjustments £m	**Total statutory adjustments £m**	Non-statutory adjustments £m	**Total adjustments £m**
London Underground	–	–	–	–	–	–
Elizabeth line	–	–	–	–		–
Buses, streets and other operations	–	–	–	–	–	–
Rail	–	–	–	–	–	–
Other segments	–	–	–	–	–	–
Group items	–	–	–	–	–	–
Central items not reported on a segmental basis	230.5	(123.3)	(1.3)	105.9	1,811.3	1,917.2
Net Cost of Services	**230.5**	**(123.3)**	**(1.3)**	**105.9**	**1,811.3**	**1,917.2**
Other income and expenditure	(348.9)	–	(81.6)	(430.5)	(1,818.2)	(2,248.7)
(Deficit)/surplus after tax	**(118.4)**	**(123.3)**	**(82.9)**	**(324.6)**	**(6.9)**	**(331.5)**

For the year ended 31 March 2023	Capital adjustments £m	Pension adjustments £m	Other statutory adjustments £m	**Total statutory adjustments £m**	Non-statutory adjustments £m	**Total adjustments £m**
London Underground	–	–	–	–	–	–
Elizabeth line	–	–	–	–	–	–
Buses, streets and other operations	–	–	–	–	–	–
Rail	–	–	–	–	–	–
Other segments	–	–	–	–	–	–
Group items	–	–	–	–	–	–
Central items not reported on a segmental basis	205.4	340.1	(3.4)	**542.1**	2,028.9	**2,571.0**
Net Cost of Services	**205.4**	**340.1**	**(3.4)**	**542.1**	**2,028.9**	**2,571.0**
Other income and expenditure	(678.7)	–	(113.9)	(792.6)	(2,271.4)	(3,064.0)
(Deficit)/surplus after tax	**(473.3)**	**340.1**	**(117.3)**	**(250.5)**	**(242.5)**	**(493.0)**

Notes to the Financial Statements
4. Gross expenditure

Gross expenditure recognised in the Comprehensive Income and Expenditure Statement comprises:

Year ended 31 March	Note	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Staff costs:					
Wages and salaries*		**1,676.7**	1,524.0	**476.7**	404.7
Social security costs		**197.0**	187.1	**54.4**	49.1
Pension costs	35	**281.9**	564.5	**38.6**	335.5
		2,155.6	2,275.6	**569.7**	789.3
Other service expenditure**		**4,854.1**	4,245.8	**482.0**	390.1
Credit loss expense		**445.8**	445.3	**451.9**	432.9
Depreciation	13	**1,228.1**	1,133.9	**163.2**	151.2
Amortisation right-of-use assets	14	**330.6**	357.5	**29.1**	29.1
Amortisation of software intangibles	12	**70.0**	59.9	**38.2**	34.7
Impairment***	13	**(0.5)**	(27.8)	**-**	(9.6)
		9,083.7	8,490.2	**1,734.1**	1,817.7

* Wages and salaries include amounts provided for the cost of voluntary severance

** Included in the Corporation's other service expenditure is £99.2m (2022/23 £71.3m) relating to financial assistance to London Boroughs and other third parties (see Note 41 for detailed analysis

*** Impairment includes impairment reversals where management have determined assets are no longer impaired

The average number of persons employed in the year was:

Year ended 31 March	Group 2024 Number	Group 2023 Number	Corporation 2024 Number	Corporation 2023 Number (restated)*
Permanent staff (including fixed term contracts)	**26,306**	26,044	**7,991**	7,530
Agency staff	**2,195**	1,962	**1,578**	1,371
	28,501	28,006	**9,569**	8,901

* Restated to correct the misclassification of 214 employees included in the employee numbers of Places for London

Notes to the Financial Statements
5. External audit fees

External audit fees are made up as follows:

Year ended 31 March	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Auditor's remuneration:				
for statutory audit services	**2.1**	1.8	**0.3**	0.1
for non-audit services*	**-**	-	**-**	-
	2.1	1.8	**0.3**	0.1

* The Audit and Assurance Committee reviews and notes the nature and extent of non-audit services provided by TfL's external auditor to ensure that independence is maintained

Notes to the Financial Statements
6. Remuneration

a) Number of employees receiving total remuneration of more than £50,000
The Code requires the disclosure of remuneration for the Corporation's employees whose total remuneration in the year was £50,000 or more, grouped in rising bands of £5,000. The impact of the transfer of employees into and out of the Corporation from subsidiaries can cause distortion for year on year comparison purposes. Consequently, an additional voluntary disclosure for the Group is provided that shows the combined employee bands for TfL and its subsidiaries. This includes salaries, fees, performance-related pay, benefits in kind, lump sums and termination payments, but excludes pension contributions paid by the employer. All information is subject to audit.

Remuneration (£)	Group 2024	Group 2023	Corporation 2024	Corporation 2023
50,000 - 54,999	1,597	1,810	537	715
55,000 - 59,999	2,137	2,224	782	667
60,000 - 64,999	4,207	4,471	672	570
65,000 - 69,999	2,480	2,310	574	503
70,000 - 74,999	1,571	1,474	479	445
75,000 - 79,999	1,318	1,181	423	306
80,000 - 84,999	1,001	814	328	200
85,000 - 89,999	762	603	242	123
90,000 - 94,999	582	417	185	69
95,000 - 99,999	458	352	136	70
100,000 - 104,999	333	244	96	47
105,000 - 109,999	252	136	68	18
110,000 - 114,999	172	102	50	24
115,000 - 119,999	147	54	47	17
120,000 - 124,999	88	48	26	7
125,000 - 129,999	68	34	23	9
130,000 - 134,999	39	23	14	8
135,000 - 139,999	45	21	17	7
140,000 - 144,999	24	15	9	2

Remuneration (£)	Group 2024	Group 2023	Corporation 2024	Corporation 2023
145,000 - 149,999	21	15	7	6
150,000 - 154,999	23	11	9	6
155,000 - 159,999	14	7	5	4
160,000 - 164,999	9	9	3	3
165,000 - 169,999	11	6	6	2
170,000 - 174,999	5	3	2	2
175,000 - 179,999	6	6	2	1
180,000 - 184,999	7	2	2	-
185,000 - 189,999	9	5	6	3
190,000 - 194,999	5	1	3	-
195,000 - 199,999	5	2	1	2
200,000 - 204,999	1	1	1	1
205,000 - 209,999	1	-	1	-
210,000 - 214,999	2	-	2	-
215,000 - 219,999	3	1	2	-
220,000 - 224,999	1	-	1	-
225,000 - 229,999	1	2	1	1
230,000 - 234,999	1	2	1	2
235,000 - 239,999	2	1	1	1

Notes to the Financial Statements

6. Remuneration (continued)

Remuneration (£)	Group 2024	Group 2023	Corporation 2024	Corporation 2023
240,000 - 244,999	4	2	2	2
245,000 - 249,999	-	1	-	1
250,000 - 254,999	1	2	-	1
255,000 - 259,999	1	1	1	1
260,000 - 264,999	-	1	-	-
265,000 - 269,999	-	1	-	-
270,000 - 274,999	1	-	1	-
275,000 - 279,999	2	-	2	-
285,000 - 289,999	2	-	1	-
290,000 - 294,999	-	1	-	1
295,000 - 299,999	2	1	1	1
300,000 - 304,999	1	1	1	-
305,000 - 309,999	1	-	1	-
315,000 - 319,999	1	-	1	-
325,000 - 329,999	1	-	1	-
335,000 - 339,999	2	1	2	1
345,000 - 349,999	1	-	-	-
355,000 - 359,999	1	-	1	-
360,000 - 364,999	-	1	-	1
375,000 - 379,999	1	-	1	-
480,000 - 484,999	-	1	-	1
495,000 - 499,999	1	1	1	-
520,000 - 524,999	1	-	1	-
Total	**17,432**	**16,422**	**4,782**	**3,851**

b) Remuneration for senior employees
The Accounts and Audit Regulations 2015 require disclosure of individual remuneration details for senior employees with a base salary of £150,000 or more, calculated on a full-time equivalent basis for those working part-time.

Disclosure is made for each financial year under various categories and set out in the tables below.

Employer's pension contributions include the contribution in respect of future benefit accrual. Member contributions are payable by employees at a fixed rate of five per cent of pensionable salary.

Salary, fees and allowances are disclosed on an earned basis. Performance-related pay is reported on a cash paid basis as it may not be determined for many months after the end of the relevant year.

Notes to the Financial Statements

6. Remuneration (continued)

Employees receiving a base annual salary of £150,000 or more (£)

Name	Notes	Salary (including fees and allowances) 2023/24	Performance -related pay and retention payments paid in the year 2023/24**	Compensation for loss of employment 2023/24	Benefits in kind 2023/24	Total remuneration excluding pension contributions 2023/24	Employer's contribution to pension 2023/24	Salary (including fees and allowances) 2022/23	Performance -related pay and retention payments paid in the year 2022/23	Total remuneration excluding pension contributions 2022/23***
Andy Lord, Commissioner	a	*424,416	99,204	-	2,150	525,770	-	*361,453	-	363,680
Glynn Barton, Chief Operating Officer		245,050	51,451	-	1,666	298,167	44,974	185,633	-	187,373
Fiona Brunskill, Chief People Officer	b	244,247	83,319	-	2,132	329,698	49,629	208,584	17,500	228,311
Andrea Clarke, General Counsel	c	206,812	94,337	-	1,666	302,815	50,558	167,793	28,548	198,081
Stuart Harvey, Chief Capital Officer		*336,101	159,296	-	1,666	497,063	-	*336,106	-	337,846
Lilli Matson, Chief Safety, Health and Environment Officer	d	199,115	73,053	-	1,666	273,834	52,667	200,000	-	201,740
Rachel McLean, Chief Finance Officer		302,131	71,434	-	1,666	375,231	55,827	261,348	34,950	298,045
Alex Williams, Chief Customer and Strategy Officer	e	*309,655	49,303	-	-	358,958	-	*252,173	-	252,173
Tricia Wright, Chief Officer - Pensions Review	f	*255,007	84,267	-	759	340,033	-	*244,506	-	245,777
Thomas Ableman, Director of Strategy and Innovation		160,000	16,666	-	1,666	178,332	41,784	147,425	-	149,165
Trish Ashton, Director of Rail and Sponsored Services	g	171,278	11,046	-	751	183,075	33,958	146,198	-	146,983

* salary, fees and allowances include an allowance paid as a result of the individual opting out of part or all of the benefits provided by the TfL Savings for Retirement Plan or TfL Pension Fund. The allowance is paid at the rate of the employer contribution foregone, discounted by the employer rate of National Insurance to ensure no additional employer cost is incurred. It also includes an allowance available to those employees who are employed on fixed-term contracts and who choose to join a defined contribution scheme rather than the TfL Pension Fund

** the payment of performance awards for 2021/22 and 2022/23 was subject to TfL achieving the financial overlay trigger which was confirmed as met in June 2023, with payments made for both years in 2023/24

*** total remuneration for 2022/23 also includes benefits in kind as reported in last year's Statement of Accounts

a Commissioner forwent any performance award in 2021/22 when he was in previous role of Managing Director, London Underground. Performance award disclosed relates to 2022/23 only. Base salary increase to £395,000 on 7 June 2023 on permanent appointment

b salary sacrificed for holiday buy of £1,080 (2022/23 £nil). Performance-related pay disclosed includes retention payment

c salary sacrificed for holiday buy of £3,577 (2022/23 £809). Performance-related pay disclosed includes retention payment

d salary sacrificed for holiday buy of £885 (2022/23 £nil)

e salary sacrificed for Cycle to Work scheme of £3,195 (2022/23 £nil)

f member of the TfL unfunded unapproved pension scheme. Salary sacrificed for pension of £10,225 (2022/23 £9,058)

g salary sacrificed for childcare vouchers of £1,456 (2022/23 £1,456) and holiday buy of £752 (2022/23 £nil)

Notes to the Financial Statements

6. Remuneration (continued)

Name	Notes	Salary (including fees and allowances) 2023/24	Performance -related pay and retention payments paid in the year 2023/24**	Compensation for loss of employment 2023/24	Benefits in kind 2023/24	Total remuneration excluding pension contributions 2023/24	Employer's contribution to pension 2023/24	Salary (including fees and allowances) 2022/23	Performance -related pay and retention payments paid in the year 2022/23	Total remuneration excluding pension contributions 2022/23***
Matt Brown, Director of Communications and Corporate Affairs		178,500	51,900	-	-	230,400	44,974	161,616	-	161,616
Christina Calderato, Director of Transport Strategy and Policy		157,914	35,384	-	1,666	194,964	38,459	140,012	-	141,752
George Clark, Technical Director		179,150	32,683	-	1,666	213,499	-	171,600	-	173,340
Isabel Coman, Director of Engineering and Asset Strategy	h	189,000	10,463	-	751	200,214	47,722	102,575	-	103,010
Michael Cooper, Director of Programme Management Office		167,235	22,621	-	1,666	191,522	40,852	153,378	-	155,118
Graeme Craig, Director and Chief Executive, Places for London		202,020	35,461	-	1,666	239,147	51,132	192,400	-	194,140
Nick Dent, Director of Customer Operations - London Underground		196,560	46,616	-	1,666	244,842	49,701	187,200	-	188,940
Patrick Doig, Group Finance Director		*267,254	70,528	-	1,666	339,448	-	*238,543	-	240,283
Nick Fairholme, Director of Capital Delivery – Systems		180,514	39,740	-	1,665	221,919	33,568	159,331	-	161,071
Stephen Field, Director of Pensions and Reward	i	*212,604	97,000	-	1,666	311,270	-	*203,004	28,088	232,832
Jonathan Fox, Director of Rail and Sponsored Services	j	167,629	28,156	-	1,666	197,451	39,697	159,681	-	161,421
Lester Hampson, Director of Property Development, Places for London		195,094	125,286	-	1,666	322,046	48,272	186,069	-	187,809

* salary, fees and allowances include an allowance paid as a result of the individual opting out of part or all of the benefits provided by the TfL Savings for Retirement Plan or TfL Pension Fund. The allowance is paid at the rate of the employer contribution foregone, discounted by the employer rate of National Insurance to ensure no additional employer cost is incurred. It also includes an allowance available to those employees who are employed on fixed-term contracts and who choose to join a defined contribution scheme rather than the TfL Pension Fund

** the payment of performance awards for 2021/22 and 2022/23 was subject to TfL achieving the financial overlay trigger which was confirmed as met in June 2023, with payments made for both years in 2023/24

*** total remuneration for 2022/23 also includes benefits in kind as reported in last year's Statement of Accounts

h entered service 5 September 2022

i member of the TfL unfunded unapproved pension scheme. Salary sacrificed for pension of £9,011 (2022/23 £8,547). Performance-related pay disclosed includes retention payment

j currently on secondment with Network Rail and all costs recovered from Network Rail

Notes to the Financial Statements

6. Remuneration (continued)

Name	Notes	Salary (including fees and allowances) 2023/24	Performance -related pay and retention payments paid in the year 2023/24**	Compensation for loss of employment 2023/24	Benefits in kind 2023/24	Total remuneration excluding pension contributions 2023/24	Employer's contribution to pension 2023/24	Salary (including fees and allowances) 2022/23	Performance -related pay and retention payments paid in the year 2022/23	Total remuneration excluding pension contributions 2022/23***
Michael Hardaker, Director of Capital Delivery - Infrastructure		196,779	45,590	-	116	242,485	49,183	187,889	-	190,116
Joanna Hawkes, Corporate Finance Director	k	*234,336	54,115	-	-	288,451	-	*217,862	37,440	255,302
Geoff Hobbs, Director of Public Transport Service Planning		*166,557	35,060	-	-	201,617	34,633	*169,283	-	169,283
Lorraine Humphrey, Director of Risk and Assurance	l	161,753	33,558	-	751	196,062	41,128	153,980	-	154,764
Maureen Jackson, Director of Business Services	m	165,796	47,363	-	1,666	214,825	39,697	148,021	-	149,761
Siwan Lloyd-Hayward, Director of Security, Policing and Enforcement		163,013	27,656	-	1,666	192,335	40,921	144,666	-	146,406
Stewart Mills, Director of Infrastructure, Crossrail	n	198,260	-	-	1,666	199,926	19,269	178,509	-	180,135
Peter McNaught, Director of Operational Readiness		*231,651	56,013	-	1,666	289,330	-	*221,760	28,080	251,225
Andrew Morsley, Director of Operational Planning		152,250	26,740	-	1,666	180,656	38,105	138,982	-	140,722

* salary, fees and allowances include an allowance paid as a result of the individual opting out of part or all of the benefits provided by the TfL Savings for Retirement Plan or TfL Pension Fund. The allowance is paid at the rate of the employer contribution foregone, discounted by the employer rate of National Insurance to ensure no additional employer cost is incurred. It also includes an allowance available to those employees who are employed on fixed-term contracts and who choose to join a defined contribution scheme rather than the TfL Pension Fund

** the payment of performance awards for 2021/22 and 2022/23 was subject to TfL achieving the financial overlay trigger which was confirmed as met in June 2023, with payments made for both years in 2023/24

*** total remuneration for 2022/23 also includes benefits in kind as reported in last year's Statement of Accounts

k salary sacrificed for Cycle to Work scheme of £803 (2022/23 £936) and for holiday buy of £3,518 (2021/22 £796). Performance-related pay disclosed includes retention payment

l salary sacrificed for holiday buy of £2,932 (2022/23 £2,020)

m salary sacrificed for holiday buy of £2,834 (2022/23 £2,779)

n entered service 25 April 2022

Notes to the Financial Statements
6. Remuneration (continued)

Name	Notes	Salary (including fees and allowances) 2023/24	Performance -related pay and retention payments paid in the year 2023/24**	Compensation for loss of employment 2023/24	Benefits in kind 2023/24	Total remuneration excluding pension contributions 2023/24	Employer's contribution to pension 2023/24	Salary (including fees and allowances) 2022/23	Performance -related pay and retention payments paid in the year 2022/23	Total remuneration excluding pension contributions 2022/23***
Digby Nicklin, Chief Finance Officer, Places for London	o	89,507	-	-	828	90,335	22,731	-	-	-
Patricia Obinna, Director of Diversity and Inclusion	p	156,931	32,876	-	1,666	191,473	34,531	132,748	13,200	147,688
Howard Smith, Director of the Elizabeth line	q	*199,658	53,267	-	1,666	254,591	-	*189,750	70,000	261,490
Emma Strain, Director of Customer	r	152,533	-	-	733	153,266	38,313	-	-	-
Sue Taylor, Director of Business Partnering and Employee Relations	s	163,509	22,001	-	1,666	187,176	33,936	124,550	-	126,290
Lucinda Turner, Director of Spatial Planning	t	170,868	44,745	-	1,666	217,279	38,459	154,995	-	156,735
Shashi Verma, Chief Technology Officer		234,604	55,350	-	751	290,705	66,719	243,604	-	244,388
Jonathan Wharfe, Director of Procurement and Commercial - Operations		173,250	35,640	-	1,666	210,556	43,601	168,639	-	170,379

* salary, fees and allowances include an allowance paid as a result of the individual opting out of part or all of the benefits provided by the TfL Savings for Retirement Plan or TfL Pension Fund. The allowance is paid at the rate of the employer contribution foregone, discounted by the employer rate of National Insurance to ensure no additional employer cost is incurred. It also includes an allowance available to those employees who are employed on fixed-term contracts and who choose to join a defined contribution scheme rather than the TfL Pension Fund

** the payment of performance awards for 2021/22 and 2022/23 was subject to TfL achieving the financial overlay trigger which was confirmed as met in June 2023, with payments made for both years in 2023/24

*** total remuneration for 2022/23 also includes benefits in kind as reported in last year's Statement of Accounts

o entered service 25 September 2023. Salary sacrificed for Cycle to Work scheme of £862 (2022/23 £nil)

p performance-related pay disclosed includes retention payment

q member of the TfL unfunded unapproved pension scheme. Salary sacrificed for pension of £8,750 (2022/23 £8,487)

r entered service 3 April 2023

s salary sacrificed for holiday buy of £2,226 (2022/23 £1,951)

t salary sacrificed for holiday buy of £2,832 (2022/23 £nil)

Notes to the Financial Statements
6. Remuneration (continued)

Name	Notes	Salary (including fees and allowances) 2023/24	Performance -related pay and retention payments paid in the year 2023/24**	Compensation for loss of employment 2023/24	Benefits in kind 2023/24	Total remuneration excluding pension contributions 2023/24	Employer's contribution to pension 2023/24	Salary (including fees and allowances) 2022/23	Performance -related pay and retention payments paid in the year 2022/23	Total remuneration excluding pension contributions 2022/23***
Former employees										
Howard Carter, General Counsel	u	*133,168	89,052	-	1,102	223,322	-	*257,578	-	259,805
Louise Cheeseman, Director of Buses	v	173,833	36,767	-	1,296	211,896	37,833	216,355	-	218,095
Chris Hobden, Project Director, Four Lines Modernisation	w	95,534	18,512	-	1,021	115,067	24,040	156,000	22,500	180,240
Stacey Kalita, Finance Director, Crossrail	x	43,671	-	131,731	58	175,460	2,425	150,230	-	151,014
Esther Sharples, Director of Asset Performance and Facilities	y	68,587	42,633	-	293	111,513	17,829	176,800	-	177,584
Jadon Silva, Director of Procurement and Commercial - Capital	z	119,147	32,400	-	580	152,127	30,050	155,648	-	156,432

* salary, fees and allowances include an allowance paid as a result of the individual opting out of part or all of the benefits provided by the TfL Savings for Retirement Plan or TfL Pension Fund. The allowance is paid at the rate of the employer contribution foregone, discounted by the employer rate of National Insurance to ensure no additional employer cost is incurred. It also includes an allowance available to those employees who are employed on fixed-term contracts and who choose to join a defined contribution scheme rather than the TfL Pension Fund

** the payment of performance awards for 2021/22 and 2022/23 was subject to TfL achieving the financial overlay trigger which was confirmed as met in June 2023, with payments made for both years in 2023/24

*** total remuneration for 2022/23 also includes benefits in kind as reported in last year's Statement of Accounts

u left service 29 September 2023. Member of the TfL unfunded unapproved pension scheme. Salary sacrificed for pension of £5,507 (2022/23 £9,061)

v left service 2 January 2024

w left service 3 November 2023

x left service 28 April 2023

y left service 14 August 2023

z left service 31 December 2023

Notes to the Financial Statements

6. Remuneration (continued)

c) Severance payments

The Code requires the separate disclosure of the number and cost of compulsory and voluntary severance termination packages agreed during the year. This is fully in line with the Code and our policy on severance can be seen on page XX.

Termination payments disclosed in the table below are reported on a cash paid basis to provide certainty on the amounts reported, and include pension contributions in respect of added years, ex-gratia payments and other related costs.

Termination payments	Group 2024 (number)	Group 2024 (£m)	Corporation 2024 (number)	Corporation 2024 (£m)	Group 2023 (number)	Group 2023 (£m)	Corporation 2023 (number)	Corporation 2023 (£m)
Non-compulsory exit packages (£)								
0 - 20,000	14	0.2	1	–	29	0.4	4	0.1
20,001 - 40,000	25	0.8	1	–	37	1.1	4	0.1
40,001 - 60,000	13	0.6	3	0.1	19	0.9	1	–
60,001 - 80,000	4	0.3	–	–	11	0.8	1	0.1
80,001 - 100,000	10	0.9	–	–	3	0.3	–	–
100,001 - 150,000	10	1.3	2	0.2	21	2.6	7	0.9
150,001 - 200,000	4	0.7	1	0.2	8	1.3	3	0.5
250,001 - 300,000	1	0.3	–	–	–	–	–	–
350,001 - 400,000	–	–	–	–	1	0.4	1	0.4
Total non-compulsory exit packages	**81**	**5.1**	**8**	**0.5**	**129**	**7.8**	**21**	**2.1**
Compulsory exit packages (£)								
0 - 20,000	–	–	–	–	1	–	–	–
Total	**81**	**5.1**	**8**	**0.5**	**130**	**7.8**	**21**	**2.1**

All information is subject to audit.

Notes to the Financial Statements

7. Other operating expenditure

Year ended 31 March	**Group 2024 £m**	Group 2023 £m	**Corporation 2024 £m**	Corporation 2023 £m
Net loss on disposal of investment property	**1.2**	0.1	**-**	0.1
Net gain on termination of right of use assets	**-**	(13.7)	**-**	-
Fair value loss on office buildings	**4.1**	1.7	**-**	-
Net loss on disposal of property, plant and equipment	**15.3**	98.3	**11.4**	0.2
Reversal of net gain on disposal of investment property	**112.0**	-	**110.8**	-
Net gain on disposal of intangibles	**(19.7)**	-	**-**	-
Net gain on disposal of finance leases	**(15.6)**	-	**(13.2)**	-
Total other operating expenditure	**97.3**	86.4	**109.0**	0.3

8. Financing and investment income

Year ended 31 March	**Group 2024 £m**	Group 2023 £m	**Corporation 2024 £m**	Corporation 2023 £m
Interest income on bank deposits and other investments	**64.7**	27.9	**59.5**	26.6
Interest income on loans to subsidiaries	**-**	-	**434.4**	403.5
Change in fair value of investment properties (including those classified as held for sale)	**-**	-	**55.6**	-
Net gain on disposal of investment properties	**16.2**	22.4	**6.1**	11.5
Premium receivable on settlements	**-**	46.3	**-**	46.3
Interest receivable on finance lease receivables	**0.8**	0.8	**0.4**	-
Dividends receivable from subsidiaries	**-**	-	**7.5**	-
Other investment income	**4.5**	4.4	**1.9**	1.9
	86.2	101.8	**565.4**	489.8

9. Financing and investment expenditure

Year ended 31 March	Note	**Group 2024 £m**	Group 2023 £m	**Corporation 2024 £m**	Corporation 2023 £m
Interest payable on loans and derivatives		**465.9**	443.7	**471.1**	435.6
Interest payable on right-of-use lease liabilities		**117.4**	77.3	**10.2**	10.4
Interest payable on PFI liabilities		**4.0**	4.4	**4.0**	4.4
Contingent rentals on PFI contracts		**14.4**	11.2	**14.4**	11.2
Change in fair value of investment properties (including those classified as held for sale)	16	**107.9**	155.0	**-**	14.0
Net interest on defined benefit obligation	35	**(80.4)**	79.3	**(80.4)**	78.2
Other financing and investment expenditure		**6.0**	10.5	**1.0**	5.4
		635.2	781.4	**420.3**	559.2
Less: amounts capitalised into qualifying assets	13	**(11.8)**	(31.8)	**-**	-
		623.4	749.6	**420.3**	559.2

Notes to the Financial Statements

10. Grant income

Year ended 31 March	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Non ring-fenced resource grant from the DfT used to fund operations	188.3	942.6	188.3	942.6
Non ring-fenced Business Rates Retention from the GLA used to fund operations	1,030.8	205.3	1,030.8	205.3
Other revenue grant received	268.4	137.9	267.3	137.1
Council tax precept	178.2	114.0	178.2	114.0
Total grants allocated to revenue	**1,665.7**	1,399.8	**1,664.6**	1,399.0
Ring-fenced grant from the GLA used to fund capital expenditure relating to Crossrail	-	271.0	-	271.0
Non ring-fenced Business Rates Retention from the GLA used to fund capital	882.8	1,613.7	882.8	1,613.7
Non ring-fenced grant from DfT used to fund capital	810.0	-	810.0	-
Other capital grants and contributions received	146.1	238.0	111.1	191.9
Total grants allocated to capital	**1,838.9**	2,122.7	**1,803.9**	2,076.6
Total grants	**3,504.6**	3,522.5	**3,468.5**	3,475.6

Allocation of capital grants

Year ended 31 March	Note	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Capital grant funding of subsidiaries*		-	-	1,484.0	1,342.3
Applied capital grants	37	1,769.1	2,020.5	250.1	632.1
Transfer from unapplied capital grants	38	69.8	102.2	69.8	102.2
Total capital grants		**1,838.9**	2,122.7	**1,803.9**	2,076.6

* Capital grant funding of subsidiaries in the Corporation represent revenue expenditure funded from capital under statute (REFCUS). The sources of finance are all applied during the year. Refer to Note 39

11. Taxation

TfL Corporation is exempt from Corporation Tax, but its subsidiaries are assessable individually to taxation in accordance with current tax legislation.

a) Corporation Tax

The Group tax expense for the year, based on the rate of Corporation Tax of 25 per cent (2022/23 19 per cent) comprised:

Year ended 31 March	Group 2024 £m	Group 2023 £m
UK Corporation Tax – current year charge	-	-
UK Corporation Tax – adjustments in respect of prior years	(2.5)	-
Total current tax income	**(2.5)**	-
Deferred tax – current year charge/(credit)	4.1	(4.8)
Deferred tax – prior year charge	47.9	-
Total tax charge/(credit) for the year	**49.5**	(4.8)

Reconciliation of tax expense

Year ended 31 March	Group 2024 £m	Group 2023 £m
Surplus on the provision of services before tax	442.5	69.0
Surplus on the provision of services before tax multiplied by standard rate of Corporation Tax in the UK of 25% (2022/23 19%)	110.6	13.1
Effects of:		
Non-taxable income/non-deductible expenses	(200.8)	(70.4)
Prior period adjustments	(2.5)	-
Permanent difference in TfL Corporation	(51.1)	(34.9)
Amount charged to current tax for which no deferred tax was recognised	148.7	89.1
Recognition of previously unrecognised deferred tax	47.9	-
Utilisation of tax losses carried forward for which no deferred tax was recognised	(1.3)	(0.9)
Overseas earnings	(2.0)	(0.8)
Total tax charge/(credit) for the year	**49.5**	(4.8)

Notes to the Financial Statements

11. Taxation (continued)

b) Unrecognised deferred tax assets

The Group has a potential net deferred tax asset of £345.2m (2023 £600.0m) in respect of the following items:

	Group 2024 £m	Group 2023 £m
Deductible temporary differences	**3.1**	3.2
Tax losses	**342.1**	596.8
Unrecognised deferred tax asset	**345.2**	600.0

No net deferred tax asset has been recognised in respect of the above as it is not considered probable that there will be sufficient future taxable profits available against which the unused tax credits can be utilised. The tax losses and the deductible temporary differences do not expire under current tax legislation.

c) Movement in recognised deferred tax assets and liabilities during the year

Deferred tax assets have been recognised only to the extent that they are considered available to offset deferred tax liabilities as at the Balance Sheet date. Their movements during the year were in respect of the following items:

For the year ended 31 March 2024	Balance at 1 April 2023 £m	Movement in the provision of services £m	Movement in other comprehensive income during the year £m	Balance at 31 March 2024 £m
Deferred tax assets				
Tax losses	781.8	306.9	–	**1,088.7**
Derivative financial instruments	4.6	10.7	–	**15.3**
Total	786.4	317.6	–	**1,104.0**
Deferred tax liabilities				
Investment properties	(361.1)	(2.4)	–	**(363.5)**
Assets held for sale	(12.7)	12.7	–	**-**
Property, plant and equipment	(783.0)	(379.9)	–	**(1,162.9)**
Total	(1,156.8)	(369.6)	–	**(1,526.4)**
Net deferred tax liability	(370.4)	(52.0)	–	**(422.4)**

Notes to the Financial Statements

11. Taxation (continued)

c) Movement in recognised deferred tax assets and liabilities during the year (continued)

For the year ended 31 March 2023	Balance at 1 April 2022 £m	Movement in the provision of services £m	Movement in other comprehensive income during the year £m	Balance at 31 March 2023 £m
Deferred tax assets				
Property, plant and equipment	59.0	(59.0)	-	-
Tax losses	-	781.8	-	781.8
Derivative financial instruments	11.6	(7.0)	-	4.6
Total	70.6	715.8	-	786.4
Deferred tax liabilities				
Investment properties	(429.4)	68.3	-	(361.1)
Assets held for sale	(16.4)	3.7	-	(12.7)
Property, plant and equipment	-	(783.0)	-	(783.0)
Total	(445.8)	(711.0)	-	(1,156.8)
Net deferred tax liability	(375.2)	4.8	-	(370.4)

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

- The deferred tax liability arising on investment properties, including those classified as assets held for sale, has decreased due to the revaluation movements recognised in financing and investment income and Other Comprehensive Income during the year

- Certain properties that had not previously been held at a value were reclassified as investment property and valued at open market value prior to transfer to Places for London Limited (formerly TTL Properties Limited), a subsidiary of the Corporation, during the year. It is not considered that sufficient deferred tax assets will be available to offset this deferred tax liability in full

- The property, plant and equipment deferred tax balance has changed in the period due to a change in methodology for calculating the tax base of certain assets held in subsidiary companies. Other movements in the year arise due to assets acquired in the year, movements in the market value of assets held and capital allowances claimed

- Included in the deferred tax balances for property, plant and equipment is the deferred tax movement on revaluation gains recognised in Other Comprehensive Income

- The deferred tax asset arising in respect of derivative financial instruments has increased during the year due to movement in the fair value of derivatives

UK Corporation Tax is calculated at a rate of 25 per cent (2022/23: 19 per cent). The main rate of Corporation Tax increased to 25 per cent with effect from 1 April 2023.

Notes to the Financial Statements

12. Intangible assets

a) Group intangible assets

	Note	Software costs £m	Intangible assets under construction £m	Goodwill £m	Total £m
Cost					
At 1 April 2022		509.9	28.1	351.8	889.8
Additions		33.0	7.4	-	40.4
Net transfers from property, plant and equipment	13	17.2	2.9	-	20.1
Transfers between asset classes		18.9	(18.9)	-	-
Disposals		(8.1)	-	-	(8.1)
Write offs		(0.9)	-	-	(0.9)
At 31 March 2023		570.0	19.5	351.8	941.3
Additions		**41.1**	**10.5**	**-**	**51.6**
Net transfers from property, plant and equipment	13	**-**	**33.3**	**-**	**33.3**
Transfers between asset classes		**48.4**	**(48.4)**	**-**	**-**
Disposals		**(34.8)**	**-**	**-**	**(34.8)**
At 31 March 2024		**624.7**	**14.9**	**351.8**	**991.4**
Amortisation and impairment					
At 1 April 2022		284.1	-	349.2	633.3
Amortisation charge for the year	4	59.9	-	-	59.9
Disposals		(8.3)	-	-	(8.3)
Write offs		(0.7)	-	-	(0.7)
At 31 March 2023		335.0	-	349.2	684.2
Amortisation charge for the year	4	**70.0**	**-**	**-**	**70.0**
Disposals		**(34.7)**	**-**	**-**	**(34.7)**
At 31 March 2024		**370.3**	**-**	**349.2**	**719.5**
Net book value at 31 March 2024		**254.4**	**14.9**	**2.6**	**271.9**
Net book value at 31 March 2023		235.0	19.5	2.6	257.1

Intangible assets under construction comprise software assets under development by the Group.

b) Corporation intangible assets

	Note	Software costs £m	Intangible assets under construction £m	Total £m
Cost				
At 1 April 2022		318.5	12.2	330.7
Additions		9.9	5.4	15.3
Net transfers from property, plant and equipment	13	0.5	2.2	2.7
Transfers between asset classes		8.7	(8.7)	-
Disposals		(0.9)	-	(0.9)
At 31 March 2023		336.7	11.1	347.8
Additions		**28.2**	**9.5**	**37.7**
Net transfers from property, plant and equipment	13	**-**	**23.7**	**23.7**
Transfers between asset classes		**32.5**	**(32.5)**	**-**
Disposals		**(27.8)**	**-**	**(27.8)**
At 31 March 2024		**369.6**	**11.8**	**381.4**
Amortisation and impairment				
At 1 April 2022		146.2	-	146.2
Amortisation charge for the year	4	34.7	-	34.7
Write offs		(0.7)		(0.7)
At 31 March 2023		180.2	-	180.2
Amortisation charge for the year	4	**38.2**	**-**	**38.2**
Disposals		**(27.8)**	**-**	**(27.8)**
At 31 March 2024		**190.6**	**-**	**190.6**
Net book value at 31 March 2024		**179.0**	**11.8**	**190.8**
Net book value at 31 March 2023		**156.5**	**11.1**	**167.6**

Intangible assets under construction comprise software assets under development by the Corporation.

Notes to the Financial Statements
13. Property, plant and equipment

a) Group property, plant and equipment at 31 March 2024 comprised the following elements:

	Note	Office building £m	Infrastructure £m	Rolling stock £m	Plant and equipment £m	Assets under construction £m	Total £m
Cost or valuation							
At 1 April 2023		271.5	50,856.6	5,447.3	1,975.8	2,912.8	61,464.0
Additions		0.3	256.2	21.2	51.1	1,652.4	1,981.2
Transfers to intangible assets	12	-	-	-	-	(33.3)	(33.3)
Transfers to investment properties	16	0.3	-	-	-	(18.7)	(18.4)
Transfers between asset classes		12.5	202.0	10.2	43.6	(268.3)	-
Disposals		-	(256.3)	(38.2)	(119.8)	-	(414.3)
Write offs		-	(3.5)	(6.1)	(10.9)	(3.9)	(24.4)
Revaluation		(23.3)	-	-	-	-	(23.3)
At 31 March 2024		261.3	51,055.0	5,434.4	1,939.8	4,241.0	62,931.5
Depreciation and impairment							
At 1 April 2023		52.1	12,866.6	2,638.4	1,255.7	62.7	16,875.5
Depreciation charge for the year	4	8.9	947.1	149.6	122.5	-	1,228.1
Impairment	4	-	-	-	-	(0.5)	(0.5)
Transfers to investment properties	16	(1.6)	-	-	-	-	(1.6)
Disposals		-	(256.3)	(38.3)	(119.8)	-	(414.4)
Write offs		-	(1.6)	(5.0)	(2.5)	-	(9.1)
Revaluation		(7.7)	-	-	-	-	(7.7)
At 31 March 2024		51.7	13,555.8	2,744.7	1,255.9	62.2	17,670.3
Net book value at 31 March 2024		209.6	37,499.2	2,689.7	683.9	4,178.8	45,261.2
Net book value at 31 March 2023		219.4	37,990.0	2,808.9	720.1	2,850.1	44,588.5

Notes to the Financial Statements

13. Property, plant and equipment (continued)

b) Group property, plant and equipment at 31 March 2023 comprised the following elements:

	Note	Office building £m	Infrastructure £m	Rolling stock £m	Plant and equipment £m	Assets under construction £m	Total £m
Cost or valuation							
At 1 April 2022		299.5	33,569.6	5,087.5	1,861.3	18,786.9	59,604.8
Additions		–	493.9	320.8	51.3	1,112.3	1,978.3
Transfers to intangible assets	12	–	–	–	–	(20.1)	(20.1)
Transfers to investment properties	16	(23.0)	0.2	–	–	(3.5)	(26.3)
Transfers between asset classes		–	16,888.9	39.0	69.1	(16,997.0)	–
Disposals		–	(19.9)	–	(4.9)	–	(24.8)
Write offs		–	(76.1)	–	(1.0)	–	(77.1)
Revaluation		(5.0)	–	–	–	–	(5.0)
At 31 March 2023		271.5	50,856.6	5,447.3	1,975.8	2,878.6	61,429.8
Depreciation							
At 1 April 2022		47.1	12,060.0	2,506.7	1,143.2	56.3	15,813.3
Depreciation charge for the year	4	9.3	874.7	131.7	118.2	–	1,133.9
Impairment		–	–	–	–	(27.8)	(27.8)
Transfers to investment properties	16	0.5	(1.0)	–	–	–	(0.5)
Disposals		–	(19.8)	–	(4.9)	–	(24.7)
Write offs		–	(47.3)	–	(0.8)	–	(48.1)
Revaluation		(4.8)	–	–	–	–	(4.8)
At 31 March 2023		52.1	12,866.6	2,638.4	1,255.7	28.5	16,841.3

Notes to the Financial Statements

13. Property, plant and equipment (continued)

Borrowing costs are included in the costs of qualifying assets to the extent that the asset is funded by borrowings. As a result, the total borrowing costs capitalised during the year were £11.8m (2023 £31.8m). The cumulative borrowing costs capitalised are £967.0m (2023 £955.2m). Borrowings are capitalised at the rate of interest directly incurred on the specific borrowings taken out to fund the asset in question.

At 31 March 2024, the Group had capital commitments which are contracted for but not provided for in the financial statements amounting to £1,854.2m (2023 £1,856.6m).

On 21 November 2019, the Corporation entered into an agreement with RiverLinx Limited for the design, build, financing, operations and maintenance of Silvertown Tunnel, connecting the Greenwich Peninsula and the Royal Docks in London. Our financial obligations to make payments to RiverLinx Limited will start once the tunnel is open, currently planned in 2025 (the 'Permit to Use Date'). From the Permit to Use Date, the Corporation will make performance-based availability payments, initially at £65m annually and indexed until the expiry date of the agreement in January 2050.

c) Group PFI assets

The net book value above includes the following amounts in respect of PFI assets:

	Infrastructure and office buildings £m	Plant and equipment £m	Total £m
Gross cost	**209.1**	**16.7**	**225.8**
Accumulated depreciation	**(104.1)**	**(16.7)**	**(120.8)**
Net book value at 31 March 2024	**105.0**	**-**	**105.0**
Net book value at 31 March 2023	107.6	-	107.6

See Note 28 for the details of the associated PFI finance lease liabilities.

d) Depreciation charge

The total depreciation charge for the Group for the year comprised:

Year ended 31 March	Note	**2023 £m**	2022 £m
Depreciation of owned assets		**1,225.6**	1,129.0
Depreciation of assets held under PFI arrangements		**2.5**	4.9
Total depreciation	4	**1,228.1**	1,133.9

Notes to the Financial Statements

13. Property, plant and equipment (continued)

e) Group office buildings

The existing use value of owner-occupied office buildings at 31 March 2024 has been arrived at on the basis of a valuation carried out at that date by CBRE, a real estate advisory business not connected with the Group, and by chartered surveyors working for TfL. In determining the existing use value, the capitalisation of net income method and the discounting of future cash flows to their present value has been used. This is based upon various assumptions including the anticipated future rental income, maintenance costs and the appropriate discount rate, making reference to market evidence of transaction prices for similar properties. A deduction is made to reflect purchaser's acquisition costs.

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

f) Group and Corporation heritage assets

Property, plant and equipment includes a number of assets of importance to the history of London transport which are classified as heritage assets in accordance with the Code. These comprise transport-related objects and material (including vehicles, posters and photographs) held to advance the preservation, conservation and education objects of London Transport Museum. The collection consists of more than 400,000 items and is housed at the Museum's sites in Covent Garden and Acton.

These assets are primarily former operational assets of the TfL Group whose legal title is retained by the Corporation or another of its operating subsidiaries. Due to the diverse nature of the assets held and the lack of comparable market values, the cost of obtaining a valuation of TfL's heritage assets is such that it would not be commensurate with the benefits provided to users of the financial statements. The assets therefore remain recorded in the accounts at historical cost less accumulated depreciation. The collections have been externally valued for insurance purposes only. Management do not consider these insurance valuations to be necessarily indicative of open market fair value and hence have not incorporated the insurance values into the financial statements. The last valuation was carried out as at 31 March 2024 resulting in a value of £40.8m. The net book value of these assets at 31 March 2024 was £nil (2023 £nil).

g) Corporation property, plant and equipment at 31 March 2024 comprised the following elements:

	Note	Office buildings £m	Infrastructure £m	Plant and equipment £m	Assets under construction £m	Total £m
Cost or valuation						
At 1 April 2023		(4.6)	6,212.9	307.8	545.3	7,061.4
Additions		0.2	50.3	50.1	250.2	350.8
Net transfers to intangible assets	12	-	-	-	(23.7)	(23.7)
Transfers to investment properties	16	-	-	-	(12.5)	(12.5)
Transfers between asset classes		0.3	43.8	34.8	(78.9)	-
Disposals		-	(89.7)	(63.5)	-	(153.2)
Write offs		-	-	(9.8)	(3.6)	(13.4)
At 31 March 2024		**(4.1)**	**6,217.3**	**319.4**	**676.8**	**7,209.4**
Depreciation						
At 1 April 2023		(4.6)	2,506.0	159.7	20.7	2,681.8
Depreciation charge for the year	4	-	123.3	39.9	-	163.2
Disposals		-	(89.7)	(63.5)	-	(153.2)
Write offs		-	-	(2.0)	-	(2.0)
At 31 March 2024		**(4.6)**	**2,539.6**	**134.1**	**20.7**	**2,689.8**
Net book value at 31 March 2024		**0.5**	**3,677.7**	**185.3**	**656.1**	**4,519.6**
Net book value at 31 March 2023		-	3,706.9	148.1	524.6	4,379.6

Notes to the Financial Statements

13. Property, plant and equipment (continued)

h) Corporation property, plant and equipment at 31 March 2023 comprised the following elements:

	Note	Office buildings £m	Infrastructure £m	Plant and equipment £m	Assets under construction £m	Total £m
Cost or valuation						
At 1 April 2022		0.8	6,060.4	248.5	410.0	6,719.7
Additions		-	77.2	19.3	247.2	343.5
Transfers to intangible assets	12	-	-	-	(2.7)	(2.7)
Transfers to investment properties	16	-	-	-	(0.4)	(0.4)
Transfers between asset classes		-	75.4	42.8	(118.2)	-
Disposals		-	0.1	(2.1)	-	(2.0)
Reversal AUC impairments		-	-	-	9.6	9.6
Write offs		-	(0.2)	(0.7)	-	(0.9)
Revaluation		(5.4)	-	-	-	(5.4)
At 31 March 2023		(4.6)	6,212.9	307.8	545.5	7,061.4
Depreciation						
At 1 April 2022		-	2,384.3	133.0	20.7	2,538.0
Depreciation charge for the year	4	-	121.7	29.5	-	151.2
Disposals		-	-	(2.2)	-	(2.2)
Write offs		-	-	(0.6)	-	(0.6)
Revaluation		(4.6)	-	-	-	(4.6)
At 31 March 2023		(4.6)	2,506.0	159.7	20.7	2,681.8

The Corporation holds its office buildings at valuation. All other items of property, plant and equipment are held at depreciated cost.

Direct borrowing costs are included in the cost of qualifying assets to the extent that the asset is funded by borrowings. Total borrowing costs capitalised during the year were £nil (2023 £nil). The cumulative borrowing costs capitalised are also £nil (2023 £nil).

At 31 March 2024, the Corporation had capital commitments which are contracted for but not provided for in the financial statements amounting to £83.1m (2023 £64.4m).

In addition, and as described in section b) to this note, the Corporation has entered into an agreement with Riverlinx Limited for the design, build, financing and maintenance of Silvertown Tunnel, connecting the Greenwich Peninsula and the Royal Docks in London. Our financial obligations to make payments to Riverlinx Limited will start once the tunnel is open, currently planned in early 2025, initially at £65m annually and indexed until the expiry date of the agreement in January 2050.

Notes to the Financial Statements

13. Property, plant and equipment (continued)

i) Corporation PFI assets

The net book value above includes the amounts in the table below in respect of PFI assets:

	Infrastructure and office buildings £m	Plant and equipment £m	Total £m
Gross cost	**209.1**	**16.7**	**225.8**
Depreciation	**(104.1)**	**(16.7)**	**(120.8)**
Net book value at 31 March 2024	**105.0**	**-**	**105.0**
Net book value at 31 March 2023	107.6	-	107.6

j) Depreciation charge

The total depreciation charge for the Corporation comprised:

Year ended 31 March	Note	2024 £m	2023 £m
Depreciation of owned assets		**160.7**	148.5
Depreciation of assets held under PFI		**2.5**	2.7
Total depreciation	4	**163.2**	151.2

k) Corporation office buildings and other infrastructure assets held at valuation

The existing use value of owner-occupied office buildings at 31 March 2024 has been arrived at on the basis of a valuation carried out at that date by CBRE, a real estate advisory business not connected with the Group, and by chartered surveyors working for TfL. In determining the existing use value, the capitalisation of net income method and the discounting of future cash flows to their present value has been used. This is based upon various assumptions including the anticipated future rental income, maintenance costs and the appropriate discount rate, making reference to market evidence of transaction prices for similar properties. A deduction is made to reflect purchaser's acquisition costs.

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

Notes to the Financial Statements

14. Right-of-use assets and related lease liabilities

This Note provides information for leases where the Group and/or Corporation is a lessee. For leases where the Group and/or Corporation is a lessor, see Note 20.

a) Group right-of-use assets at 31 March 2024 comprised the following elements:

	Note	Infrastructure and office buildings £m	Rolling stock £m	Buses £m	Motor vehicles £m	Other equipment £m	Total £m
Cost or valuation							
At 1 April 2023		598.3	1,395.5	1,342.0	14.3	118.6	3,468.7
Additions		28.6	10.0	279.2	0.8	39.5	358.1
Lease terminations		(15.2)	-	(3.4)	-	(1.6)	(20.2)
Valuation adjustment		-	(0.9)	-	-	-	(0.9)
At 31 March 2024		611.7	1,404.6	1,617.8	15.1	156.5	3,805.7
Amortisation							
At 1 April 2023		156.2	412.6	865.6	10.8	69.0	1,514.2
Charge for the year	4	40.1	63.9	207.9	2.0	16.7	330.6
Disposals		(6.6)	-	(2.0)	-	(0.9)	(9.5)
At 31 March 2024		189.7	476.5	1,071.5	12.8	84.8	1,835.3
Net book value at 31 March 2024		422.0	928.1	546.3	2.3	71.7	1,970.4
Net book value at 31 March 2023		442.1	982.9	476.4	3.5	49.6	1,954.5

b) Group right-of-use assets at 31 March 2023 comprised the following elements:

	Note	Infrastructure and office buildings £m	Rolling stock £m	Buses £m	Motor vehicles £m	Other equipment £m	Total £m
Cost or valuation							
At 1 April 2022		585.3	1,546.5	1,175.9	14.0	120.5	3,442.2
Additions		14.4	13.5	166.1	0.3	(1.3)	193.0
Lease terminations		(1.4)	(163.6)	-	-	-	(165.0)
Valuation adjustment		-	(0.9)	-	-	(0.6)	(1.5)
At 31 March 2023		598.3	1,395.5	1,342.0	14.3	118.6	3,468.7
Amortisation							
At 1 April 2022		116.5	405.0	650.8	8.5	51.5	1,232.3
Charge for the year	4	39.7	83.2	214.8	2.3	17.5	357.5
Disposals		-	(75.6)	-	-	-	(75.6)
At 31 March 2023		156.2	412.6	865.6	10.8	69.0	1,514.2

Notes to the Financial Statements

14. Right-of-use assets and related lease liabilities (continued)

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

At 31 March	2024 £m	2023 £m
Principal outstanding		
Short-term liabilities	**275.4**	299.6
Long-term liabilities	**2,029.2**	1,915.9
	2,304.6	2,215.5

d) Group maturity analysis of right-of-use lease liabilities

At 31 March	2024 £m	2023 £m
Contractual undiscounted payments due in:		
Not later than one year	**372.7**	359.5
Later than one year but not later than two years	**300.7**	297.0
Later than two years but not later than five years	**690.5**	555.7
Later than five years	**2,164.7**	1,898.6
	3,528.6	3,110.8
Less:		
Present value discount	**(1,224.2)**	(895.3)
Present value of minimum lease payments	**2,304.4**	2,215.5

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

Year ended 31 March	Note	2024 £m	2023 £m
Amortisation of right-of-use assets	4	**330.6**	357.5
Interest payable on right-of-use lease liabilities (before impact of interest rate hedges)		**117.5**	77.3
Expense relating to short-term leases (included in gross expenditure)		**0.1**	1.5
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in gross expenditure)		**0.1**	0.1
Income from sub-leasing right-of-use assets (included in gross income)		**13.4**	14.8

Notes to the Financial Statements

14. Right-of-use assets and related lease liabilities (continued)

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

The total cash outflow in the Group in respect of leases was £414.2m (2022/23 £393.4m).

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

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

The accounting for these leases is described within the Accounting Policies, note ac).

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

Variable lease payments

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

Extension and termination options

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

i) Corporation right-of-use assets at 31 March 2024 comprised the following elements:

	Note	Infrastructure and office buildings £m	Other equipment £m	Total £m
Cost or valuation				
At 1 April 2023		434.4	19.1	453.5
Additions		12.2	-	12.2
Disposals		(8.9)	-	(8.9)
At 31 March 2024		**437.7**	**19.1**	**456.8**
Amortisation				
At 1 April 2023		100.8	12.9	113.7
Charge for the year	4	25.7	3.4	29.1
Disposals		(5.4)	-	(5.4)
At 31 March 2024		**121.1**	**16.3**	**137.4**
Net book value at 31 March 2024		**316.6**	**2.8**	**319.4**
Net book value at 31 March 2023		333.6	6.2	339.8

Notes to the Financial Statements

14. Right-of-use assets and related lease liabilities (continued)

j) Corporation right-of-use assets at 31 March 2023 comprised the following elements:

	Note	Infrastructure and office buildings £m	Other equipment £m	Total £m
Cost or valuation				
A 1 April 2022		430.8	22.3	453.1
Additions		3.6	(3.2)	0.4
At 31 March 2023		434.4	19.1	453.5
Amortisation				
At 1 April 2022		75.5	9.1	84.6
Charge for the year	4	25.3	3.8	29.1
At 31 March 2023		100.8	12.9	113.7
Net book value at 31 March 2023		333.6	6.2	339.8

k) Corporation lease liabilities in relation to right-of-use assets

At 31 March	2024 £m	2023 £m
Principal outstanding		
Short-term liabilities	**25.6**	27.0
Long-term liabilities	**324.1**	341.1
	349.7	368.1

l) Corporation maturity analysis of right-of-use lease liabilities

At 31 March	2024 £m	2023 £m
Contractual undiscounted payments due in:		
Not later than one year	**35.0**	36.7
Later than one year but not later than two years	**34.3**	34.6
Later than two years but not later than five years	**99.0**	99.2
Later than five years	**256.2**	278.8
	424.5	449.3
Less:		
Present value discount	**(74.8)**	(81.2)
Present value of minimum lease payments	**349.7**	368.1

m) Analysis of amounts included in the Corporation Comprehensive Income and Expenditure Statement

Year ended 31 March	Note	2024 £m	2023 £m
Amortisation of right-of-use assets	4	**29.1**	29.1
Interest payable on right-of-use lease liabilities		**10.3**	10.4
Income from sub-leasing right-of-use assets (included in gross income)		**1.8**	-

Notes to the Financial Statements

14. Right-of-use assets and related lease liabilities (continued)

n) Analysis of amounts included in the Corporation Statement of Cash Flows
The total cash outflow in the Corporation in respect of leases in 2023/24 was £37.3m (2022/23 £36.7m).

o) The Corporation's leasing activities and how these are accounted for
As a lessee, the Corporation leases various office buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The accounting for these leases is described within the Accounting Policies, notes s) and ac).

p) Future cash flows to which the lessee is potentially exposed that are/are not reflected in the measurement of lease liabilities
Variable lease payments
Most of the Corporation's office buildings have variable lease payments linked to a consumer price index. When there is a change in cash flows because of the change in consumer price index or change in floating rate, then the lease liability is remeasured to reflect those revised lease payments and a corresponding adjustment is made to the right-of-use asset.

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

Leases not yet commenced to which the Corporation as a lessee is committed
As at 31 March 2024 the Corporation is not party to any lease arrangements to which the Corporation as a lessee is committed but for which it has not yet recognised any right-of-use asset or liability on the Balance Sheet (2023 none).

q) Peppercorn leases in the Group and Corporation
TfL has a number of leases over property and other transport infrastructure 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.

15. Operating leases - as a lessor

Operating leases - The Group and Corporation as lessor
The Group and Corporation lease out commercial, retail and office property, and land that they hold as a result of their infrastructure holdings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At the Balance Sheet date, the Group and Corporation had contracted with customers for the following future minimum lease payments:

Land and buildings	Group £m	Corporation £m
At 31 March 2024		
Within one year	**63.6**	**2.7**
Between one and two years	**54.0**	**2.3**
Between two and five years	**117.3**	**0.3**
Later than five years	**917.2**	**45.1**
	1,152.1	**50.4**
At 31 March 2023		
Within one year	62.6	0.8
Between one and two years	53.7	0.7
Between two and five years	114.4	1.0
Later than five years	839.6	4.7
	1,070.3	7.2

Notes to the Financial Statements
16. Investment properties

	Note	Group £m	Corporation £m
Valuation			
At 1 April 2022		1,713.3	97.1
Additions		20.7	1.7
Transfer to assets held for sale	23	(3.6)	(1.0)
Transfers from assets held for sale	23	4.6	1.3
Transfers from property, plant and equipment	13	25.8	0.4
Disposals		(37.3)	(0.1)
Fair value adjustments	9	(148.9)	(12.5)
At 31 March 2023		1,574.6	86.9
Additions		**88.6**	**1.0**
Transfers to subsidiary undertakings		**-**	**(41.2)**
Net transfers from assets held for sale	23	**51.8**	**3.0**
Transfers from property, plant and equipment	13	**16.8**	**12.5**
Disposals		**(8.8)**	**-**
Fair value adjustments	9	**(107.9)**	**55.6**
At 31 March 2024		**1,615.1**	**117.8**

In order to create a consolidated commercial property portfolio, properties held for rental income or capital appreciation have been identified and transferred into a designated investment portfolio alongside a range of existing investment properties. In addition, the creation of new lease structures allowed the recognition, for the first time, of newly separable investment property assets. These properties have been combined into a vehicle to deliver homes under the Mayor's Transport Strategy, and a growing sustainable income stream, as well as to facilitate the ability to generate both debt and equity to fund capital requirements.

Such properties held for rental income or capital appreciation are classified as investment properties and measured under the fair value model.

Reconciliation between the fair value of the investment property and the book value in the financial statements

At 31 March	Group 2024 £m	Group 2023 £m
Fair value of investment property	**1,615.1**	1,574.6
Less: lease incentives presented separately in receivables	**(6.0)**	(6.5)
Book value of investment property	**1,609.1**	1,568.1

The property valuations were carried out primarily by CBRE on a Fair Value basis in accordance with the latest version of the RICS Valuation – Global Standards, but with a number valued by management, as set out below:

At 31 March	Fair value 2024 £m	Fair value 2023 £m
Valued by CBRE	**1,599.8**	1,422.7
Valued by management	**15.3**	151.9
Total	**1,615.1**	1,574.6

The approach used by management in their valuations was to apply an index of property movements obtained from CBRE to the prior year valuations. Because of the low aggregate value of these properties, management consider that this valuation approach is appropriate.

The valuation methodology used by CBRE depends upon the nature of the property. The majority of properties are income producing assets and were valued using an income capitalisation ('income cap') approach, where the key inputs were equivalent yield (EY), estimate rental values (ERV) and future capital expenditure (Cap Ex). These are considered Level III valuations in the IFRS 13 hierarchy.

However, residential properties were valued using a sales comparison approach, where values were based on observed sales of similar properties in the same area. Observed sales values on a per square foot basis are adjusted judgementally to reflect the size, quality and location of the properties owned. These are considered Level III valuations in the IFRS 13 hierarchy.

Notes to the Financial Statements

16. Investment properties (continued)

Development properties were valued using a residual appraisal, where in addition to the inputs used to value income producing assets, a deduction is also made for developer profit (DP). Noting also that more weight is placed on the future capital expenditure estimates that in this case will include a wider range of costs due to the nature of development properties. These are considered Level III valuations in the IFRS 13 hierarchy.

The split of the valuation is set out below:

At 31 March	Valuation approach	2024 £m	2023 £m
Arches	Income cap	147.1	157.4
Bus Garage	Income cap	95.5	95.8
Car Parks	Income cap	162.5	167.5
Development	Income cap	124.4	132.7
Industrial	Income cap	50.0	51.4
Office Buildings	Income cap	258.8	189.7
Other	Income cap	103.5	111.8
Residential	Sale comparison	57.5	67.5
Retail	Residual appraisal	615.8	600.8
Total		1,615.1	1,574.6

Included in the amounts above are certain property interests that represent a reversionary interest in property, ground rent assets or an interest in property of a similar substance. Breakdown as follows:

At 31 March	2024 £m	2023 £m
Office	152.3	71.5
Retail	121.5	124.8
Other	21.4	17.0
Residential	7.7	8.4
Total ground rent assets	302.9	221.7
Non-ground rent assets	1,312.2	1,352.9
Total	1,615.1	1,574.6

The key unobservable inputs into these valuations can be summarised as follows:

At 31 March 2024	EY range %	ERV range £psqft	Cap Ex range £psqft	DP range %
Retail	4.50-10.00	4-585	0-600	-
Office	2.90-9.50	9-75	0-633	-
Leased car parks	3.50-9.50	-	0-66	-
Bus stations	3.50-7.00	5-8	0-31	-
Industrial and Arches	4.00-8.50	1-41	0-447	-
Other properties	3.50-15.00	2-33	0-192	-
Development properties	5.25-5.50	30-57.50	260-350	18.50-20.00

At 31 March 2023	EY range %	ERV range £psqft	Cap Ex range £psqft	DP range %
Retail	4.00-10.00	4-585	0-700	-
Office	2.90-9.50	9-75	0-593	-
Leased car parks	3.50-9.50	-	0-44	-
Bus stations	3.50-7.00	5-8	0-31	-
Industrial and Arches	4.00-8.50	1-46	0-229	-
Other properties	4.00-15.00	1-40	0-68	-
Development properties	5.00-5.50	30-57.50	260-350	18.50-20.00

Notes to the Financial Statements

16. Investment properties (continued)

Valuation hierarchy
The valuations are considered Level 3. There were no transfers between the hierarchies in either year presented.

Sensitivities
Information about the impact of changes in unobservable inputs on the fair value of the investment property portfolio is set out in the table below.

The most significant inputs in all the investment valuations except residential are the passing rent, the EY, the ERV and capital expenditure.

There are interrelationships between the unobservable inputs which are partially determined by market conditions, but with all other factors being equal:

- A higher EY would lead to a decrease in the valuation
- An increase in the ERV would increase the valuation

A higher DP would lead to a decrease in the valuation, but only applies to development property, and changes would not be considered significant, so are not modelled below.

The table below shows the sensitivity of the valuation of the investment property portfolio to a five 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.

Information about fair value measurements for the TfL Group using unobservable inputs (level 3) for the year ended 31 March 2024

		Estimated value £m Yield shift (0.5)%	% change from baseline Yield shift (0.5)%	Estimated value £m Yield shift (0.25)%	% change from baseline Yield shift (0.25)%	**Estimated value £m Yield shift 0.0%**	**% change from baseline Yield shift 0.0%**	Estimated value £m Yield shift 0.25%	% change from baseline Yield shift 0.25%	Estimated value £m Yield shift 0.5%	% change from baseline Yield shift 0.5%
Estimated rental value	**(10)%**	1,733.9	1.68%	1,670.3	(2.05)%	**1,613.2**	**(5.40)%**	1,587.1	(6.93)%	1,527.6	(10.42)%
	(5)%	1,785.3	4.69%	1,719.1	0.81%	**1,659.1**	**(2.71)%**	1,632.3	(4.28)%	1,569.9	(7.94)%
	0%	1,836.8	7.71%	1,767.7	3.66%	**1,705.3**	**0.00%**	1,677.3	(1.64)%	1,612.2	(5.46)%
	5%	1,888.4	10.74%	1,816.5	6.52%	**1,751.2**	**2.69%**	1,722.5	1.01%	1,654.5	(2.98)%
	10%	1,940.1	13.77%	1,865.1	9.37%	**1,797.4**	**5.40%**	1,767.9	3.67%	1,696.9	(0.49)%

Other disclosures
Total rental income recognised in year is set out in Note 1.

Details of lease arrangements with tenants in investment property and future contract minimum lease payments is set out in Note 15.

Operating expenditure recognised for the year associated with the investment properties totalled £35.4m for the Group (2022/23 £32.7m).

Notes to the Financial Statements
17. Investments in subsidiaries

Cost	Corporation 2024 £m	Corporation 2023 £m
At 1 April	13,062.5	12,782.5
Investments in year	-	280.0
At 31 March	**13,062.5**	13,062.5

During the year, the Corporation did not increase its investment in ordinary share capital. In the prior year, the Corporation increased its investment in the ordinary share capital of Transport Trading Limited (TTL) by £280m. TTL subsequently increased its investment in the ordinary share capital of Crossrail Limited by £280m.

The Group holds 100 per cent of the share capital of all subsidiaries. All companies listed in the table below, with the exception of London Transport Insurance (Guernsey) Limited, are registered in England and Wales; and their financial statements are lodged at Companies House and also at the Charity Commission for London Transport Museum Limited. London Transport Insurance (Guernsey) Limited is registered in Guernsey.

We maintain a wide range of services and transport modes

Notes to the Financial Statements

17. Investments in subsidiaries (continued)

The Group's subsidiaries are:

Subsidiaries	Principal activity
City Airport Rail Enterprises Limited	Dormant company
Crossrail 2 Limited	Dormant company
Crossrail Limited	Construction of Crossrail infrastructure
Docklands Light Railway Limited	Passenger transport by rail
London Bus Services Limited	Passenger transport by bus
London Buses Limited	Dial-a-Ride services
London Dial-a-Ride Limited	Dormant company
London River Services Limited	Pier operator
London Transport Insurance (Guernsey) Limited	Insurance
London Transport Museum (Trading) Limited	Trading company
London Transport Museum Limited	Charitable company
London Underground Limited	Passenger transport by underground train
LUL Nominee BCV Limited	Dormant company
LUL Nominee SSL Limited	Dormant company
Rail for London Limited	Passenger transport by rail
Rail for London (Infrastructure) Limited	Infrastructure manager for the Crossrail Central Operating Section
TfL Trustee Company Limited	Pension Fund Trustee
Tramtrack Croydon Limited	Passenger transport by light rail

Subsidiaries	Principal activity
Transport for London Finance Limited	Manages financial risk of the Group
Transport Trading Limited	Holding company
TTL Blackhorse Road Properties Limited	Holding company
TTL Build to Rent Limited	Holding company
TTL Earls Court Properties Limited	Holding company
TTL Office Properties Limited	Holding company
TTL Kidbrooke Properties Limited	Holding company
TTL Landmark Court Properties Limited	Holding company
TTL Northwood Properties Limited*	Dormant company
Places for London Limited (formerly TTL Properties Limited)	Property investment and development
TTL Southwark Properties Limited	Property investment
TTL South Kensington Properties Limited	Property investment
TTL Wembley Park Properties Limited	Holding company
TTL West London Properties Limited	Dormant company
Tube Lines Limited	Maintenance of underground lines
Tube Lines Pension Scheme Trustees Limited	Pension Fund Trustee
Victoria Coach Station Limited	Coach station
Woolwich Arsenal Rail Enterprises Limited	Dormant company

* TTL Northwood Properties Limited changed its name to TTL High Barnet Properties Limited on 4 October 2024

Notes to the Financial Statements
18. Investment in joint ventures

a) 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 and 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 2023/24 the Group invested a further £1.1m in the equity of CLL (2022/23 £53m). Summarised financial information in respect of the Group's investment is set out below. Amounts presented are taken from management accounts made up to 31 March.

Balance Sheet of CLL at the 100 per cent level

At 31 March	Group 2024 £m	Group 2023 £m
Long-term assets		
Investment property under construction	89.3	80.3
	89.3	80.3
Current assets		
Cash	5.2	9.6
Other short-term assets	-	0.5
	5.2	10.1
Current liabilities		
Other short-term liabilities	(2.2)	(0.1)
	(2.2)	(0.1)
Long-term liabilities		
Borrowings	-	-
Other long-term liabilities	-	-
	-	-

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

At 31 March	Group 2024 £m	Group 2023 £m
Net assets at 100%	92.3	90.3
Percentage held by the TfL Group	49%	49%
Carrying amount of the Group's equity interest in CLL	45.1	44.1

Notes to the Financial Statements

18. Investment in joint ventures (continued)

Group share of comprehensive income and expenditure of CCL

Year ended 31 March	Group 2024 £m	Group 2023 £m
Group share of loss from continuing operations	**(0.1)**	(0.7)
Group share of other comprehensive income	**-**	-
Total Group share of comprehensive income and expenditure for the year	**(0.1)**	(0.7)

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 in these financial statements.

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 2023/24, the Group had no additional investment in the equity of KP LLP (2022/23 £nil). Summarised financial information in respect of the Group's investment in KP LLP is set out below. Amounts presented are taken from management accounts made up to 28 February.

Balance Sheet of KP LLP at the 100 per cent level

At 31 March	Group 2024 £m	Group 2023 £m
Non-current assets		
Investment property under construction	**37.7**	-
	37.7	-
Current assets		
Cash	**7.6**	2.0
Other short-term assets	**0.1**	39.7
	47.7	41.7
Current liabilities		
Other short-term liabilities	**(8.0)**	(4.4)
	(8.0)	(4.4)

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

At 31 March	Group 2024 £m	Group 2023 £m
Net assets at 100%	**37.4**	37.3
Percentage held by the TfL Group	**49%**	49%
Carrying amount of the Group's equity interest in KP LLP	**18.2**	18.2

Group share of comprehensive income and expenditure of KP LLP

Year ended 31 March	Group 2024 £m	Group 2023 £m
Group share of loss from continuing operations	**-**	(0.1)
Group share of other comprehensive income	**-**	-
Total Group share of comprehensive income and expenditure for the year	**-**	(0.1)

Notes to the Financial Statements

18. Investment in joint ventures (continued)

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 management accounts made up to 28 February.

Balance sheet of BRP LLP at the 100 per cent level

At 31 March	Group 2024 £m	Group 2023 £m
Current assets		
Cash	2.3	2.5
Other short-term assets	0.1	1.5
	2.4	4.0
Current liabilities		
Other short-term liabilities	(1.6)	(2.4)
	(1.6)	(2.4)

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

At 31 March	Group 2024 £m	Group 2023 £m
Net assets at 100%	0.8	1.6
Percentage held by the TfL Group	49%	49%
Carrying amount of the Group's equity interest in BRP LLP	0.3	0.8

Group share of comprehensive income and expenditure of BRP LLP

Year ended 31 March	Group 2024 £m	Group 2023 £m
Group share of profit from continuing operations	0.6	7.2
Group share of other comprehensive income	-	-
Total Group share of comprehensive income and expenditure for the year	0.6	7.2

Notes to the Financial Statements

18. Investment in joint ventures (continued)

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 management accounts made up to 31 March.

Balance sheet of LCP Limited at the 100 per cent level

At 31 March	Group 2024 £m	Group 2023 £m
Current assets		
Cash	-	-
Other short-term assets	12.0	24.9
	12.0	24.9
Current liabilities		
Other short-term liabilities	(11.9)	(15.3)
	(11.9)	(15.3)

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

At 31 March	Group 2024 £m	Group 2023 £m
Net assets at 100%	0.1	9.6
Percentage held by the TfL Group	49%	49%
Carrying amount of the Group's equity interest in LCP Limited	-	4.7

Group share of comprehensive income and expenditure of LCP Limited

Year ended 31 March	Group 2024 £m	Group 2023 £m
Group share of (loss)/profit from continuing operations	(2.3)	2.3
Group share of other comprehensive income	-	-
Total Group share of comprehensive income and expenditure for the year	(2.3)	2.3

Notes to the Financial Statements

18. Investment in joint ventures (continued)

e) Wembley Park LLP
In 2022/23 the Group acquired a 49 per cent holding in the members' interest of Wembley Park Properties LLP (WPP LLP), a newly created property development partnership, for a cash consideration of £12m. The investment was purchased through a newly incorporated subsidiary of the Group, TTL Wembley Park 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 2022/23, the Group granted a 999 year lease over land at Wembley Park station car park to WPP LLP for a consideration of £16.25m. The financial year end of WPP LLP is 30 June.

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

Balance sheet of WPP LLP at the 100 per cent level

At 31 March	Group 2024 £m	Group 2023 £m
Current assets		
Cash	**5.4**	7.9
Inventory under construction	**33.0**	23.3
	38.4	31.2
Current liabilities		
Other short-term liabilities	**(10.1)**	(6.7)
	(10.1)	(6.7)

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

At 31 March	Group 2024 £m	Group 2023 £m
Net assets at 100%	**28.3**	24.5
Percentage held by the TfL Group	**49%**	49%
Carrying amount of the Group's equity interest in WPP LLP	**13.8**	11.9

Group share of comprehensive income and expenditure of WPP LLP

Year ended 31 March	Group 2024 £m	Group 2023 £m
Group share of profit from continuing operations	**1.9**	-
Group share of other comprehensive income	**-**	-
Total Group share of comprehensive income and expenditure for the year	**1.9**	-

Notes to the Financial Statements

18. Investment in joint ventures (continued)

f) Platinum HoldCo Limited

In 2023/24, the Group via its subsidiary, TTL Office Properties Limited, acquired a 49 per cent interest in a joint arrangement called Platinum HoldCo Limited, which was set up as a partnership together with Helical Plc, to fund the development of its sustainable commercial office portfolio across central London. The registered office address of Platinum HoldCo Limited is 5 Hanover Square, London, United Kingdom, W1S 1HQ.

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 Platinum HoldCo Limited is 31 March.

During 2023/24, the Group invested £1.47m in the equity of Platinum HoldCo Limited.

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

Balance Sheet of Platinum HoldCo Limited at the 100 per cent level

At 31 March	Group 2024 £m	Group 2023 £m
Long-term assets		
Investment property under construction	-	-
	-	-
Current assets		
Cash	0.8	-
Other short-term assets	3.4	-
	4.2	-
Current liabilities		
Other short-term liabilities	(1.2)	-
	(1.2)	-
Long-term liabilities		
Borrowings	-	-
Other long-term liabilities	-	-
	-	-

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

At 31 March	Group 2024 £m	Group 2023 £m
Net assets at 100%	3.0	-
Percentage held by the TfL Group	49%	49%
Carrying amount of the Group's equity interest in Platinum HoldCo Limited	1.4	-

Group share of comprehensive income and expenditure of Platinum HoldCo Limited

Year ended 31 March	Group 2024 £m	Group 2023 £m
Group share of loss from continuing operations	-	-
Group share of other comprehensive income	-	-
Total Group share of comprehensive income and expenditure for the year	-	-

Notes to the Financial Statements

19. Investment in associated undertakings

a) Earls Court Partnership Limited

The Group holds a 37 per cent holding in the ownership and voting rights of Earls Court Partnership Limited (ECP), a property development company incorporated in England and Wales. Through its voting rights and representation on the Board of Directors of ECP, the Group has significant influence but not control over the relevant activities of ECP. 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 ECP. 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 ECP. As at 31 March 2024 the Group had invested £44.4m (2023 £44.4m) in share capital and a further £439.6m (2023 £433.9m) in loan notes.

The financial year end of ECP is 31 December. For the purposes of applying the equity method of accounting, the management accounts of ECP at 31 March 2024 have been used.

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

Balance Sheet of Earls Court Partnership Limited at the 100 per cent level

At 31 March	Group 2024 £m	Group 2023 £m
Current assets	**18.0**	17.6
Long-term assets	**419.5**	541.2
Current liabilities	**(9.3)**	(9.5)
Long-term liabilities	**(119.2)**	(98.3)

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

At 31 March	Group 2024 £m	Group 2023 £m
Net assets at 100%	**309.0**	451.0
Percentage held by the TfL Group	**37%**	37%
Carrying amount of the Group's equity interest in Earls Court Partnership Limited	**114.3**	166.7

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

Year ended 31 March	Group 2024 £m	Group 2023 £m
Revenue	**3.2**	0.1
Loss from continuing operations	**(157.6)**	(112.2)
Loss on fair value of investment and development property	**(153.3)**	(102.0)
Other comprehensive income	**-**	-
Total comprehensive expenditure	**(157.6)**	(112.2)
Group share of:		
Loss from continuing operations	**(58.3)**	(41.5)
Other comprehensive income	**-**	-
Total Group share of comprehensive income and expenditure for the year	**(58.3)**	(41.5)

Notes to the Financial Statements

20. Finance lease receivables

Group finance lease receivables

The Group leases certain items of plant and equipment related to its media activities to a third party under a finance lease arrangement.

Finance lease receivables on the Balance Sheet are calculated as the present value of minimum lease payments outstanding. Interest is accrued at a rate of 6.29 per cent per annum.

As at 31 March	2024 £m	2023 £m
Principal outstanding		
Short-term	**7.1**	5.2
Long-term	**18.2**	9.1
	25.3	14.3

Principal outstanding		
At 1 April	**14.3**	37.0
Additions	**15.6**	0.5
Interest	**1.3**	0.8
Lease terminations	**-**	(4.1)
Repayments	**(5.9)**	(19.9)
	25.3	14.3

Minimum cash receipts in:		
Not later than one year	**7.2**	5.2
Later than one year but not later than five years	**4.4**	10.6
Later than five years	**45.8**	-
	57.4	15.8
Less unearned finance income	**(32.1)**	(1.5)
	25.3	14.3

21. Inventories

As at 31 March	Group 2024 £m	Group 2023 £m
Raw materials and consumables	**100.6**	77.9
Goods held for resale	**0.8**	0.8
	101.4	78.7

There is no material difference between the balance sheet value of Group inventories and their net realisable value. The Corporation had no inventories at 31 March 2024 and as at 31 March 2023.

The movement on inventories was as follows:

	Group £m
Balance at 1 April 2022	58.1
Purchases in the year	120.7
Recognised as an expense in the year:	
Consumed in the year	(90.1)
Goods sold in the year	(0.5)
Net write offs in the year	(9.5)
Balance at 31 March 2023	78.7
Purchases in the year	**130.1**
Recognised as an expense in the year:	
Consumed in the year	**(105.3)**
Goods sold in the year	**(1.8)**
Net write offs in the year	**(0.3)**
Balance at 31 March 2024	**101.4**

Notes to the Financial Statements
22. Debtors

At 31 March	Group 2024 £m	Group 2023 £m
Short-term		
Trade debtors	179.3	133.7
Capital debtors	9.8	3.2
Other debtors	31.0	39.2
Other tax and social security	76.7	200.6
Grant debtors	177.3	110.9
Interest debtors	6.3	3.2
Contract assets: accrued income	63.3	53.0
Prepayments for goods and services	64.5	152.5
	608.2	696.3
Long-term		
Other debtors	13.0	40.2
Prepayments for goods and services	15.9	20.0
	28.9	60.2

Trade debtors are non-interest bearing and are generally paid within 28 days.

As at 31 March 2024, £1,195.1m (2023 £994.7m) was recognised as a provision for expected credit losses on trade and other debtors (see Note 34).

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

Grant debtors represent grant income where cash has not yet been received.

At 31 March	Corporation 2024 £m	Corporation 2023 £m
Short-term		
Trade debtors	52.3	57.8
Amounts due from subsidiary companies	119.4	171.8
Capital debtors	0.8	2.3
Other debtors	4.8	3.7
Other tax and social security	9.3	9.0
Grant debtors	170.7	97.6
Interest debtors	5.2	2.9
Contract assets: accrued income	26.2	18.1
Prepayments for goods and services	33.7	26.2
	422.4	389.4
Long-term		
Loans made to subsidiary companies	12,213.9	12,290.9
Other debtors	0.4	28.4
Prepayments for goods and services	5.9	7.6
	12,220.2	12,326.9

Trade debtors are non-interest bearing and are generally paid within 28 days.

As at 31 March 2024, £1,184.1m (2023 £965.7m) was recognised as a provision for expected credit losses on trade debtors (see Note 34).

Contract assets balances represent accrued income recognised where balances have not yet been invoiced to the customer. Upon completion of the terms of the contract, the amounts recognised as contract assets are reclassified to trade debtors.

Long-term loans made to subsidiary companies are interest-bearing loans, primarily representing the pass-down of external third-party borrowings to the subsidiaries that hold the assets which have been funded by that borrowing. These loans accrue market rates of interest reflecting rates achieved on debt issued to third parties by the Corporation. The average rate of interest accruing on loans outstanding at 31 March 2024 was 3.7 per cent (2023 3.5 per cent).

Notes to the Financial Statements

23. Assets held for sale

	Note	Group £m	Corporation £m
Balance at 1 April 2022		160.9	12.1
Assets newly classified as held for sale			
Investment properties	16	3.6	1.0
Net assets transferred from held for sale to investment property			
Investment properties	16	(4.6)	(1.3)
Revaluation losses			
Investment properties		(0.1)	(1.5)
Disposals			
Property, plant and equipment		(83.3)	-
Investment properties		(22.8)	-
Transfers to subsidiary undertakings			
Investment properties		-	(7.3)
Balance at 31 March 2023		53.7	3.0
Assets newly classified as held for sale			
Net assets transferred from held for sale to investment property			
Investment properties	16	**(51.8)**	**(3.0)**
Disposals			
Investment properties		**(1.9)**	**-**
Balance at 31 March 2024		**-**	**-**

24. Other investments

At 31 March	**Group 2024 £m**	Group 2023 £m
Short-term		
Investments held at amortised cost	**5.8**	15.0
Long-term		
Investments measured at FVTPL	**1.2**	-

At 31 March	**Corporation 2024 £m**	Corporation 2023 £m
Short-term		
Investments held at amortised cost	**-**	-
Long-term		
Investments measured at FVTPL	**0.2**	-

Short-term investments comprise fixed deposits, UK treasury bills and other tradeable instruments with a maturity of greater than three but less than 12 months.

Long-term investments comprise initial 'core commitment' investment in the London Treasury Liquidity Fund (LTLF) LP.

Notes to the Financial Statements

25. Cash and cash equivalents

At 31 March	**Group 2024 £m**	Group 2023 £m
Cash at bank	**143.8**	285.3
Cash equivalents with a maturity of less than three months	**1,331.8**	1,090.0
Cash in hand and in transit	**12.7**	12.2
	1,488.3	1,387.5

At 31 March	**Corporation 2024 £m**	Corporation 2023 £m
Cash at bank	**24.3**	41.3
Cash equivalents with a maturity of less than three months	**1,269.9**	1,090.0
	1,294.2	1,131.3

Cash and cash equivalents comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents are classified as financial assets at amortised cost.

Cash equivalents comprise fixed deposits, UK treasury bills, repo and other tradeable instruments. These are classified as cash and cash equivalents as they have a maturity of less than three months.

26. Creditors

a) Group creditors at 31 March comprised:

	Group 2024 £m	Group 2023 m
Short-term		
Trade creditors	**157.9**	225.0
Accrued interest	**184.9**	106.4
Capital works	**476.6**	666.4
Retentions on capital contracts	**7.2**	5.5
Capital grants received in advance	**34.6**	43.4
Wages and salaries	**249.8**	161.8
Other taxation and social security creditors	**71.9**	57.5
Contract liabilities: receipts in advance for Travelcards, bus passes and Oyster cards	**174.7**	185.9
Contract liabilities representing other deferred income	**51.2**	54.0
Accruals and other payables	**647.9**	600.4
	2,056.7	2,106.3
Long-term		
Capital grants received in advance	**3.2**	4.1
Retentions on capital contracts	**(3.5)**	(2.0)
Contract liabilities representing other deferred income	**27.6**	29.0
Deferred income arising from operating leases	**109.7**	-
Accruals and other payables	**177.0**	56.5
	314.0	87.6

Notes to the Financial Statements

26. Creditors (continued)

The performance obligations related to deferred income balances recorded as at 31 March 2024, which are expected to be met in more than one year, relate to:

i. License revenue and funding received from developers for improvements to bus services, which together total £20.3m (2023 £22.2m), of which, £19.3m (2023 £20.1m) relates to obligations that are to be satisfied within one to three years, and £0.9m (2023 £1.5m) within three to five years and £nil (2023 £0.6m) over five years

ii. Maintenance income of £4.1m (2023 £5.2m) expected to be released over 30 years

iii. Other miscellaneous contracts, together totalling £3.2m (2023 £1.5m)

Set out below is the amount of revenue recognised by the Group during the year from:

Year ended 31 March	Group 2024 £m	Group 2023 £m
Amounts included in contract liabilities at 1 April	85.1	43.0
Performance obligations satisfied in previous years	-	-

b) Corporation creditors at 31 March comprised:

At 31 March	Corporation 2024 £m	Corporation 2023 £m
Short-term		
Trade creditors	78.2	85.6
Accrued interest	184.6	106.4
Capital works	101.5	131.3
Capital grants received in advance	18.8	24.3
Amounts due to subsidiary companies	78.6	266.1
Wages and salaries	50.9	46.5
Other taxation and social security creditors	9.1	4.5
Contract liabilities representing other deferred income	22.2	17.1
Accruals and other payables	189.9	165.8
	733.8	847.6
Long-term		
Capital grants received in advance	-	0.9
Retentions on capital contracts	0.4	0.3
Contract liabilities representing other deferred income	15.5	16.1
Deferred income arising from operating leases	109.7	-
Accruals and other payables	37.8	34.9
	163.4	52.2

Total long-term contract liabilities balances in the Corporation are broadly consistent with the prior year.

Notes to the Financial Statements

26. Creditors (continued)

At 31 March 2024, the significant balance of remaining performance obligations in relation to contract liabilities expected to be recognised in more than one year, relate to:

i. License revenue totalling £8.2m (2023 £9.4m), of which £8.2m is expected to be satisfied within five years (2023 £9.4m) and £nil (2023 £nil) over five years

ii. Maintenance income of £4.1m (2023 £5.2m) is expected to be released over 30 years

iii. Other miscellaneous contracts totalling £3.2m (2023 £1.5m)

Set out below is the amount of revenue recognised during the year from:

Year ended 31 March	Corporation 2024 £m	Corporation 2023 £m
Amounts included in contract liabilities at 1 April	8.9	9.4
Performance obligations satisfied in previous years	-	-

27. Borrowings and overdrafts

At 31 March	Group 2024 £m	Group 2023 £m
Short-term		
Borrowings	864.0	693.7
Long-term		
Borrowings	12,071.6	12,216.6

At 31 March	Corporation 2024 £m	Corporation 2023 £m
Short-term		
Borrowings	864.0	693.7
Long-term		
Borrowings	12,075.6	12,221.5

Further information about the maturity and interest rate profiles of the Group and Corporation's borrowings is provided in Note 34 (Funding and financial risk management).

We have direct access to the UK Debt Management Office (DMO) via the Public Works Loan Board (PWLB) and a £2bn Commercial Paper programme in place, with both sources utilised throughout the financial year to manage liquidity requirements. Additionally, we have a £750m loan facility, with the DfT, ringfenced for the purposes of the Crossrail project, of which we repaid £35m during the year.

Notes to the Financial Statements

27. Borrowings and overdrafts (continued)

Changes in liabilities arising from financing activities

	Group 2024 £m	Group 2023 £m
Balance at 1 April		
Short-term	**1,014.2**	1,774.1
Long-term	**14,324.3**	13,858.2
	15,338.5	15,632.3
Borrowings drawn down	**187.5**	1,661.0
Net repayment of other financing liabilities	**(6.5)**	(6.4)
Repayment of borrowings	**(163.9)**	(1,720.7)
Repayment of PFI liabilities	**(14.3)**	(10.6)
Repayment of right-of-use lease liabilities	**(296.7)**	(322.9)
Non-cash increase in right-of-use lease liabilities	**385.8**	102.1
Other movements*	**1.7**	3.7
At 31 March	**15,432.1**	15,338.5
Short-term	**1,175.4**	1,014.2
Long-term	**14,256.7**	14,324.3
	15,432.1	15,338.5

Changes in liabilities arising from financing activities

	Corporation 2024 £m	Corporation 2023 £m
Balance at 1 April		
Short-term	**735.0**	1,460.6
Long-term	**12,639.3**	12,005.4
	13,374.3	13,466.0
Borrowings drawn down	**187.5**	1,661.0
Repayment of borrowings	**(163.9)**	(1,720.7)
Repayment of PFI lease liabilities	**(14.3)**	(10.6)
Repayment of right-of-use lease liabilities	**(27.1)**	(26.4)
Non-cash increase in right-of-use-lease liabilities	**8.7**	0.4
Other movements*	**0.8**	4.6
At 31 March	**13,366.0**	13,374.3
Short-term	**905.1**	735.0
Long-term	**12,460.9**	12,639.3
	13,366.0	13,374.3

* Other movements are non-cash and relate to the unwind of discounts and fees

Notes to the Financial Statements

28. Private finance initiative contracts

Private Finance Initiative contracts

The Group is party to the following PFI arrangements where the Group controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement. These arrangements are treated as service concession arrangements and, as stipulated by the Code, are accounted for in accordance with IPSAS 32 Service Concession Arrangements – Grantor (IPSAS 32). IPSAS 32 provided a symmetry with IFRIC 12 – Service Concession Arrangements on relevant accounting issues from the grantor's point of view.

The Group therefore recognises PFI assets as items of plant, property and equipment together with a liability to pay for them (see note 13 for details of PFI assets). The fair values of services received under the contract are recorded as operating expenses.

The unitary charge is apportioned between the repayment of the liability, financing costs and charges for services. The service is recognised as an expense in net operating costs and the finance costs are charged to financial expenses in the Comprehensive Income and Expenditure Statement.

Contract	Contract dates	Description
TfL		
A13 Thames Gateway contract	2000 to 2030	Design and construction of improvements to the A13 infrastructure (including communication and traffic signals systems) and ongoing maintenance and operation of the A13 between Butcher Row and Wennington. The contract requires TfL to make an annual unitary payment, charged monthly and calculated according to the service provided by the concession company and the payment mechanisms defined in the contract.

PFI finance lease liabilities

	Group 2024 £m	Group 2023 £m	**Corporation 2024 £m**	Corporation 2023 £m
At 1 April	**91.0**	101.6	**91.0**	101.6
Payments	**(18.3)**	(15.0)	**(18.3)**	(15.0)
Interest	**4.0**	4.4	**4.0**	4.4
At 31 March	**76.7**	91.0	**76.7**	91.0

At 31 March	**Group 2024 £m**	Group 2023 £m	**Corporation 2024 £m**	Corporation 2023 £m
Short-term	**15.5**	14.3	**15.5**	14.3
Long-term	**61.2**	76.7	**61.2**	76.7
	76.7	91.0	**76.7**	91.0

Group and Corporation

Amounts payable under the PFI arrangements cover payments for repayment of capital, payments of interest and payment of service charges. The total amount payable breaks down as follows:

	Payments of interest £m	**Repayment of capital £m**	**Payments for service charges £m**	**Total amount payable under non-cancellable PFI arrangements £m**
At 31 March 2024				
Less than 1 year	**3.3**	**15.5**	**31.4**	**50.2**
Between 1 and 5 years	**6.3**	**56.2**	**118.6**	**181.1**
Between 6 and 10 years	**0.2**	**5.0**	**23.4**	**28.6**
	9.8	**76.7**	**173.4**	**259.9**
At 31 March 2023				
Less than 1 year	4.0	14.3	30.2	48.5
Between 1 and 5 years	9.1	64.1	126.0	199.2
Between 6 and 10 years	0.8	12.6	47.3	60.7
	13.9	91.0	203.5	308.4

Notes to the Financial Statements

29. Other financing liabilities

Group other financing liabilities at 31 March comprised:

	Group 2024 £m	Group 2023 £m
Short-term		
Deferred capital payments	**20.5**	6.6
Long-term		
Deferred capital payments	**94.7**	115.1

Other financing liabilities comprise deferred capital payments in respect of the acquisition of property, plant and equipment. Gross payments with a nominal value of £130.9m (2023 £141.3m) fall due over the period to March 2033. These have been discounted back at an effective rate of interest of 3.2 per cent (2023 3.2 per cent) to the present value recorded in the table above.

30. Provisions

a) Group provisions

	At 1 April 2023 £m	Payments in the year £m	Charge for the year £m	Releases in the year £m	At 31 March 2024 £m
Compensation, contractual and statutory	141.8	(16.5)	157.5	(86.4)	**196.4**
Capital investment activities	49.8	(9.6)	-	-	**40.2**
Environmental harm	10.1	(4.0)	7.2	-	**13.3**
Severance and other	23.3	(12.4)	25.7	(0.5)	**36.1**
	225.0	(42.5)	190.4	(86.9)	**286.0**

At 31 March	2024 £m	2023 £m
Due		
Short-term	**230.9**	175.1
Long-term	**55.1**	49.9
	286.0	225.0

Notes to the Financial Statements

30. Provisions (continued)

b) Corporation provisions

	At 1 April 2023 £m	Payments in the year £m	Charge for the year £m	Releases in the year £m	At 31 March 2024 £m
Compensation, contractual and statutory	83.5	(13.3)	67.4	(59.6)	**78.0**
Capital investment activities	47.4	(7.8)	-	-	**39.6**
Severance and other	2.4	(0.8)	22.8	(0.4)	**24.0**
	133.3	(21.9)	90.2	(60.0)	**141.6**

At 31 March	2024 £m	2023 £m
Due		
Short-term	**107.3**	113.0
Long-term	**34.3**	20.3
	141.6	133.3

c) Nature of provisions

Compensation, contractual and statutory

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

In addition, the Group also recognised a provision in respect of an ongoing investigation in relation to a certain statutory requirement. In this case, the Group has assessed there to be a probable outflow of resources and has made an estimate based on the best information available.

Capital investment activities

Capital investment activities include compulsory purchases, claims in respect of structural damage or diminution in value of properties affected by transport schemes, and other related third-party claims. Estimates are made with reference to relevant market trends. Compulsory Purchase Order provision amounts have been based on the professional estimates of lawyers and surveyors of the land acquisition, development value, disturbance, statutory interest and professional fees for both sides of the negotiation on a case by case basis. Due to the nature of these liabilities and the need to negotiate settlement amounts, there is considerable uncertainty regarding when Compulsory Purchase Order cases will be settled and payments made. At present management expects these provisions to be settled within the next five years.

Environmental harm

Environmental harm relates to potential costs associated with damage to the environment as a result of actions taken in the past. Management expects this provision to be settled within the next five years.

Severance and other

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

Notes to the Financial Statements
31. 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 are unquantifiable, such claims are treated as contingent liabilities. Contingent liabilities 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.

Notes to the Financial Statements
32. Derivative financial instruments

Group derivatives in cash flow hedge relationships

At 31 March	Fair value 2024 £m	Notional amount 2024 £m	Fair value 2023 £m	Notional amount 2023 £m
Long-term assets				
Interest rate swaps	**28.4**	**145.5**	26.2	96.0
Foreign currency forward contracts	**0.2**	**7.7**	-	14.6
	28.6	**153.2**	26.2	110.6
Current assets				
Foreign currency forward contracts	**0.3**	**14.3**	1.0	41.3
	0.3	**14.3**	1.0	41.3
Current liabilities				
Foreign currency forward contracts	**(10.6)**	**149.0**	(3.4)	59.8
	(10.6)	**149.0**	(3.4)	59.8
Long-term liabilities				
Interest rate swaps	**(40.8)**	**578.0**	(1.5)	51.0
Foreign currency forward contracts	**(7.8)**	**192.6**	(8.6)	144.0
	(48.6)	**770.6**	(10.1)	195.0

Group derivatives not in hedge relationships

At 31 March	Fair value 2024 £m	Notional amount 2024 £m	Fair value 2023 £m	Notional amount 2023 £m
Current assets				
Foreign currency forward contracts	**0.4**	**54.9**	0.7	105.6
	0.4	**54.9**	0.7	105.6
Current liabilities				
Foreign currency forward contracts	**(0.2)**	**103.0**	-	-
	(0.2)	**103.0**	-	-

The Corporation has not entered into any derivative financial instrument contracts. Further detail on the Group's derivative instruments is set out in Note 34.

Notes to the Financial Statements
33. Guarantees

Section 160 of the GLA Act 1999 sets out the conditions under which the Corporation may give certain guarantees, indemnities or similar arrangements. Under section 161 of the GLA Act 1999 TfL is obliged to disclose in its Annual Report details of all guarantees etc. so given.

TfL and its subsidiaries have entered into joint and several guarantees in favour of HSBC Bank plc as security for any bank indebtedness outstanding from time to time. TfL has also separately guaranteed any liabilities owing to HSBC Bank plc by its subsidiary, Crossrail Limited.

The Corporation has given guarantees in respect of some of its subsidiary companies' contracts. The amount that could be payable under the guarantees (as described below) varies depending on a number of factors, including, inter alia, responsibility for the costs arising from an early termination of the underlying contract, which are not known before the event. For information only, the approximate maximum amounts of debt that were envisaged to be drawn by the counterparty at the signing of the agreements are disclosed below. For the avoidance of doubt, these amounts do not represent the amounts that could be payable by TfL under the guarantees but are shown here to give an indication of the relative size of each contract.

	Estimated maximum debt drawn by counterparty at start of contract £m
Agreement with 345 Rail Leasing Limited	1,050
Agreement with London Rail Leasing Ltd	350
Agreement with Lloyds Bank PLC	109
Agreement with Pittville Leasing Ltd	51
Agreement with Lombard North Central Plc	7

In addition, TfL also guarantees the payments of certain of its subsidiaries under a number of other service and construction contracts. It has guaranteed amounts owed by London Bus Services Limited to the Fuel Cells and Hydrogen Joint Undertaking under a Grant agreement for the 3EMOTION Environmentally Friendly, Efficient Electric Motion project. It has guaranteed London Underground Limited's payment obligations as a tenant in respect of an operating lease for the Stratford City Business District.

Unlike the agreements listed above, these contracts are not based on an initial amount of debt and so cannot be quantified in a similar manner.

TfL also acts as a guarantor in respect of all liabilities under third party derivative contracts entered into by its subsidiary, Transport for London Finance Limited. The fair value of net liabilities outstanding under derivative contracts at 31 March 2024 is £30.1m (2023 net asset of £14.4m).

No arrangements were entered into with another person under which that person gives a guarantee which TfL has power to give under section 160 (4) of the GLA Act and no indemnities associated with the guarantees were given by virtue of section 160 (5) of the GLA Act.

The majority of guarantees granted by TfL are in respect of the obligations of its subsidiaries. These obligations are, in any case, recorded as liabilities on the Group Balance Sheet. The probability of any amounts becoming payable by the Corporation under the above guarantees and indemnities is considered remote. As at 31 March 2024 the fair value of all financial guarantees granted has been recorded as £nil (2023 £nil).

Notes to the Financial Statements

34. Funding and financial risk management

Introduction

TfL is a statutory corporation established under the GLA Act 1999. TfL is funded by revenues, grant and prudential borrowing. The Group's debt is issued by the statutory corporation, Transport for London, in the form of loans from the PWLB, the EIB and EDC, the GLA (via the Mayor's Green Finance Fund), Medium Term Notes under the £5bn TfL Euro Medium Term Note programme, and short-term Commercial Paper under the £2bn TfL Euro Commercial Paper programme. .

Treasury Management

TfL has a Treasury Management Strategy which is required to be updated on at least an annual basis. The Treasury Management Strategy for 2023/24 was prepared having regard to the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) Regulations 2003 (as amended), the key recommendations of the Code of Practice and Cross-Sectoral Guidance Notes for Treasury Management in the Public Services (2021 Edition) (the Treasury Management Code) and the Prudential Code for Capital Finance in Local Authorities (2021 Edition) (the Prudential Code), both issued by CIPFA, as well as the key recommendations of the Statutory Guidance on Local Authority Investments (2018 Edition) issued by the Ministry for Housing, Communities and local Government (the Investment Guidance). The strategy was approved by the TfL Finance Committee (a sub-committee of the TfL Board) prior to the commencement of the financial year.

The Group's principal financial instruments comprise borrowings, investments, derivatives, lease liabilities and receivables, PFI liabilities and cash and cash equivalents. These financial instruments are used to manage funding and liquidity requirements. Other financial instruments that arise directly from the Group's operations include trade receivables and payables and other financing liabilities.

The Group monitors the risk profile of its borrowing, investment and derivative programmes against approved benchmarks and provides regular reports to the Chief Finance Officer. Semi-annual reports on overall performance against the approved strategy are considered by the Finance Committee. Section 49 of the TfL Act 2008 confers upon TfL the powers to use derivative financial instruments for risk management purposes only via qualifying subsidiaries.

The Prudential Borrowing Regime

TfL has the power to borrow as it is treated as a local authority for the purposes of financial management under the Local Government Act 2003. In accordance with this Act, the Mayor, in consultation with TfL, sets an affordable borrowing limit for external debt (including direct borrowing and other long-term liabilities). In setting this limit, the Mayor and TfL are required by regulation to have regard to the Prudential Code. In accordance with the Prudential Code and Treasury Management Code, the TfL Board annually approves a long-term capital strategy and a set of indicators, for prudent and affordable borrowing, for estimates of capital expenditure, for interest rate exposures and the maturity profile of its borrowing.

TfL also agrees its maximum annual incremental borrowing capacity with Government.

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.

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:

(i) Trade receivables and contract assets

The Group earns the majority of its revenue through prepaid fares. Financial assets arise from: penalty charges, fare revenues not earned on a prepaid basis, commercial activities such as property rental or advertising and amounts due under contractual arrangements from partners or suppliers. The maximum exposure to credit risk at the reporting date is the carrying value disclosed in Note 22.

A significant portion of the financial assets arising in the Corporation are with other Group companies. Per Note 33, the Corporation has granted guarantees in respect of the obligations of its subsidiaries, mitigating credit risk attached to settlement of these intercompany financial assets.

Customer credit risk is managed by a central credit control function subject to TfL's policy, procedures and control framework. Counterparties are assessed individually for their creditworthiness at the time of entering into contracts and an internal credit rating is assigned.

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.

Notes to the Financial Statements

34. Funding and financial risk management (continued)

Despite the application of a loss 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 2024 was determined as follows for both trade receivables and contract assets:

Trade debtors and contract assets: 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 £m	Overdue by more than 1 year £m	Total £m
At 31 March 2024						
Expected credit loss rate	**0.1%**	**70.1%**	**92.7%**	**98.8%**	**99.9%**	**68.2%**
Estimated total gross carrying amount at default	**511.0**	**113.2**	**123.2**	**220.7**	**783.8**	**1,751.9**
Expected credit loss allowance	**(0.7)**	**(79.4)**	**(114.2)**	**(218.0)**	**(782.9)**	**(1,195.2)**
At 31 March 2023						
Expected credit loss rate	0.4%	55.4%	89.5%	98.9%	99.9%	63.0%
Estimated total gross carrying amount at default	534.9	86.3	92.7	221.0	643.8	1,578.7
Expected credit loss allowance	(2.2)	(47.9)	(83.0)	(218.7)	(642.9)	(994.7)

Trade debtors and contract assets: Corporation

	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 £m	Overdue by more than 1 year £m	Total £m
At 31 March 2024						
Expected credit loss rate	**-**	**74.2%**	**93.2%**	**99.0%**	**100.0%**	**8.6%**
Estimated total gross carrying amount at default	**12,565.2**	**105.6**	**121.7**	**218.5**	**776.1**	**13,787.1**
Expected credit loss allowance	**-**	**(78.4)**	**(113.4)**	**(216.2)**	**(776.1)**	**(1,184.1)**
At 31 March 2023						
Expected credit loss rate	-	60.7%	89.7%	99.2%	100.0%	7.1%
Estimated total gross carrying amount at default	12,641.6	75.0	92.3	214.1	625.2	13,648.2
Expected credit loss allowance	-	(45.4)	(82.8)	(212.3)	(625.2)	(965.7)

Finance lease receivables for the Group and Corporation are not overdue and no allowance has been recognised.

Notes to the Financial Statements
34. Funding and financial risk management (continued)

Expected credit loss allowance

	Group 2024 £m	Corporation 2024 £m	Group 2023 £m	Corporation 2023 £m
At 1 April	**994.7**	**965.7**	607.8	580.2
Provision for expected credit losses	**439.8**	**451.7**	435.6	433.0
Write offs	**(239.4)**	**(233.3)**	(48.7)	(47.5)
At 31 March	**1,195.1**	**1,184.1**	994.7	965.7

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, among other things; failure of a debtor to engage in a repayment plan or advice from TfL's legal department. TfL has a statutory duty to maximise recovery of charges and fees, including road user charges.

(ii) 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.

Throughout 2023/24, investments were made within limits approved by the Finance Committee. Counterparty limits are set according to the assessed risk of each counterparty and are linked to the credit rating of the institution. Exposures are monitored against these limits on a regular basis.

TfL considers the risk of the overall portfolio as well as individual investments, seeking to diversify its investments and has regard to the exposure to any one counterparty, country, industry, investment type and credit. The investment portfolio is allocated across sovereigns, government agencies, financial institutions, corporates and money market funds.

Certain banks hold collateral on TfL's account to provide security for TfL's reverse repurchase agreement investments. As at 31 March 2024, the fair value of the collateral held amounted to £100m (2023 £100m).

Investments classified as cash and cash equivalents as at 31 March 2024 totalled £1,269.9m (2023 £1,090.0m).

During the year, TfL invested for the first time in the London Treasury Liquidity Fund (LTLF) LP. While the assets of the Fund comprise a single pool of assets, investments by the limited partners are structured as two components, either core commitments or loan commitments. TfL became a limited partner in July 2023 and made an initial core commitment investment of £0.2m with no further investment to date. The core commitment has been recognised at fair value and subsequently measured at FVTPL. In line with the accounting policy the core commitment is held as long-term investments due to redemption rules.

Notes to the Financial Statements

34. Funding and financial risk management (continued)

As at 31 March, principal funds managed centrally on behalf of the Group and placed on deposit by the Corporation were as follows:

	Amount £m	Minimum Credit Rating (S&P/ Moody's/ Fitch)	Weighted average days to maturity
At 31 March 2024			
UK Debt Management Office	**360.2**	**P-1/A-1+/F1+**	**30**
Other Government Agencies	**141.4**	**P-1/A-1+/F1+**	**35**
Money Market Funds	**246.3**	**AAA/AAA/AAA**	**1**
Banks (including Gilt backed repos)	**399.9**	**P-1/A-1/F1**	**12**
Corporates	**122.1**	**P-1/A-1/F1**	**43**
Total	**1,269.9**		**20**
At 31 March 2023			
UK Debt Management Office	371.5	P-1/A-1+/F1+	20
Other Government Agencies	69.7	P-1/A-1+/F1+	12
Money Market Funds	199.0	AAA/AAA/AAA	1
Banks (including Gilt backed repos)	377.0	P-1/A-1/F1	13
Corporates	72.8	P-1/A-1/F1	46
Total	1,090.0		15

All of the entity's cash and investments are considered to have low credit risk; they are highly rated by major rating agencies, have a low risk of default and the counterparties have 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 at 31 March 2024 and as at 31 March 2023 was immaterial.

(iii) Derivative financial instruments

Counterparty limits are established and monitored in accordance with TfL's Policy relating to the use of Derivative Investments, which was approved by the TfL Finance Committee. The Group spreads its exposure over a number of counterparties and has strict policies on how much exposure can be assigned to each counterparty.

The Group's maximum credit risk exposure relating to financial derivative instruments is noted in the maturity profile of derivatives tables within the market risk section of this note. The credit risk with regard to financial derivative instruments is limited because TfL has arrangements in place with each bank wherein, should the derivative be in an asset position for TfL and the market value reaches a contractually defined threshold, TfL can call upon the bank to post collateral in cash or eligible securities. TfL only envisages using these rights in the event that the financial strength of the institution has deteriorated since the limits were approved.

(iv) Guarantees

The Corporation provides guarantees to third parties under section 160 of the GLA Act, as disclosed in Note 33, which are deemed necessary for the fulfilment of its policies. The Group's policy is to recognise financial guarantees at the higher of an expected credit loss allowance and the amount initially recognised as fair value less any amortisation that has occurred to date. As at 31 March 2024, the fair value of the Corporation's financial guarantees has been assessed as £nil (2023 £nil).

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, through its wholly owned subsidiary, Transport for London Finance Limited, uses derivatives (hedging instruments) to reduce exposure to interest rate and foreign exchange rate movements (the hedged risks) on existing contracts and highly probable future transactions. The Group does not use derivative financial instruments for speculative purposes.

On inception, all interest rate derivatives and foreign currency derivative instruments hedging commercial contracts are designated in highly effective hedge relationships and hedge accounting is applied. If a derivative should no longer satisfy the hedging criteria in accordance with adopted IFRS 9 Financial Instruments (IFRS 9), hedge accounting ceases and the derivative is fair valued immediately through the Comprehensive Income and Expenditure Statement.

The use of derivative instruments can itself give rise to credit and market risk. Market risk is the possibility that future changes in interest rates may make a derivative more or less valuable. Since the Group uses derivatives for risk management, market risk relating to derivative instruments is principally offset by changes in the cash flows of the transactions being hedged.

Notes to the Financial Statements
34. Funding and financial risk management (continued)

For the years ended 31 March 2024 and 2023, all derivatives in designated cash flow hedge relationships were assessed as highly effective and no ineffectiveness was recognised. Accordingly, the full movement in the fair value of those derivatives was taken to reserves.

(i) Foreign exchange risk
During 2023/24, TfL held certain short-term investments denominated in Euros. These foreign currency denominated investments were swapped back to GBP through the use of forward foreign exchange contracts. These contracts were not in formally designated hedging relationships for accounting purposes, as the currency gain or loss on retranslation of the investments is offset within net cost of services at the Group level by the movement in the fair value of the derivative instruments. As at 31 March 2024, the Group held foreign exchange contracts to hedge €66.3m future Euro receipts in relation to its Euro investments (2023 €119.6m). Throughout the year, the hedging strategy provided an effective offset of fair value movements due to holding foreign currency investments. The unrealised exchange net gain was £0.3m as at 31 March 2024 (2023 a net gain of £0.7m). These derivative instruments mature in the period to May 2024.

During 2023/24, TfL issued Commercial Paper denominated in Euros and US Dollars. These foreign currency denominated borrowings were swapped back to GBP through the use of forward foreign exchange contracts. These contracts were not in formally designated hedging relationships for accounting purposes, as the currency gain or loss on retranslation of the borrowings is offset within net cost of services at the Group level by the movement in the fair value of the derivative instruments. As at 31 March 2024, the Group held foreign exchange contracts to hedge €99.5m and $24.9m future Euro and US Dollars payments in relation to its Euro and US Dollar Commercial Paper (2023 zero). Throughout the year, the hedging strategy provided an effective offset of fair value movements due to having foreign currency borrowings. The unrealised exchange net gain was £nil as at 31 March 2024 (2023 £nil). These derivative instruments mature in the period to May 2024.

For 2023/24, the broad policy on managing transactional foreign exchange risk arising from contractual obligations with overseas providers was to retain the risk where there was a value in doing so, where the exposure was highly probable and the risk profile highly certain. For exposures not meeting these criteria, the exchange risk was passed on to the vendor. These exchange rate exposures were managed through the use of forward foreign exchange contracts whose critical terms are closely aligned to the exposure, such as notional amount, expected maturity date and currency. Hedge accounting is applied to these derivative instruments.

Where funds were received in specific currencies in which the Group expected to have future exposures, the Treasury Management Strategy made allowances to place these funds on deposit. This gave the Group the flexibility to offer certain payments in specific foreign currencies where required.

Effects of hedge accounting – Foreign currency hedges in relation to capital expenditure
At 31 March 2024, the Group held forward foreign exchange derivative contracts in Euros, Canadian Dollars, Swedish Krona and Chinese Yuan Renminbi. These forward contracts hedge planned foreign currency capital expenditure payments with a nominal value of £319.5m (2023 £266.9m). At 31 March 2024, these contracts had a combined net fair value of £(17.9)m (2023 £(11.1)m). The fair value of forward contracts was recognised in equity at 31 March 2024, with the exception of Chinese Yuan Renminbi contracts with a fair value of £nil for which hedge accounting was discontinued as future hedged payments in that currency were no longer considered probable. The fair value gain/loss is recognised in the income statement. For all other currencies, once hedged purchases occur, the subsequent realised gain or loss will be transferred to fixed asset additions as a basis adjustment.

The hedge ratio is 1:1. The economic relationship of all hedging relationships has been assessed as effective and the change in value of hedged items has been offset by the change in value of hedging instruments.

It is expected that the hedged purchases will take place in the period to September 2029. Detail on the maturity of these contracts is disclosed later in this note.

The Group has no other material financial assets or liabilities denominated in foreign currencies, and thus has no general translation exposure to gains or losses arising from movements in exchange rates.

Notes to the Financial Statements

34. Funding and financial risk management (continued)

Sensitivity analysis on foreign exchange risk at 31 March

	2024 Net nominal value £m	2024 Fair value £m	2024 Fair value after a 10% increase in GBP against other currency £m	2024 Fair value after a 10% decrease in GBP against other currency £m	2023 Net nominal value £m	2023 Fair value £m	2023 Fair value after a 10% increase in GBP against other currency £m	2023 Fair value after a 10% decrease in GBP against other currency £m
Impact on Comprehensive Income and Expenditure								
Net sell								
Euros	(57.2)	0.3	5.4	(6.0)	(105.6)	0.7	10.3	(11.0)
Net buy								
Euros	85.5	(0.1)	(7.9)	9.3	-	-	-	-
USD dollars	19.8	0.1	(1.7)	2.3	-	-	-	-
Chinese Yuan Renminbi	-	(0.1)	-	(0.1)	-	-	-	-
	n/a	0.2	(4.2)	5.5	n/a	0.7	10.3	(11.0)
Impact on Hedging Reserves								
Net buy								
Euros	296.3	(16.4)	(42.4)	15.4	217.1	(9.4)	(28.2)	13.6
Canadian dollars	6.0	(0.1)	(0.6)	0.5	15.3	(0.3)	(1.7)	1.4
Swedish Krona	17.3	(1.4)	(2.9)	0.4	20.0	(1.4)	(3.2)	0.7
Chinese Yuan Renminbi	-	-	-	-	7.2	-	(0.6)	0.9
	n/a	(17.9)	(45.9)	16.3	n/a	(11.1)	(33.7)	16.6
Total (liability)/ asset	n/a	(17.7)	(50.1)	21.8	n/a	(10.4)	(23.4)	5.6

(ii) Interest rate risk

The Group is mainly exposed to interest rate risk on its planned future borrowings. As TfL is required by legislation to produce a balanced Budget and also produces a balanced Business Plan, any uncertainty over the cost of future borrowing requires funding to be set aside in the Business Plan against that risk rather than being invested in the transport system.

In addition to raising borrowings at fixed rates, to achieve certainty over the cost of planned borrowings, TfL, through its wholly owned subsidiary, Transport for London Finance Limited, can employ derivatives to fix the floating interest rates risk of highly probable and existing borrowings. Transport for London Finance Limited also holds interest rate swaps to fix the floating interest rate risk within committed lease payments for rolling stock. The critical terms of these derivative instruments are closely aligned to the payment schedules and hedge accounting is applied.

The Group is also exposed to interest rate risk in respect of its investments. Investments are made in accordance with the Treasury Management Strategy, which prioritises security and liquidity over yield.

Effects of hedge accounting – Interest rate swaps

As at 31 March 2024, the Group, through its wholly owned subsidiary, Transport for London Finance Limited, held seven float to fixed interest rate swaps at a total notional value of £723.5m (2023 two interest rate swaps at a total notional value of £147.0m).

During the year, five additional interest rate swaps were entered into in July 2023, hedging interest rate risk on lease payments on an existing lease at a total notional value of £581.0m initially. These new swaps were designated in a hedge relationship with the lease payments for the respective lease now fully hedged.

The net fair value of outstanding interest rate swap contracts at 31 March 2024 was a liability of £12.4m (2023 net asset of £24.7m). The fair value is recognised in equity at 31 March 2024 and will be transferred to net financing costs within the Comprehensive Income and Expenditure Statement as the hedged lease payments occur.

The hedge ratio is 1:1. The economic relationship of all hedging relationships has been assessed as effective and the change in value of hedged items has been offset by the change in value of hedging instruments.

It is expected that the hedged interest payments will take place in the period to January 2039. Details on the maturity of these contracts are disclosed later in this note.

Notes to the Financial Statements

34. Funding and financial risk management (continued)

Sensitivity analysis on interest rate risk

(a) Fair value sensitivity analysis for fixed interest instruments

All of the Group's non-derivative financial instruments with fixed rates of interest are accounted for at amortised cost. Fluctuations in market interest rates would therefore have no impact on the Balance Sheet or on net income figures in respect of these items.

(b) Fair value sensitivity analysis for derivative instruments

As at 31 March 2024, the Group holds interest rate derivative contracts with a combined notional value of £723.5m (2023 £147m) which are designated as cash flow hedges.

An increase/(decrease) of 100 basis points in interest rates would increase/(decrease) the fair value of the derivative instruments by £65.4m/£(71.7)m (2023 £12.5m/£(14.4)m).

(iii) Inflation risk

The Group has a number of exposures to inflation including staff pay awards, operating costs and passenger income. The Group has not entered into any derivative instrument to manage its exposure to inflation risk. Historically this risk has been 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 sufficient cash reserves and having access to a diverse range of flexible funding sources ensures the Group has sufficient liquidity to meet its liabilities, in both normal and stressed conditions.

Liquidity risk is primarily managed by maintaining a minimum level of cash reserves of at least 60 days' worth of forecast annual operating expenditure, equivalent to around £1.3bn.

The Corporation has access to several external sources of financing, which are sufficient to meet anticipated funding requirements, within the affordable borrowing limit set by the Mayor. Providing market conditions permit access, the Corporation can raise debt on the capital markets through its established £5bn Medium Term Note programme and £2bn Commercial Paper programme. Alternatively, and in addition, TfL has direct access to reliable funding from the Public Works Loan Board and has an arranged, uncommitted, £0.1bn overdraft facility and a further £0.1bn uncommitted money market line facility. Funding facilities are not subject to financial covenants. TfL can also secure financing from financial institutions.

Debt maturities are diversified over short-, medium- and long-term horizons that broadly equate to the lives of the assets that were funded by this source. This ensures refinancing risk is minimised. The contractual maturities of the Group and Corporation's borrowing and other financial liabilities are listed later in this note.

Due to the active liquidity management and mitigations outlined, there is no significant risk that TfL will be unable to fund its planned financial commitments.

Notes to the Financial Statements
34. Funding and financial risk management (continued)

Maturity profile of derivatives
The Group's foreign currency derivatives have the following maturities:

At 31 March	2024 Average exchange rate	2024 Fair value £m	2024 Notional amount £m	2023 Average exchange rate	2023 Fair value £m	2023 Notional amount £m
Foreign currency forward contracts						
Buy Euro						
Less than one year	**0.898**	**(9.7)**	**213.7**	0.888	(1.5)	69.6
Between one and two years	**0.905**	**(5.9)**	**110.2**	0.913	(5.0)	85.9
Between two and five years	**0.914**	**(0.9)**	**55.7**	0.917	(2.9)	58.1
After five years	**0.953**	**(0.1)**	**2.1**	0.952	(0.1)	3.5
Sell Euro						
Less than one year	**0.859**	**0.3**	**(57.2)**	0.886	0.7	(105.6)
Total Euro	**0.907**	**(16.3)**	**324.5**	0.910	(8.8)	111.5
Buy US Dollars						
Less than one year	**0.787**	**0.1**	**19.8**	–	–	–
Total US Dollars	**0.787**	**0.1**	**19.8**	–	–	–
Buy Canadian Dollars						
Less than one year	**0.589**	**(0.1)**	**3.5**	0.610	(0.3)	15.3
Between one and two years	**0.594**	**–**	**2.1**	–	–	–
Between two and five years	**0.593**	**–**	**0.4**	–	–	–
Total Canadian Dollars	**0.591**	**(0.1)**	**6.0**	0.610	(0.3)	15.3

At 31 March	2024 Average exchange rate	2024 Fair value £m	2024 Notional amount £m	2023 Average exchange rate	2023 Fair value £m	2023 Notional amount £m
Foreign currency forward contracts						
Buy Swedish Krona						
Less than one year	**0.082**	**(0.7)**	**3.0**	0.084	(0.7)	9.5
Between one and two years	**0.081**	**(0.5)**	**12.3**	0.086	(0.4)	5.5
Between two and five years	**0.086**	**(0.2)**	**2.0**	0.086	(0.3)	5.1
Total Swedish Krona	**0.082**	**(1.4)**	**17.3**	0.085	(1.4)	20.1
Buy Chinese Yuan Renminbi						
Less than one year	**–**	**–**	**–**	0.115	0.1	6.7
Between one and two years	**–**	**–**	**–**	0.122	–	0.5
Total Chinese Yuan Renminbi	**–**	**–**	**–**	0.117	0.1	7.2
Grand total	**n/a**	**(17.7)**	**367.6**	n/a	(10.4)	154.1

Notes to the Financial Statements

34. Funding and financial risk management (continued)

Maturity profile of derivatives (continued)

The Group's interest rate derivatives have the following maturities:

At 31 March	2024 Average contracted fixed interest rate (%)	2024 Fair value £m	2024 Notional amount £m	2023 Average contracted fixed interest rate (%)	2023 Fair value £m	2023 Notional amount £m
Interest rate hedges						
After five years	3.942	(12.4)	723.5	1.866	24.7	147.0
Total	3.942	(12.4)	723.5	1.866	24.7	147.0

TfL was conferred the legal powers to enter into derivatives for the purpose of risk mitigation via qualifying subsidiaries. The Corporation does not itself have the legal powers to enter into derivative transactions. TfL has entered into these contracts for the purpose of risk management and intends to hold these contracts to maturity as hedges against the underlying transactions.

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

	Less than one year £m	Between one and two years £m	Between two and five years £m	More than five years £m	Total £m
Group – at 31 March 2024					
Derivatives settled gross					
Foreign exchange forward contracts:					
Amounts receivable	366.3	133.6	67.3	2.5	569.7
Amounts payable	(377.5)	(142.7)	(70.8)	(2.7)	(593.7)
Derivatives settled net					
Interest rate swaps	6.4	0.5	(10.4)	(12.3)	(15.8)
	(4.8)	(8.6)	(13.9)	(12.5)	(39.8)
Group – at 31 March 2023					
Derivatives settled gross					
Foreign exchange forward contracts:					
Amounts receivable	232.7	96.2	70.6	3.5	403.0
Amounts payable	(234.9)	(103.7)	(76.0)	(3.8)	(418.4)
Derivatives settled net					
Interest rate swaps	3.7	2.3	6.7	18.3	31.0
	1.5	(5.2)	1.3	18.0	15.6

The total asset or liability due to the Group as recognised on the Balance Sheet is the fair value of the derivatives, as this represents the cost to terminate. As such it differs from the total net contractual payments shown in the table above.

At 31 March 2024, the fair value of the interest rate derivatives was a net liability of £12.4m (2023 £24.7m net asset). The fair value of forward exchange derivatives was a net liability of £17.7m (2023 £10.4m net liability).

Notes to the Financial Statements

34. Funding and financial risk management (continued)

Contractual maturity of financial liabilities
The following table details the Group and the Corporation's remaining contractual maturity for their non derivative financial liabilities. The table has been drawn up on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group or Corporation can be required to pay and, therefore differs from the carrying value and the fair value. The table includes both interest and principal cash flows.

	Less than one year £m	Between one and two years £m	Between two and five years £m	More than five years £m	Total £m
Group – as at 31 March 2024					
Trade and other creditors	**1,796.2**	**173.5**	**-**	**-**	**1,969.7**
Borrowings – principal	**869.9**	**595.7**	**815.9**	**10,680.0**	**12,961.5**
Borrowings – interest	**522.8**	**435.5**	**1,171.0**	**6,487.5**	**8,616.8**
Right-of-use lease liabilities	**372.7**	**300.7**	**690.5**	**2,164.7**	**3,528.6**
PFI liabilities	**18.8**	**18.1**	**44.4**	**5.2**	**86.5**
Other financing liabilities	**23.9**	**13.4**	**40.1**	**53.5**	**130.9**
	3,604.3	**1,536.9**	**2,761.9**	**19,390.9**	**27,294.0**
Group – as at 31 March 2023					
Trade and other creditors	1,823.0	54.5	-	-	1,877.5
Borrowings – principal	698.9	246.5	1,019.2	10,972.4	12,937.0
Borrowings – interest	362.3	512.0	1,241.3	6,803.7	8,919.3
Right-of-use lease liabilities	359.5	297.0	555.7	1,898.6	3,110.8
PFI liabilities	18.3	18.8	54.4	13.4	104.9
Other financing liabilities	20.9	13.4	40.1	66.9	141.3
	3,282.9	1,142.2	2,910.7	19,755.0	27,090.8

	Less than one year £m	Between one and two years £m	Between two and five years £m	More than five years £m	Total £m
Corporation – as at 31 March 2024					
Trade and other creditors	**692.8**	**38.2**	**-**	**-**	**731.0**
Borrowings – principal	**869.9**	**595.7**	**815.9**	**10,680.0**	**12,961.5**
Borrowings – interest	**522.8**	**435.5**	**1,171.0**	**6,487.5**	**8,616.8**
Right-of-use lease liabilities	**35.0**	**34.3**	**99.0**	**256.2**	**424.5**
PFI lease liabilities	**18.8**	**18.1**	**44.4**	**5.2**	**86.5**
	2,139.3	**1,121.8**	**2,130.3**	**17,428.9**	**22,820.3**
Corporation – as at 31 March 2023					
Trade and other creditors	806.2	35.2	-	-	841.4
Borrowings – principal	698.9	246.5	1,019.2	10,972.4	12,937.0
Borrowings – interest	362.3	512.0	1,241.3	6,803.7	8,919.3
Right-of-use lease liabilities	36.7	34.6	99.2	278.8	449.3
PFI lease liabilities	18.3	18.8	54.4	13.4	104.9
	1,922.4	847.1	2,414.1	18,068.3	23,251.9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Notes to the Financial Statements
34. Funding and financial risk management (continued)

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 following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents – approximates to the carrying amount
- Short-term investments – approximates to the carrying amount because of the short maturity of these instruments
- Long-term investments – for assets measured at amortised cost, 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 13. For the investment in the London Treasury Liquidity Fund LP, which is measured at FVTPL, it is classed as Level 2
- Trade and other debtors – approximates to the carrying amount
- Derivative financial instruments – in the absence of quoted market prices, derivatives are valued by using quoted forward prices for the underlying commodity/currency and discounted using quoted interest rates (both as at the close of business on the balance sheet date). Hence, derivatives are within Level 2 of the fair value hierarchy as defined within IFRS 13:

  i. Forward exchange contracts – based on market data and exchange rates at the balance sheet date

  ii. Interest rate swaps and forward starting interest rate swaps – based on the net present value of discounted cash flows
- Trade and other creditors – approximates to the carrying amount
- Long-term borrowings – determined by calculating the discounted value of the future cash flows (redemption and interest) using appropriate discount rates, based on observable market data, in effect at the balance sheet date at Level 2 of the fair value hierarchy. Fair value approximates to the carrying amount in the case of short-term commercial paper
- Right-of-use lease liabilities – approximates to the carrying amount
- PFI liabilities – approximates to the carrying amount
- Other financing liabilities – approximates to the carrying amount

Notes to the Financial Statements

34. Funding and financial risk management (continued)

The fair values of the Group's financial assets and liabilities together with the carrying amounts recorded in the Balance Sheet are illustrated below:

At 31 March	2024 Carrying value £m	2024 Fair value £m	2023 Carrying value £m	2023 Fair value £m
Long-term				
Financial assets measured at amortised cost				
Finance lease receivables	18.2	18.2	9.1	9.1
Debtors	13.0	13.0	40.1	40.1
Financial assets measured at fair value				
Derivative in cash flow hedge relationship	28.6	28.6	26.2	26.2
Long-term investments	1.2	1.2	-	-
Current				
Financial assets measured at amortised cost				
Cash and cash equivalents	1,488.3	1,488.3	1,387.5	1,387.5
Short-term investments	5.8	5.8	15.0	15.0
Debtors	543.7	543.7	520.9	520.9
Finance lease receivables	7.1	7.1	5.2	5.2
Financial assets measured at fair value				
Derivative in cash flow hedge relationship	0.3	0.3	1.0	1.0
Derivatives not in a hedge relationship	0.4	0.4	0.7	0.7
Total financial assets	**2,106.6**	**2,106.6**	**2,005.7**	**2,005.7**

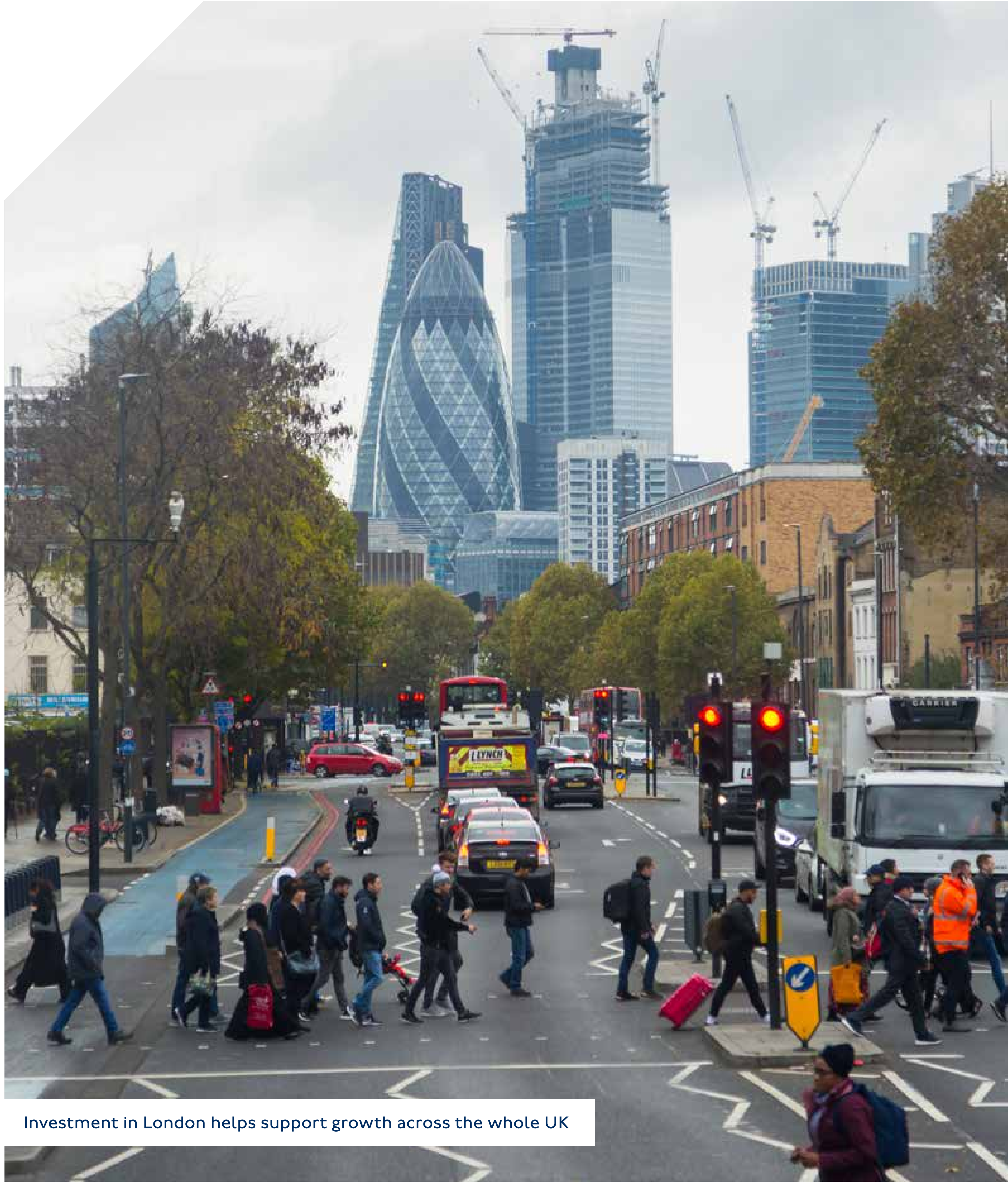
At 31 March	2024 Carrying value £m	2024 Fair value £m	2023 Carrying value £m	2023 Fair value £m
Long-term				
Financial liabilities measured at amortised cost				
Creditors	(173.5)	(173.5)	(54.5)	(54.5)
Borrowings	(12,071.6)	(11,957.7)	(12,216.6)	(12,561.5)
Right-of-use lease liabilities	(2,029.2)	(2,029.2)	(1,915.9)	(1,915.9)
PFI liabilities	(61.2)	(61.2)	(76.7)	(76.7)
Other financing liabilities	(94.7)	(94.7)	(115.1)	(115.1)
Financial liabilities measured at fair value				
Derivatives in a cash flow hedge relationship	(48.6)	(48.6)	(10.1)	(10.1)
Current				
Financial liabilities measured at amortised cost				
Creditors	(1,796.2)	(1,796.2)	(1,823.0)	(1,823.0)
Borrowings	(864.0)	(903.7)	(693.7)	(719.3)
Right-of-use lease liabilities	(275.4)	(275.4)	(299.6)	(299.6)
PFI liabilities	(15.5)	(15.5)	(14.3)	(14.3)
Other financing liabilities	(20.5)	(20.5)	(6.6)	(6.6)
Financial liabilities measured at fair value				
Derivatives in a cash flow hedge relationship	(10.6)	(10.6)	(3.4)	(3.4)
Derivatives not in a hedge relationship	(0.2)	(0.2)	-	-
Total financial liabilities	**(17,461.2)**	**(17,387.0)**	**(17,229.5)**	**(17,600.0)**
Net financial liabilities	**(15,354.6)**	**(15,280.4)**	**(15,223.8)**	**(15,594.3)**

Notes to the Financial Statements

34. Funding and financial risk management (continued)

The fair values of financial assets and liabilities of the Corporation determined in accordance with IFRS 13, together with the carrying amounts recorded in the Balance Sheet are:

At 31 March	2024 Carrying value £m	2024 Fair value £m	2023 Carrying value £m	2023 Fair value £m
Long-term				
Financial assets measured at amortised cost				
Debtors	12,214.4	12,214.4	12,319.2	12,319.2
Financial assets measured at fair value				
Long-term investments	0.2	0.2	-	-
Current				
Financial assets measured at amortised cost				
Cash and cash equivalents	1,294.2	1,294.2	1,131.3	1,131.3
Debtors	388.7	388.7	351.9	351.9
Total financial assets	13,897.5	13,897.5	13,802.4	13,802.4
Long-term				
Financial liabilities measured at amortised cost				
Creditors	(38.2)	(38.2)	(35.2)	(35.2)
Borrowings	(12,075.6)	(11,957.7)	(12,221.5)	(12,561.5)
Right-of-use lease liabilities	(324.1)	(324.1)	(341.1)	(341.1)
PFI liabilities	(61.2)	(61.2)	(76.7)	(76.7)
Current				
Financial liabilities measured at amortised cost				
Creditors	(692.8)	(692.8)	(806.2)	(806.2)
Borrowings	(864.0)	(903.7)	(693.7)	(719.4)
Right-of-use lease liabilities	(25.6)	(25.6)	(27.0)	(27.0)
PFI liabilities	(15.5)	(15.5)	(14.3)	(14.3)
Total financial liabilities	(14,097.0)	(14,018.8)	(14,215.7)	(14,581.4)
Net financial liabilities	(199.5)	(121.3)	(413.3)	(779.0)



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Notes to the Financial Statements
34. Funding and financial risk management (continued)

Income, Expense, Gains and Losses – Group

At 31 March	2024 Financial liabilities measured at amortised cost £m	2024 Financial assets at amortised cost £m	2024 Financial assets at FVOCI £m	2024 Financial assets FVTPL £m	2024 Financial liabilities FVTPL £m	2024 Total £m	2023 Financial liabilities measured at amortised cost £m	2023 Financial assets at amortised cost £m	2023 Financial assets at FVOCI £m	2023 Financial assets FVTPL £m	2023 Financial liabilities FVTPL £m	2023 Total £m
Interest expense	454.1	-	-	-	-	454.1	411.9	-	-	-	-	411.9
Interest on defined benefit pension	-	-	(80.4)	-	-	(80.4)	-	-	79.3	-	-	79.3
Interest on right of use lease and PFI liabilities	121.4	-	-	-	-	121.4	81.7	-	-	-	-	81.7
Reduction in fair value	-	-	107.9	-	-	107.9	-	-	155.0	-	-	155.0
Expected and actual credit losses	-	445.8	-	-	-	445.8	-	445.3	-	-	-	445.3
Impairment losses	(0.5)	-	-	-	-	(0.5)	(27.8)	-	-	-	-	(27.8)
Fee expense	55.1	-	-	-	-	55.1	16.6	-	-	-	-	16.6
Other financing and investment expenditure	6.0	-	-	-	-	6.0	10.5	-	-	-	-	10.5
Total expense in Deficit on the Provision of Services	**636.1**	**445.8**	**27.5**	**-**	**-**	**1,109.4**	**492.9**	**445.3**	**234.3**	**-**	**-**	**1,172.5**
Interest income	-	-	-	(64.7)	-	(64.7)	-	-	-	(27.9)	-	(27.9)
Finance lease interest	(0.8)	-	-	-	-	(0.8)	(0.8)	-	-	-	-	(0.8)
Other investment income	-	-	-	(4.5)	-	(4.5)	-	-	-	(4.4)	-	(4.4)
Total income in Surplus on the provision of services	**(0.8)**	**-**	**-**	**(69.2)**	**-**	**(70.0)**	**(0.8)**	**-**	**-**	**(32.3)**	**-**	**(33.1)**
Net loss/(gain) for the year	**635.3**	**445.8**	**27.5**	**(69.2)**	**-**	**1,039.4**	**492.1**	**445.3**	**234.3**	**(32.3)**	**-**	**1,139.4**

Notes to the Financial Statements
34. Funding and financial risk management (continued)

Income, Expense, Gains and Losses – Corporation

At 31 March	2024 Financial liabilities measured at amortised cost £m	2024 Financial assets at amortised cost £m	2024 Financial assets at FVOCI £m	2024 Financial assets FVTPL £m	2024 Total £m	2023 Financial liabilities measured at amortised cost £m	2023 Financial assets at amortised cost £m	2023 Financial assets at FVOCI £m	2023 Financial assets FVTPL £m	2023 Total £m
Interest expense	471.1	-	-	-	471.1	435.6	-	-	-	435.6
Interest on defined benefit pension	-	-	(80.4)	-	(80.4)	-	-	78.2	-	78.2
Interest on right of use lease and PFI liabilities	14.2	-	-	-	14.2	14.8	-	-	-	14.8
Reduction in fair value	-	-	-	-	-	-	-	14.0	-	14.0
Expected and actual credit losses/(reversals)	-	451.9	-	-	451.9	-	432.9	-	-	432.9
Impairment losses	-	-	-	-	-	(9.6)	-	-	-	(9.6)
Fee expense	4.3	-	-	-	4.3	11.2	-	-	-	11.2
Other financing and investment expenditure	1.0	-	-	-	1.0	5.4	-	-	-	5.4
Total expense in Surplus on the Provision of Services	**490.6**	**451.9**	**(80.4)**	**-**	**862.1**	**457.4**	**432.9**	**92.2**	**-**	**982.5**
Interest income	-	(493.9)	-	-	(493.9)	-	(430.1)	-	-	(430.1)
Other investment income	-	-	-	(1.9)	(1.9)	-	-	-	(1.9)	(1.9)
Total income in Surplus on the provision of services	**-**	**(493.9)**	**-**	**(1.9)**	**(495.8)**	**-**	**(430.1)**	**-**	**(1.9)**	**(432.0)**
Net loss/(gain) for the year	**490.6**	**(42.0)**	**(80.4)**	**(1.9)**	**366.3**	**457.4**	**2.8**	**92.2**	**(1.9)**	**550.5**

Notes to the Financial Statements

35. Pensions

The majority of the Group's staff were members of the Public Sector Section of the TfL Pension Fund. The majority of the Group's remaining staff were members of London Pension Fund Authority Pension Fund, the Principal Civil Service Pension Scheme, the Crossrail Shared Cost Section of the Railways Pension Scheme (Crossrail Section) or the Tube Lines defined contribution scheme.

a) Reconciliation of amounts included in net cost of services and amounts included in staff costs

For the year ended 31 March	Note	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
TfL Pension Fund		**290.5**	578.5	**53.7**	351.7
Local Government Pension Fund		**0.7**	1.5	**0.7**	1.5
Crossrail Section of the Railways Pension Scheme		**0.5**	1.9	**-**	-
Unfunded schemes provision		**0.2**	0.8	**0.2**	0.8
Total for schemes accounted for as defined benefit		**291.9**	582.7	**54.6**	354.0
Principal Civil Service Pension Scheme		**0.6**	0.6	**0.6**	0.6
Other schemes and accrued costs		**9.3**	0.9	**3.3**	0.3
Less: pension costs capitalised		**(0.5)**	-	**-**	-
Amounts included in net cost of services		**301.3**	584.2	**58.5**	354.9
Less: scheme expenses		**(19.9)**	(19.7)	**(19.9)**	(19.4)
Add: current service costs capitalised		**0.5**	-	**-**	-
Amount included in staff costs	4	**281.9**	564.5	**38.6**	335.5

b) Defined benefit schemes

This section deals with those pension funds to which the Group contributes that are accounted for under IAS 19 as defined benefit schemes.

Public Sector Section of the TfL Pension Fund (TfL Pension Fund)

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

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

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

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

A separate valuation of the TfL Pension Fund has been prepared, by actuaries at the XPS Pensions Group, for accounting purposes on an IAS 19 basis as at 31 March 2024. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, while the present value of the schemes' defined benefit obligation is derived from cash flow projections. Due to the timescale covered, neither the assumptions nor the cash flow projections may necessarily be borne out in practice. Management has assessed that TfL has an unconditional right to a refund of surplus assets for accounting purposes under IAS 19 assuming the gradual settlement of plan liabilities after consideration of the Trust Deed and Rules. Therefore, any net surplus is recognised in full.

Notes to the Financial Statements

35. Pensions (continued)

The defined benefit obligation for the TfL Pension Fund has been calculated using the mortality assumptions adopted for the latest available funding valuation as at 31 March 2021. Standard mortality tables were used, adjusted to reflect the recent mortality experience of the Fund's pensioners at that date. An allowance was made for future mortality improvements based on the CMI 2022 projections with a long-term improvement rate of 1.25 per cent per annum. No weighting has been given to 2020 or 2021 mortality experience, given the exceptional impact of the coronavirus pandemic on these years.

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

London Pension Fund Authority Pension Fund (Local Government Pension Fund)

The London Pension Fund Authority Pension Fund is a funded multi-employer defined benefit scheme, administered by the London Pension Fund Authority. The Corporation is able to identify its share of the assets and defined benefit obligation of the scheme and this scheme has therefore been accounted for as a defined benefit scheme under IAS 19. Employer's contributions were payable at the rate of 15.3 per cent for 2023/24 (2022/23 15.6 per cent) of pensionable pay, plus a lump sum deficit reduction payment of £nil (2022/23 £nil). The Corporation's share of the underlying assets and defined benefit obligation resulted in an IAS 19 deficit as at 31 March 2024 of £(7.3)m (2023 £0.5m). The discounted scheme liabilities have an average duration of 16years.

The last full actuarial valuation available was carried out at 31 March 2022. The report showed a funding surplus of £1.63bn at that date. The annual report and financial statements for the whole scheme can be found on the London Pension Fund Authority's website (www.lpfa.org.uk). A separate valuation as at 31 March 2024 has been prepared for accounting purposes on an IAS 19 basis by Barnett Waddington LLP.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited), ruled that certain historical amendments for contracted-out defined benefit schemes where invalid if they were not accompanied by the correct actuarial confirmation. The judgement has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liability or if it can be reliably estimated. As a result, the Group does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

The Group has assessed there is no impact to the TfL Pension Fund or the Crossrail Shared Cost Section of the Railways Pension Scheme.

Crossrail Shared Cost Section of the Railways Pension Scheme (Crossrail Section)

Crossrail Limited (CRL) participates in the Crossrail Section of the Railways Pension Scheme which is accounted for in these financial statements as a defined benefit pension scheme under IAS 19.

The latest available full actuarial valuation of the Scheme was carried out at 31 December 2022. The report showed a funding surplus of £4.6m. This was translated into a current employer contribution level of 24.9 per cent. A separate valuation has been prepared for accounting purposes on an IAS 19 basis as at 31 March 2024 by actuaries at the XPS Pensions Group. Assumptions underlying this valuation have been updated from the full actuarial valuation of the scheme carried out at 31 December 2022. The Group's share of the underlying assets and defined benefit obligation resulted in an IAS 19 surplus, as at 31 March 2024, of £3.4m (2023 surplus of £1.4m). The discounted Crossrail Section liabilities have a duration of around 19 years. Management has assessed that TfL has an unconditional right to a refund of surplus assets for accounting purposes under IAS 19 assuming the gradual settlement of plan liabilities after consideration of the deed of the established section together with the Adopted Rules. Therefore, any net surplus is recognised in full.

The defined benefit obligation for the Crossrail Section has been calculated using the mortality assumptions adopted for the funding valuation as at 31 December 2022. Standard mortality tables were used, adjusted to reflect the recent mortality experience of the Scheme's pensioners at that date. An allowance was made for future mortality improvements based on the CMI 2022 projections with a long-term improvement rate of 1.25 per cent per annum. No weighting has been given to 2020 or 2021 mortality experience.

Unfunded pension costs

The Corporation bears the cost of the augmentation of the pensions of certain employees, who retire early under voluntary severance arrangements.

In addition, the Corporation also bears the cost of:

- Ex-gratia payments, which are made to certain former employees on retirement in respect of service prior to the establishment of pension funds for those employees
- Supplementary pensions, which are made to certain former employees who retired prior to index linking of pensions
- Pensions of London Regional Transport former board members who did not qualify to join the TfL Pension Fund
- Other unfunded defined benefit pensions accruing to certain employees

XPS Pensions Group, consulting actuaries, were instructed to report on the financial position of the unfunded pension defined benefit obligation as at 31 March 2024 for the purpose of IAS 19 only. The report does not constitute a formal actuarial valuation of the unfunded pension defined benefit obligation. The valuation as at 31 March 2024 was £83.9m (2023 £87.6m) and is fully provided for in these financial statements.

Notes to the Financial Statements

35. Pensions (continued)

Assumptions for defined benefit sections

The main actuarial assumptions used for the TfL Pension Fund, the Crossrail Shared Cost Section of the Railways Pension Scheme, the Local Government Pension Scheme (together 'the Schemes') and unfunded schemes were:

	IAS 19 valuation at 31 March 2024 %	IAS 19 valuation at 31 March 2023 %
RPI Inflation	**3.15-3.25**	3.20
CPI Inflation	**2.70-2.90**	2.70-2.95
Rate of increase in salaries	**2.70-3.90**	2.95-3.95
Rate of increase in pensions in payment and deferred pensions	**2.70-3.15**	2.70-3.15
Discount rate	**4.85-4.90**	4.75-4.80

The Group's retirement benefit plans typically expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk. Sensitivity analyses for the most significant actuarial assumptions made in relation to these risks are as set out below. The analyses have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate were 0.1 per cent higher/(lower), the defined benefit obligation would decrease by £200.2m/(increase by £204.2m)
- If the expected salary growth were increased/(decreased) by 0.1 per cent, the defined benefit obligation would increase by £54.4m/(decrease by £55.5m)
- If life expectancy were increased/(decreased) by one year, the defined benefit obligation would increase by £406.7m/(decrease by £419.6m)
- If the inflation rate were 0.1 per cent higher/(lower), the defined benefit obligation would increase by £151.8m/(decrease by £193.7m)

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

c) Accounting for defined benefit schemes

The total assets in the schemes were:

At 31 March	Value 2024 £m	Value 2023 restated* £m
Equities and alternatives	**12,656.0**	11,764.7
Bonds	**2,316.7**	2,404.2
Cash and other	**25.5**	24.3
Total fair value of assets	**14,998.2**	14,193.2

The TfL Pension Fund, the Crossrail Shared Cost Section of the Railways Pension Scheme and the Local Government Pension Scheme assets consist of the following categories, by proportion of the total assets held:

At 31 March	2024 %	2023 restated* %
Equities	**90**	83
Bonds	**10**	17
	100	100

The unfunded pension schemes have no assets to cover their defined benefit obligation.

* The prior year comparatives have been restated to reflect the misclassification of UK Liability Driven Investments in the total asset disclosure. There is no impact on the primary statements or other notes to the financial statements.

Notes to the Financial Statements

35. Pensions (continued)

Total pension surplus at 31 March

Group	2024 £m	2023 £m
Fair value of scheme assets	**14,998.2**	14,193.2
Actuarial valuation of defined benefit obligation	**(12,729.4)**	(12,649.9)
Net surplus recognised in the Balance Sheet	**2,268.8**	1,543.3

Group	2024 £m	2023 £m
TfL Pension Fund	**2,342.0**	1,630.0
Local Government Pension Fund	**7.3**	(0.5)
Crossrail Section of the Railways Pension Scheme	**3.4**	1.4
Unfunded schemes provision	**(83.9)**	(87.6)
Net surplus recognised in the Balance Sheet	**2,268.8**	1,543.3

Corporation	2024 £m	2023 £m
Fair value of scheme assets	**14,907.6**	14,101.6
Actuarial valuation of defined benefit obligation	**(12,642.2)**	(12,559.7)
Net surplus recognised in the Balance Sheet	**2,265.4**	1,541.9

Corporation	2024 £m	2023 £m
TfL Pension Fund	**2,342.0**	1,630.0
Local Government Pension Fund	**7.3**	(0.5)
Unfunded schemes provision	**(83.9)**	(87.6)
Net surplus recognised in the Balance Sheet	**2,265.4**	1,541.9

Analysis of amounts included in the Comprehensive Income and Expenditure Statement

Analysis of amounts charged to net cost of services

Year ended 31 March	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Current service cost	**272.0**	562.6	**271.7**	561.1
Less contributions paid by subsidiaries	**-**	-	**(236.8)**	(226.8)
Past service cost	**-**	0.4	**-**	0.4
Total included in staff costs	**272.0**	563.0	**34.9**	334.7
Scheme expenses	**19.9**	19.7	**19.7**	19.3
Total amount charged to net cost of services	**291.9**	582.7	**54.6**	354.0

Amounts charged to financing and investment expenditure

Year ended 31 March	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Net interest (income)/expense on scheme defined benefit obligation	**(80.4)**	79.3	**(80.4)**	78.2

Amount recognised in other comprehensive income and expenditure

Year ended 31 March	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Net remeasurement gain recognised in the year	**(602.4)**	(5,087.3)	**(600.2)**	(5,040.8)

Notes to the Financial Statements

35. Pensions (continued)

Analysis of scheme defined benefit obligation into amounts arising from schemes that are wholly or partly funded and wholly unfunded

At 31 March	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Wholly unfunded schemes	83.9	87.6	83.9	87.6
Wholly or partly funded schemes	12,645.5	12,562.3	12,558.3	12,472.1
Total scheme defined benefit obligation	12,729.4	12,649.9	12,642.2	12,559.7

Reconciliation of defined benefit obligation

	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Actuarial value of defined benefit obligation at 1 April	12,649.9	17,645.0	12,559.7	17,506.9
Current service cost	272.0	562.6	271.7	561.1
Interest cost	591.8	454.0	587.5	450.4
Employee contributions	60.3	56.7	60.3	56.5
Remeasurement losses/(gains) on scheme liabilities:				
Net remeasurement – financial	(346.1)	(6,679.0)	(344.5)	(6,619.3)
Net remeasurement – experience	150.9	1,058.9	153.6	1,050.6
Net remeasurement – demographic	(140.9)	(3.6)	(139.9)	(3.6)
Actual benefit payments	(508.5)	(445.1)	(506.2)	(443.3)
Past service cost	-	0.4	-	0.4
Actuarial value of defined benefit obligation at 31 March	12,729.4	12,649.9	12,642.2	12,559.7

Reconciliation of fair value of the scheme assets

	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Fair value of assets at 1 April	14,193.2	14,443.5	14,101.6	14,348.1
Expected return on assets net of expenses	672.2	374.7	667.9	372.2
Other actuarial gains and losses	-	2.8	-	2.8
Scheme expenses	(19.9)	(19.7)	(19.7)	(19.3)
Return on assets excluding interest income	266.3	(539.2)	269.4	(534.3)
Actual employer contributions	328.8	314.1	91.7	86.6
Contributions paid by subsidiaries	-	-	236.8	226.8
Employee contributions	60.3	56.7	60.3	56.5
Actual benefits paid	(502.7)	(439.7)	(500.4)	(437.8)
Fair value of assets at 31 March	14,998.2	14,193.2	14,907.6	14,101.6

The expected return on scheme assets is set equal to the discount rate. The actual return on scheme assets in the year was a gain of £938.5m (2022/23 a loss of £164.5m).

Total contributions of £373.5m are expected to be made to the schemes in the year ending 31 March 2025.

Notes to the Financial Statements

35. Pensions (continued)

d) Other pension arrangements

Principal Civil Service Pension Scheme and Alpha – Civil Servants and Others Pension Scheme

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. From 1 April 2015 most PCSPS members switched to the new Civil Servants and Others Pension Scheme, (also known as Alpha). The Group is unable to identify its share of the underlying assets and defined benefit obligations of these schemes on a consistent and reasonable basis and, as permitted by the multi-employer exemption in IAS 19, the Group treats contributions to the PCSPS and Alpha as if they were contributions to a defined contribution plan. A full actuarial valuation was last carried out at 31 March 2022. Details can be found in the Civil Service Superannuation Resource Accounts (www.civilservicepensionscheme.org.uk/).

During 2023/24, minimum employers' contributions represented an average of 27.3 per cent of pensionable pay (2022/23 27.3 per cent). Employer contributions are reviewed every four years. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Docklands Light Railway Pension Scheme

The Docklands Light Railway Pension Scheme (DLR Scheme) is a defined benefit scheme established under trust in the UK that provides both pensions in retirement and death benefits to members. The Trustees are responsible for the operation and governance of the DLR Scheme, including making decisions regarding funding and investment strategy in conjunction with Docklands Light Railway Limited (DLR), a subsidiary of the TfL Group, as the Principal Employer of the Scheme.

Every three years the Scheme Actuary of the DLR Scheme carries out a valuation to assess the funding position and to determine the future levels of contributions. The most recent available valuation was effective 1 April 2021.

Keolis Amey Docklands Limited (KAD) was awarded the franchise to operate the DLR from 7 December 2014 and is a Participating Employer in the DLR Scheme. The contributions payable by KAD to the DLR Scheme are set out in the franchise agreement between DLR and KAD dated 17 July 2014. These are to pay 35.7 per cent per annum of Pensionable Salaries into the Scheme, the PPF levy and additional contributions if actual pensionable salary increases exceed RPI plus 1.5 per cent per annum.

DLR, as the Principal Employer of the DLR Scheme, is responsible for meeting any further costs towards the cost of accruing benefits and removing the deficit, over and above the contributions payable by KAD, if necessary. Following the completion of the 2021 valuation, it was agreed that DLR would pay 22.6 per cent per annum of Pensionable Salaries towards future benefit accrual from 1 April 2020 to 31 March 2022, amounting to £3.3m in respect of 2020/21, which was paid on 30 July 2021 and £3.1m, which was paid on 28 July 2022: plus in respect of subsequent Scheme Years, commencing 1 April 2022:

- 21.7 per cent per annum of Pensionable Salaries in respect of the cost of accrual for active members payable within four months of the end of the relevant Scheme Year;
- £957,000 per annum in respect of administration expenses and the cost of death in service benefit for active members payable on or before each 10 April, from 10 April 2023 onwards;
- £800,000 per annum payable on or before each 10 April from 2023 to 2025 inclusive (£800,000 per annum in respect of 2021 and 2022 were paid on 30 April 2021 and 12 April 2022 respectively)

In addition, it was agreed that DLR would pay additional contributions if actual Pensionable Salary growth exceeds RPI inflation plus 0.5 per cent per annum (up to a maximum of RPI inflation plus 1.5 per cent per annum).

Over the year beginning 1 April 2024, the contributions payable to the DLR Scheme are expected to be around £5.7m from KAD and £4.2m from DLR, based on the schedule of contributions currently in force. This makes no allowance for additional contributions that may arise if Pensionable Salary growth exceeds RPI inflation plus 0.5 per cent per annum or any changes as a result of a new schedule of contributions.

A valuation of the DLR Scheme has been prepared for accounting purposes on an IAS 19 basis as at 31 March 2024. This gave a valuation for the net surplus as at 31 March 2024 of £26.8m (2023 £30.5m surplus). The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions, while the present value of the DLR Scheme's defined benefit obligation is based on future cash flow projections. Neither the assumptions nor the cash flow projections may necessarily be borne out in practice.

The discounted DLR Scheme liabilities have a duration of around 18 years.

The scheme's funding arrangements outlined above mean that DLR is currently unable to identify its share of this obligation on a consistent and reasonable basis. The Group has therefore taken the exemption permitted under IAS 19 for multi-employer schemes and treats contributions to the DLR Scheme as if they were contributions to a defined contribution plan. No defined benefit obligation has been recognised in the Balance Sheet in respect of this scheme.

Contributions totalling £4.8m were paid by DLR in 2023/24. These costs are not reflected within staff costs for the TfL Group but are instead reflected elsewhere within the operating expenditure of the Group, as the costs relate to the staff costs of DLR's concessionaire.

Defined contribution schemes

The Group contributes to a number of defined contribution schemes, with total contributions, including contributions to the PCSPS and Alpha schemes as outlined in the paragraphs above.

Notes to the Financial Statements

35. Pensions (continued)

e) Type of pension assets per the TfL Pension Fund accounts (%)

	Group 2024 quoted	Group 2024 unquoted	Group 2023 quoted	Group 2023 unquoted
Bonds	**5**	**0**	5	0
Equities	**15**	**3**	19	3
Loans	**0**	**2**	0	2
Pooled investment vehicles	**25**	**40**	27	38
Derivatives	**0**	**0**	1	0
Liquidity funds	**7**	**0**	3	0
AVC investments	**1**	**0**	1	0
Cash	**1**	**0**	1	0
Other investment balances	**1**	**0**	0	0
	55	**45**	57	43

Quoted assets represent unadjusted quoted prices in an active market and inputs other than quoted prices which are observable.

Type of pension assets per the London Pension Fund Authority (%)

	Group 2024 quoted	Group 2024 unquoted	Group 2023 quoted	Group 2023 unquoted
Equities	**54**	**0**	51	0
Private equity	**0**	**7**	0	8
Fixed income	**2**	**0**	0	0
Investment, hedge funds and unit trusts	**3**	**0**	8	0
Credit	**0**	**12**	0	10
Infrastructure	**0**	**11**	0	13
Real estate	**0**	**9**	0	10
Cash	**2**	**0**	0	0
	61	**39**	59	41

Notes to the Financial Statements

36. Cash flow notes

a) The cash flows for operating activities include the following items:

	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Interest and other investment income received	**66.9**	78.8	**501.4**	475.6
Interest paid	**(433.9)**	(507.0)	**(341.1)**	(467.1)
	(367.0)	(428.2)	**160.3**	8.5

b) Adjustments to the surplus on the provision of services for non-cash movements

	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Depreciation, amortisation and impairment of property, plant and equipment, intangibles and right-of-use assets	**1,628.2**	1,523.5	**230.5**	205.4
Reversal of movements in the value of investment properties	**107.9**	155.0	**(55.6)**	14.0
Increase in interest receivable	**(83.5)**	(0.6)	**(82.7)**	(2.7)
Increase in interest payable	**81.6**	87.6	**79.2**	78.1
Movement in pensions liability	**(42.7)**	263.2	**(42.9)**	261.9
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	**25.9**	89.2	**52.6**	7.7
Tax received	**2.5**	-	**-**	-
Reversal of gain on disposal of investment property	**112.0**	-	**110.8**	-
Gain on recognition of finance leases	**(15.4)**	-	**(13.2)**	-
Adjustments to net surplus for non-cash movements before movements in working capital	**1,816.5**	2,117.9	**278.7**	564.4
Increase/(decrease) in creditors	**185.9**	163.7	**(155.6)**	264.2
Decrease/(increase) in debtors	**195.3**	(149.4)	**70.6**	(55.8)
Increase in inventories	**(22.7)**	(20.6)	**-**	-
Increase in provisions	**70.6**	47.8	**16.1**	50.3
Adjustments to net surplus for total non-cash movements	**2,245.8**	2,159.4	**209.8**	823.1

c) Adjustments to the surplus on the provision of services for investing or financing items

	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Proceeds from the sale of property, plant and equipment, intangibles and investment properties	**(41.4)**	(25.2)	**(47.3)**	(18.9)
Reversal of capital grants receivable	**(1,838.9)**	(2,122.7)	**(1,803.9)**	(2,076.6)
Adjustments for items included in the net surplus that are investing or financing activities	**(1,880.3)**	(2,147.9)	**(1,851.2)**	(2,095.5)

Notes to the Financial Statements

36. Cash flow notes (continued)

d) Investing activities

Year ended 31 March	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Capital grants received	**1,762.8**	2,056.9	**1,724.4**	1,996.8
Purchase of property, plant and equipment and investment property	**(2,235.8)**	(1,846.2)	**(387.8)**	(317.9)
Purchase of intangible assets	**(51.6)**	(40.4)	**(37.7)**	(15.3)
Proceeds from the sale of property, plant and equipment and intangible assets	**18.5**	27.9	**0.1**	(0.1)
Net sales/(purchases) of other investments	**8.5**	14.6	**(0.2)**	-
Issue of loans to subsidiaries	**-**	-	**-**	19.1
Repayments of loans to subsidiaries	**-**	-	**77.0**	15.9
Finance leases granted in year	**(1.5)**	(1.3)	**-**	-
Finance leases repaid in year	**5.9**	24.0	**-**	-
Proceeds from sale of investment property	**26.9**	82.5	**47.3**	18.9
Investment in equity of associates and joint ventures	**(4.9)**	(34.3)	**-**	-
Investment in share capital of subsidiaries	**-**	-	**-**	(280.0)
Net cash flows from investing activities	**(471.2)**	283.7	**1,423.1**	1,437.4

e) Financing activities

Year ended 31 March	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Cash payments for reduction of the outstanding liabilities relating to lease and PFI arrangements	**(311.0)**	(333.5)	**(41.4)**	(37.0)
Cash payments for reduction of other financing liabilities	**(6.5)**	(6.4)	**-**	-
Net proceeds from new borrowing	**187.5**	1,661.0	**187.5**	1,661.0
Repayments of borrowings	**(164.2)**	(1,720.7)	**(164.1)**	(1,720.7)
Net cash flows from financing activities	**(294.2)**	(399.6)	**(18.0)**	(96.7)

Notes to the Financial Statements
37. Unusable reserves

At 31 March	2024 £m	2023 £m
Group		
Capital Adjustment Account	**32,092.4**	30,924.4
Pension Reserve	**2,265.4**	1,541.9
Accumulated Absences Reserve	**(16.7)**	(13.2)
Retained Earnings Reserve in Subsidiaries	**(16.4)**	1,034.3
Revaluation Reserve	**201.9**	216.2
Hedging Reserve	**(60.3)**	(17.4)
Cost of Hedging Reserve	**(1.9)**	(2.4)
Financial Instruments Adjustment Account	**(100.5)**	(112.3)
Merger reserve	**466.1**	466.1
Deferred capital receipts	**13.2**	-
	34,843.2	34,037.6

At 31 March	2024 £m	2023 £m
Corporation		
Capital Adjustment Account	**17,382.3**	17,263.6
Pension Reserve	**2,265.4**	1,541.9
Accumulated Absences Reserve	**(16.7)**	(13.2)
Revaluation Reserve	**22.1**	22.4
Financial Instruments Adjustment Account	**(100.5)**	(112.3)
Deferred capital receipts	**13.2**	-
	19,565.8	18,702.4

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by TfL as finance for the costs of acquisition, construction and enhancement. The account also contains accumulated gains and losses on investment properties.

In the table below, the Corporation Capital Adjustment Account remains unchanged at Group level. The adjustments for the Group financial statements arise due to an alignment of accounting policies between the Group and its subsidiaries for assets not held in the Corporation. Under the Code, capital grants are recognised in the Comprehensive Income and Expenditure Statement and are then transferred to the Capital Adjustment Account (CAA) when utilised. No amortisation of grants or disposal of grants is recognised in the Comprehensive Income and Expenditure Statement. TfL's subsidiary companies account under full IFRS (rather than the Code) and are required to recognise deferred capital grants on the balance sheet and recognise grant amortisation in arriving at their retained earnings. An accounting policy alignment is performed on consolidation to recognise the grant receipts in the Comprehensive Income and Expenditure Statement (from where they are then transferred to the CAA). Equally, the amortisation and grant disposals are removed from the Comprehensive Income and Expenditure Statement and are shown in the CAA so that the total CAA adjustment is equal to the deferred capital grant carried in the subsidiaries' books.

Notes to the Financial Statements

37. Unusable reserves (continued)

Capital Adjustment Account (continued)

	Note	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Balance at 1 April		**30,924.4**	29,680.3	**17,263.6**	16,787.3
Amounts attributable to the Corporation					
Charges for depreciation and impairment of non-current assets		**(230.5)**	(205.4)	**(230.5)**	(205.4)
Capital proceeds from disposals of investment properties		**47.3**	18.9	**47.3**	18.9
Net book value of disposals of investment properties		**(41.2)**	(7.4)	**(41.2)**	(7.3)
Release of Revaluation Reserve relating to historical revaluation gains recognised in respect of properties disposed during the year		**0.2**	3.2	**0.2**	3.2
Movements in the market value of investment properties recognised in the deficit/surplus on the provision of services after tax		**55.6**	(14.3)	**55.6**	(14.3)
Capital grants and contributions	10	**1,734.1**	1,974.4	**1,734.1**	1,974.4
REFCUS	10	**(1,484.0)**	(1,342.3)	**(1,484.0)**	(1,342.3)
Minimum Revenue provision		**48.5**	49.3	**48.5**	49.3
Loss on disposal of property, plant and equipment		**(11.4)**	(0.2)	**(11.4)**	(0.2)
Adjustments for the alignment of Group accounting policies for assets not held in the Corporation					
Charges for depreciation, impairment and disposals for assets not held in the Corporation		**(469.5)**	(620.5)	**-**	-
Capital grants and contributions applied to assets not held in the Corporation	10	**1,519.0**	1,388.4	**-**	-
Balance at 31 March		**32,092.5**	30,924.4	**17,382.2**	17,263.6

Pension Reserve

The Pension Reserve represents pension and other post-retirement defined benefit obligations shown on the Balance Sheet, excluding those reflected on the balance sheets of the subsidiary companies.

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Group and Corporation account for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the defined benefit obligations recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Group and Corporation make employer's contributions to pension funds or eventually pay any pensions for which they are directly responsible. The debit balance on the pension reserve therefore shows a substantial shortfall in the benefits earned by past and current employees against the resources that have been set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Balance at 1 April	**1,541.9**	(3,158.8)	**1,541.9**	(3,158.8)
Net remeasurement losses on pension assets and defined benefit obligations	**600.2**	5,040.8	**600.2**	5,040.8
Reversal of charges relating to retirement benefits	**(211.0)**	(659.0)	**25.8**	(432.2)
Employer's pension contributions, contributions from subsidiaries and direct payments to pensioners payable in the year	**334.3**	318.9	**97.5**	92.1
Balance at 31 March	**2,265.4**	1,541.9	**2,265.4**	1,541.9

Notes to the Financial Statements

37. Unusable reserves (continued)

Accumulated Absences Reserve

The Accumulated Absences Reserve absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the reserve.

	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Balance at 1 April	**(13.2)**	(14.6)	**(13.2)**	(14.6)
Settlement or cancellation of accrual made at the end of the preceding year	**13.2**	14.6	**13.2**	14.6
Amounts accrued at the end of the current year	**(16.7)**	(13.2)	**(16.7)**	(13.2)
Balance at 31 March	**(16.7)**	(13.2)	**(16.7)**	(13.2)

Retained Earnings Reserve in Subsidiaries

The Retained Earnings Reserve in Subsidiaries represents the retained earnings in the Group's subsidiary companies. These are disclosed as unusable reserves unless the subsidiary declares a dividend to the Corporation, and they are able to fund these via their own cash reserves. The majority of assets held in subsidiaries are related to transport infrastructure and are not readily convertible to cash.

	Group 2024 £m	Group 2023 £m
Balance at 1 April as previously reported	**1,034.3**	1,483.6
(Deficit)/surplus on the provision of services after tax in subsidiaries	**(6.2)**	242.8
Surplus on valuation of newly created investment properties (net of tax)	**-**	6.0
Transfer of current year capital grants and contributions to the Capital Adjustment Account	**(1,519.0)**	(1,388.4)
Transfer of adjustments between Group and Corporation financial statements to the Capital Adjustment Account	**469.6**	620.5
Remeasurement gains on defined benefit pension plan assets and liabilities	**2.2**	46.5
Release of Revaluation Reserve relating to historical revaluation gains recognised in respect of properties disposed	**-**	22.6
Release of Revaluation Reserve relating to the difference between fair value depreciation and historical cost depreciation	**2.7**	0.7
Balance at 31 March	**(16.4)**	1,034.3

Notes to the Financial Statements

37. Unusable reserves (continued)

Revaluation Reserve

The Revaluation Reserve contains the accumulated gains made arising from increases in the value of property, plant and equipment. The balance is reduced when assets with accumulated gains are:

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

	Note	Group 2024 £m	Group 2023 £m	Corporation 2024 £m	Corporation 2023 £m
Balance at 1 April		216.2	241.2	22.4	26.6
Revaluation of assets	13	(11.4)	1.6	-	(1.1)
Release of Revaluation Reserve relating to historical revaluation gains recognised in respect of properties disposed		(0.2)	(25.8)	(0.3)	(3.1)
Release of Revaluation Reserve relating to the difference between fair value depreciation and historical cost depreciation, and to historical revaluation gains recognised in respect of properties disposed during the year		(2.7)	(0.8)	-	-
Balance at 31 March		**201.9**	216.2	**22.1**	22.4

Hedging Reserve

The Hedging Reserve holds the gain or loss on a hedging instrument that is determined to be an effective hedge. The ineffective portion, if any, is recognised immediately through the Comprehensive Income and Expenditure Statement. The gain or loss deferred in reserves is recognised in the Comprehensive Income and Expenditure Statement in the period(s) during which the hedged forecast transaction affects profit or loss, or recognised as an adjustment to the cost of a capital asset where capital expenditure is hedged.

	Group 2024 £m	Group 2023 £m
Balance at 1 April	(17.4)	(57.9)
Net change in fair value of cash flow interest rate hedges	(37.2)	11.6
Net change in fair value of cash flow foreign exchange hedges	(6.8)	6.0
Reclassification of interest rate fair value losses to profit and loss	1.1	9.4
Discontinued hedging relationship	-	13.5
Balance at 31 March	**(60.3)**	(17.4)

The Corporation does not have a Hedging Reserve as it has not entered into any derivative transactions, nor does it have legal powers to do so.

Notes to the Financial Statements

37. Unusable reserves (continued)

Cost of Hedging Reserve

The Cost of Hedging Reserve holds the gain or loss on a hedging instrument arising from changes in the fair value of the time value of an option when the intrinsic value of the option has been designated in an effective hedging relationship. The gain or loss deferred in reserves is recognised in the Comprehensive Income and Expenditure Statement in the period(s) during which the hedged forecast transaction affects profit or loss. The ineffective portion, if any, is recognised immediately through the Comprehensive Income and Expenditure Statement.

	Group 2024 £m	Group 2023 £m
Balance at 1 April	**(2.4)**	(3.0)
Reclassification of cashflow foreign exchange hedge losses to the Balance Sheet	**0.5**	0.6
Balance at 31 March	**(1.9)**	(2.4)

The Corporation does not have a Cost of Hedging Reserve as it has not entered into any derivative transactions, nor does it have legal powers to do so.

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account provides a balancing mechanism between the different rates at which gains and losses (such as premium on the early repayment of debt) are recognised under the Code and are required by statute to be met from the General Fund.

	Group 2024 £m	Group 2023 £m	**Corporation 2024 £m**	Corporation 2023 £m
Balance at 1 April	**(112.3)**	(124.0)	**(112.3)**	(124.0)
Release of premium	**11.8**	11.7	**11.8**	11.7
Balance at 31 March	**(100.5)**	(112.3)	**(100.5)**	(112.3)

Merger Reserve

The Merger Reserve of £466.1m arose as a result of the transfer of the net assets of London Regional Transport, including the share capital of London Underground Limited (LUL), to TfL in 2003. It represents the share capital of LUL and was taken as a credit to the merger reserve. The Group has taken advantage of the exemption in IFRS 1 not to restate business combinations occurring prior to the transition date of 1 April 2009.

	Group 2024 £m	Group 2023 £m	**Corporation 2024 £m**	Corporation 2023 £m
Balance at 1 April and 31 March	**466.1**	466.1	**-**	-

Deferred capital receipts reserve

The deferred capital receipts reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, TfL does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the capital receipts reserve.

	Group 2024 £m	Group 2023 £m	**Corporation 2024 £m**	Corporation 2023 £m
Balance at 1 April and 31 March	**13.2**	-	**13.2**	-

Notes to the Financial Statements

38. Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Corporation in the year in accordance with proper accounting practice in order to determine the resources that are specified by statutory provisions as being available to the Corporation to meet future capital and revenue expenditure. The General Fund reserve represents monies available to finance the day to day activities of TfL.

Corporation

Year ended 31 March 2024	Note	General Fund £m	Capital Adjustment Account £m	Capital receipts reserve £m	Pension Reserve £m	Street Works Reserve £m	Capital Grants Unapplied Account £m	Financial Instruments Adjustment Account £m	Accumulated Absences Reserve £m
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement									
Charges for depreciation, amortisation and impairment of non-current assets	4	230.5	(230.5)	-	-	-	-	-	-
Net book value of disposals		41.1	(41.1)	-	-	-	-	-	-
Capital proceeds from disposals	39	(47.2)	-	47.2					
Capital receipts applied		-	47.2	(47.2)					
Movements in the market value of investment properties	9	(55.6)	55.6	-	-	-	-	-	-
Capital grants and contributions	10	(250.1)	250.1	-	-	-	-	-	-
Capital grants and contributions applied to REFCUS		(1,484.0)	1,484.0						
REFCUS		1,484.0	(1,484.0)						
Unapplied capital grants	10	(69.8)	-	-	-	-	69.8	-	-
Loss on disposal of non-current assets	7	11.4	(11.4)	-	-	-	-	-	-
Reversal of items relating to retirement benefits		(25.8)	-	-	25.8	-	-	-	-
Transfers to/from Street Works Reserve		(4.8)	-	-	-	4.8	-	-	-
Difference between the remuneration charged on an accruals basis and the remuneration chargeable in accordance with statutory requirements		3.5	-	-	-	-	-	-	(3.5)
Inclusion of items not debited or credited to the Comprehensive Income and Expenditure Statement which are required to be charged in accordance with statutory requirements									
Employer's pension contributions and direct payments to pensioners payable in the year		(97.5)	-	-	97.5	-	-	-	-
Minimum Revenue provision	40	(48.5)	48.5	-	-	-	-	-	-
Amortisation of premium on financing		(11.8)	-	-	-	-	-	11.8	-
		(324.6)	118.4	-	123.3	4.8	69.8	11.8	(3.5)

Notes to the Financial Statements

38. Adjustments between accounting basis and funding basis under regulations (continued)

Corporation

Year ended 31 March 2023	Note	General fund £m	Capital Adjustment Account £m	Capital receipts reserve £m	Pension Reserve £m	Street Works Reserve £m	Capital Grants Unapplied Account £m	Financial Instruments Adjustment Account £m	Accumulated Absences Reserve £m
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement									
Charges for depreciation, amortisation and impairment of non-current assets	4	205.4	(205.4)	-	-	-	-	-	-
Net book value of disposals		7.7	(7.7)	-	-	-	-	-	-
Capital proceeds from disposals	39	(18.9)	-	18.9					
Capital receipts applied		-	18.9	(18.9)					
Movements in the market value of investment properties	9	14.0	(14.0)	-	-	-	-	-	-
Capital grants and contributions	10	(632.1)	632.1	-	-	-	-	-	-
Capital grants and contributions applied to REFCUS		(1,342.3)	1,342.3						
REFCUS		1,342.3	(1,342.3)						
Unapplied capital grants	10	(102.2)	-	-	-	-	102.2	-	-
Loss on disposal of non-current assets	7	0.2	(0.2)	-	-	-	-	-	-
Reversal of items relating to retirement benefits		432.2	-	-	(432.2)	-	-	-	-
Transfers to/from Street Works Reserve		(2.0)	-	-	-	2.0	-	-	-
Difference between the remuneration charged on an accruals basis and the remuneration chargeable in accordance with statutory requirements		(1.4)	-	-	-	-	-	-	1.4
Inclusion of items not debited or credited to the Comprehensive Income and Expenditure Statement which are required to be charged in accordance with statutory requirements									
Employer's pension contributions and direct payments to pensioners payable in the year		(92.1)	-	-	92.1	-	-	-	-
Minimum Revenue provision	40	(49.3)	49.3	-	-	-	-	-	-
Amortisation of premium on financing		(11.7)	-	-	-	-	-	11.7	-
		(250.2)	473.0	-	(340.1)	2.0	102.2	11.7	1.4

Notes to the Financial Statements

39. Sources of finance

Capital expenditure analysed by source of finance:

Year ended 31 March	Note	Corporation 2024 £m	Corporation 2023 £m
Capital expenditure			
Intangible asset additions	12	**37.7**	15.3
Property, plant and equipment additions	13	**350.8**	343.5
Investment property	16	**1.0**	1.7
Investments in year	17	**-**	280.0
Capital grants allocated to subsidiaries in year	10	**1,484.0**	1,342.3
Total capital expenditure		**1,873.5**	1,982.8
Sources of finance			
Business Rates Retention used to fund capital	10	**882.8**	1,613.7
Non ring-fenced grant from DfT	10	**810.0**	-
Community infrastructure levy and other third party contributions	10	**111.1**	191.9
Crossrail specific grant	10	**-**	271.0
Adjusted by amounts transferred to Capital Grants Unapplied Account	10	**(69.8)**	(102.2)
Prudential borrowing		**58.0**	-
Repayment of loans from subsidiaries		**42.0**	-
Capital receipts		**47.2**	18.9
Working capital		**(7.8)**	(10.5)
Total sources of finance		**1,873.5**	1,982.8

Capital Financing Requirement

The Capital Financing Requirement is the amount of cumulative capital expenditure to be financed by means other than grant or asset sales proceeds. As at 31 March 2024 this stood at £13,019.6m (2023 £13,085.6m) for the Corporation.

40. Minimum revenue provision

The Local Government and Housing Act 1989 requires a Minimum Revenue Provision (MRP) to be set aside for the redemption of external debt. As a statutory corporation regulated as if it were a local authority, TfL is required to comply with the Local Authorities Capital Finance Regulations. New regulations were approved by the Secretary of State in February 2008. TfL is required to approve an Annual MRP Statement determining the amount of MRP which it considers to be prudent.

The Ministry of Housing, Communities and Local Government issued guidance setting out four possible methods which are deemed automatically prudent, but also states that 'approaches differing from those exemplified should not be ruled out. The broad aim of prudent provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.'

While statutory guidance suggests four potential methods for calculating MRP it also allows for other methods and approaches to be used. Since 2016/17 TfL has applied the principles inherent in the statutory guidance on MRP, to make an annual provision in TfL (the Corporation), that aims to build up a reserve on the Balance Sheet over the average useful economic life of the assets funded by borrowings in the Corporation, such that, at the end of that useful economic life, that reserve may be employed to either repay borrowings or to finance replacement capex for those assets that have reached the end of their lives. An MRP is effectively already made for borrowings passed down to the subsidiaries through TfL's existing processes for funding those entities. The MRP provision for 2023/24, shown as a transfer from the General Fund to the Capital Adjustment Account in the Group and Corporation Movement in Reserves Statements, was a total of £48.5m (2022/23 £49.3m).

Notes to the Financial Statements
41. Financial assistance

TfL may give financial assistance to any body or person in respect of expenditure incurred or to be incurred by that body or person in doing anything which, in the opinion of TfL, is conducive to the provision of safe, integrated, efficient and economic transport facilities or services to, from or within Greater London, and also to London Transport Museum Limited.

Financial assistance given under section 159 of the GLA Act 1999 is outlined below:

Year ended 31 March	**Corporation 2024 £m**	Corporation 2023 £m
Financial assistance to subsidiaries		
Transport Trading Limited	**10.7**	364.2
London Underground Limited	**1,257.9**	967.1
London Bus Services Limited	**845.1**	865.0
London River Services Limited	**6.1**	5.3
London Transport Museum Limited	**-**	3.4
Docklands Light Railway Limited	**199.2**	149.1
Rail for London Limited	**-**	204.1
Crossrail Limited	**41.6**	238.8
Tramtrack Croydon Limited	**54.8**	41.1
Rail for London (Infrastructure) Limited	**93.4**	71.3
	2,508.8	2,909.4

Year ended 31 March	Note	**Corporation 2024 £m**	Corporation 2023 £m
Financial assistance to London Boroughs and other third parties			
Local Implementation Plan		**42.5**	41.2
Taxicard		**7.6**	7.1
London Streetspace		**0.1**	1.1
Cycling		**27.4**	11.3
Bus priority		**10.5**	3.2
Livable neighbourhoods		**2.8**	-
Other		**8.3**	7.4
	4	**99.2**	71.3

Notes to the Financial Statements

42. Related parties

TfL is required by the Code and IAS 24 Related Party Disclosures (IAS 24) to disclose material transactions with related parties. Related parties are entities or individuals who have the potential to control, indirectly control or significantly influence TfL or to be controlled, indirectly controlled or significantly influenced by TfL.

TfL is a statutory corporation established by section 154 of the GLA Act 1999. It is a functional body of the Greater London Authority and is controlled by the Mayor of London. TfL is classified as a government entity in accordance with IAS 24, as it is controlled by the GLA, through the Mayor. The GLA and its other functional bodies are considered to be related parties of TfL and its subsidiaries, as they are all under the control of the Mayor. Other related parties include TfL's Board Members, members of the TfL Executive Committee (including the Commissioner, Chief Officers and General Counsel), the Mayor of London and the TfL Pension Fund. In addition, central Government has the potential to influence TfL by providing the statutory framework within which TfL operates and through the provision of funding in the form of grants and borrowing facilities.

Disclosure of related party transactions allows readers to assess the extent to which the Corporation might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with it.

GLA and functional bodies

Details of amounts received from the Business Rates Retention, and the Council Tax precept paid to TfL by the GLA are shown in note 10.

During 2023/24 TfL had the following other transactions with the GLA and functional bodies:

	Total income during the year £m	Total expenditure during the year £m	Outstanding balance at 31 March 2024 £m
GLA	15.1	(2.5)	8.6
Mayor's Office for Policing and Crime (MOPAC)	0.4	(108.5)	(19.3)
London Legacy Development Corporation (LLDC)	0.9	-	-

Board Members and Officers

Board Members, the Mayor of London, and key management (including the Commissioner and the TfL Executive Committee), are required to complete a declaration regarding any related party transactions. During the year, none of the Corporation Board, key management personnel or parties related to them have undertaken any transactions with the Corporation or its subsidiaries (2022/23 none). Details of the remuneration of the Commissioner and all employees earning a base salary of £150,000 or more are disclosed in the Remuneration Report (see note 6).

TfL Pension Fund

The Accounts of the TfL Pension Fund are prepared separately and are subject to a separate audit opinion. Contributions payable to the TfL Pension Fund by TfL as employer are disclosed in Note 35.

Central Government

During 2023/24, the DfT contributed grant funding to TfL totalling £998.3m (2022/23 £942.6m) under a series of Extraordinary Funding and Financing Agreements.

In the year to 31 March 2024, the GLA paid grants totalling £nil to TfL in relation to the Crossrail project (2023 £271m). And as at 31 March 2024 £680m of the Crossrail loan facility provided by the DfT in relation to the Crossrail project remained drawn down (2023 £715m).

Other public bodies

TfL provides financial assistance to London Boroughs to support Borough schemes that improve the local travelling environment. Financial assistance provided is disclosed in Note 41.

TfL receives income from the London Boroughs for the provision of free travel for older and disabled customers, and students. This income is set out in note 1.

TfL has borrowings outstanding from the PWLB and pays interest to PWLB in respect of those borrowings.

TfL makes payments to the British Transport Police for the provision of policing services on the Underground and London Overground and other overground railways.

TfL makes payments to the Metropolitan Police Service for policing services provided by the Safer Transport Command.

Transactions between the Corporation and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Notes to the Financial Statements

43. Trust Funds

The Corporation acts as the sole trustee for the TfL Healthcare Trust, a trust established for the purpose of providing certain benefits relating to medical treatment for eligible employees of the Group and their family members. The Trust is administered by AXA PPP Healthcare Administration Services Limited, an independent third party. Under the terms of the Trust deed the funds held by the Trust do not represent the assets of the Corporation or its subsidiaries. Hence the Trust has not been consolidated into these financial statements.

	Income £m	Expenditure £m	Assets £m	Liabilities £m
At 31 March 2024				
TfL Healthcare Trust	-	-	-	-
At 31 March 2023				
TfL Healthcare Trust	1.2	(3.8)	2.5	-

44. Events after the Balance Sheet date

On 1 September 2024, we identified some suspicious activity on our systems. The security of our systems and customer data is very important to us, and we took immediate action to protect our systems. We are conducting a thorough investigation into the incident, alongside the National Crime Agency and the National Cyber Security Centre.

Although there has been very little impact on our customers, our investigations have identified that certain customer data has been accessed. This could include bank account numbers and sort codes for a limited number of customers (around 5,000). We have contacted these customers directly as a precautionary measure, to offer support and guidance.

This cyber security incident has not impacted the financial statements for the year ending 31 March 2024. As the investigations into the incident are ongoing, the total financial effect of the incident cannot be currently estimated at this time. The impact on both revenue and expenditure identified to date is not material.

Annual Governance Statement

The CIPFA/SOLACE Delivering Good Governance in Local Government Framework (the Framework) requires local authorities, which includes TfL, to publish an Annual Governance Statement, and to be responsible for ensuring that:

- its business is conducted in accordance with all relevant laws and regulations;
- public money is safeguarded and properly accounted for; and
- resources are used economically, efficiently, and effectively to achieve agreed priorities which benefit local people.

As a functional body of the Greater London Authority (GLA), TfL is a signatory to the GLA Group Corporate Governance Framework Agreement (the Agreement), which was updated in March 2022. The Agreement is an overarching commitment in relation to the culture and individual behaviours of the GLA Group and contains specific corporate governance commitments. The Board agreed TfL has in place protocols and processes that address all the requirements of the Agreement.

TfL has approved and adopted a Code of Governance (the Code) which is consistent with the Framework and is published online at tfl.gov.uk. This statement explains how TfL complies with the Code and meets the requirements of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.

TfL's governance framework has been in place since the year ended 31 March 2001 and remains in place at the date of approval of the 2023/24 Statement of Accounts. The key elements of the governance framework are set out below:

Key Elements of TfL's Governance Framework

Chair, Board, Committees and Panels	The Mayor appoints the Board and is the Chair. The Board provides leadership and determines and agrees TfL's strategic direction and oversees the performance of the Executive Committee to deliver the Mayor's Transport Strategy. The Budget, Business Plan and Capital Strategy set out how the Mayor's Transport Strategy will be delivered and are supported by TfL's Group and individual business area Scorecards. The Board's effectiveness is reviewed annually.
Decision Making	Standing Orders set out TfL's decision-making process and are regularly reviewed. The roles of Members and the executive are clearly defined. The Board, its Committees and Panels meet in public, and all decisions taken are published. The approval of Financial, Programme and Project, Procurement and Land Authority by the Commissioner and Chief Finance Officer is also reported to Committees along with any Mayoral Directions to TfL.
Audit and Assurance Committee	The Committee reviews the effectiveness of the system of internal controls, including the integrated assurance framework and considers fraud and risk management issues. It also reviews the Annual Accounts prior to submission to the Board and TfL's compliance with the UK Corporate Governance Code (where applicable). The Risk and Assurance Directorate and External Auditors support the work of the Committee.
Risk Management	TfL has an Enterprise Risk management system that sets out TfL's Enterprise and Strategic Risks, supported by local risk registers throughout TfL, which are monitored by the appropriate senior manager. The Audit and Assurance Committee oversees the implementation of the risk management system, with individual Committees and Panels reviewing each Enterprise Risk within their remit as per the 12-month rolling schedule. The Executive Committee also regularly reviews all the Enterprise Risks.
Scrutiny and Review	The Board, Committees and Panels each receive regular quarterly reports on TfL's performance. These reports cover: performance against the Scorecard; financial performance; customer and operational performance; safety, health and environment; and human resources. The Audit and Assurance Committee reviews TfL's overall audit and assurance arrangements.
The Commissioner and the Executive Committee	The Commissioner and Executive Committee are responsible for the delivery of day-to-day operations. The statutory Chief Finance Officer (TfL's appointed officer under section 127 of the GLA Act 1999) is responsible for safeguarding TfL's financial position. The postholder reports directly to TfL's managing Chief Finance Officer and, while not on the Executive Committee, plays an active part in TfL strategic decision making through involvement in all key decisions with a significant financial implication and has management responsibility to produce the Business Plan and statutory accounts. The General Counsel, along with the Commissioner, is responsible for ensuring compliance with the law and promoting good corporate governance and high standards of public conduct. The Director of Risk and Assurance comments annually on the effectiveness of the Code.

Applying the Framework Principles

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law: TfL's Code of Conduct for Members and staff reinforces a public service ethos and high standards of behaviour. It is supported by more detailed guidance, including TfL's whistleblowing procedures and guidance on conflicts of interest and through the Modern Slavery Statement. The General Counsel and Commissioner have specific responsibilities to ensure that TfL's decisions meet legal requirements. Inductions for new senior staff and the one new Member of the Board appointed in 2023/24 explicitly covered the importance of behaviours and ethical values. Declarations of interests for Members and the most senior staff are published on tfl.gov.uk and declared at meetings.

Principle B: Ensuring openness and comprehensive stakeholder engagement. TfL has a transparency strategy and publishes a substantial amount of information. It engages with stakeholders and partners through consultation and its work with London Councils and individual boroughs. It cooperates with appropriate organisations to ensure there is independent scrutiny of its financial and operational reporting processes. Board, Committee and Panel meetings are held in public and are routinely webcast contemporaneously on TfL's YouTube channel to further enhance transparency in decision making. TfL has an active social media presence including Facebook, X (formerly Twitter) and YouTube. Members of TfL's Youth Panel now attend meetings of the Board's two Panels to provide the perspective of young people.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits. TfL meets this objective through its delivery of the Mayor's Transport Strategy, supported by its Vision and Values, Business Plan and the annual Scorecard process. The Business Plan and Scorecard measures flow through to team and individual staff objectives. The quarterly reports to the Board, Committees and Panels, as well as papers seeking authority for projects, provide commentary on how they support the objective of delivering the Mayor's Transport Strategy.

TfL's Vision and Values, launched in 2021, define TfL's purpose as "To move London forward safely, inclusively and sustainability" and its vision as "We'll be a strong, green heartbeat for London". In 2023, TfL launched "Our Strategy", which built on the Vision, purpose and Values, setting out how TfL would achieve its Vision and explaining how everything fitted together to do that. TfL has established five roadmaps to deliver the Vision and Values and these are reviewed annually. They guide planning and decision making, provide direction while maintaining flexibility for different areas of the business to develop their own plans to contribute and support frequent, open reporting on how we are doing. The roadmaps cover:

- Safety and Security – get everyone home safe and healthy, every day;
- Colleagues – be a great place to work for everyone to thrive;
- Customers – give people more reasons to choose sustainable travel;
- Finance – grow our income and control our costs; and
- Green – tackle the climate and ecological emergency

In 2023, TfL launched "Action on Inclusion" to support a more inclusive workforce. In 2024, TfL launched "Equity in Motion" which set out its plans for creating a fair, accessible and inclusive transport network.

Principle D: Determining the intervention necessary to achieve intended outcomes. The Quarterly Performance Report and other key quarterly reports submitted to Committees and Panels track TfL's activities in terms of key performance indicators and delivery of the Mayor's Transport Strategy. These also highlight remedial actions taken where slippage occurs. TfL's intervention in the governance of the Crossrail project in 2020, enabled the Elizabeth Line Delivery Group and Elizabeth Line Committee to drive the project forward, with the line opening on 24 May 2022, through running and Sunday services introduced on 6 November 2022 and the final integration of the railway on 21 May 2023. Following a period of monitoring performance and the close out of the Crossrail project, the Elizabeth Line Committee was stood down on 25 July 2023. TfL had previously given greater financial independence to its property subsidiary company, now named Places for London Limited, and established a Land and Property Committee to oversee and drive forward schemes that will deliver affordable housing for the Mayor and revenue for TfL. The governance of the Committee has been reviewed, with additional assurance and the Places for London management team is also supported by external experts. Following a review of its safety culture, further consideration is being given to enhancing the Board's role in the oversight of safety.

Principle E: Developing TfL's capacity, including the capability of its leadership and individuals within it. The structure of the Executive Committee and the roles and responsibilities of its members were refreshed in February 2022 and revised governance arrangements below this level have been reviewed and implemented. TfL undertakes a wide range of human resources activities to develop the capacity of its colleagues. Regular reports are submitted to the Safety, Sustainability and Human Resources Panel and the Remuneration Committee on this and key initiatives including the Our TfL Programme, leadership programme, succession planning and TfL's graduate and apprenticeship programmes. During the year, the Remuneration Committee reviewed and supported proposals in relation to resourcing at TfL, including the approach to reward. TfL's Vision and Values are also intended to develop capacity (see Principle C above). Board Members are developed through induction, briefings, and site visits. One new Board Member was appointed and inducted during the year.

Principle F: Managing risks and performance through strong internal control and financial management. TfL's Enterprise Risk management system sets out TfL's main strategic risks and mitigations, with more detailed risk registers held throughout TfL. Following a review with the Board and the Executive Committee in May 2022, the Enterprise Risks were updated and the Enterprise Risk Management Framework was changed to reflect TfL's Vision and Values roadmaps. A 12-month rolling schedule of reviews for the Level 0 Enterprise Risks was established, with risks reviewed and updates provided to the Executive Committee and the relevant Committees and Panels. The Audit

and Assurance Committee maintains overall responsibility for scrutinising TfL's approach to risk and receives reports to each meeting and reports on this to the Board. The Finance Committee scrutinises TfL's financial performance and reports on this to the Board. It monitors the effectiveness of rigorous cost control and scrutiny measures introduced because of the impact of the coronavirus pandemic on TfL's funding and saw TfL make an operational surplus for the first time in its history at financial year end 2024. TfL has also continued to embed the TfL Health, Safety and Environment Management System and has continuous improvement plans in place to enhance the system and strengthen the maturity of compliance.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability. TfL follows the Government Communication Service guidance on providing clear and accurate information. It has a published transparency strategy and has developed its website and the format of its reports to improve transparency and accessibility. Minutes of meetings, key decisions taken outside of meetings, the registers of Members and the most senior staff's interests and acceptance of gifts and hospitality, along with details of contracts awarded over £5,000 are published on tfl.gov.uk.

Review of Effectiveness

TfL conducts, at least annually, a review of the effectiveness of its governance framework including the system of internal control, which is reported to the Audit and Assurance Committee. There was also an annual Board Effectiveness Review in 2023 led by an external specialist and reported to the Board in October 2023.

TfL continually reviews the effectiveness of its governance arrangements, including all aspects of TfL's operations including its relationships with its group entities. The Risk and Assurance Annual Report and Assurance Statement includes the opinion of the Head of Internal Audit on the overall framework of TfL's governance, risk management and internal control in the year. The opinion for the year ending 31 March 2024 concluded that the overall framework of TfL's governance, risk management and internal control is generally adequate for TfL's business needs and operated in an effective manner. The opinion did highlight three issues to be addressed following audits: insider threats are a significant risk and this spans new and existing employees, non-permanent labour and consultants; weaknesses in the controls around the provision of labour contracts; and gaps in audit trails and supporting documentation and an inconsistent approach to record keeping, particularly in relation to records management for procurement and contracts. The audit of the safety complaints process also found that, while safety complaints were taken seriously, there were inconsistencies at an operational level in how processes were carried out. Processes to manage and handle safety complaints were not always aligned with the requirements of the safety complaints procedure. Audit recommendations have been agreed and are being implemented to address each of these issue.

The significant impact of the coronavirus pandemic on TfL's operational activities and its finances continues to be felt. A 19-month funding settlement was agreed with Government on 30 August 2022 and lasted until to 31 March 2024 and a subsequent capital funding settlement is now in place. Discussions are ongoing in relation to securing long-term capital funding to enable TfL to plan effectively.

Conclusion

TfL is satisfied that appropriate governance arrangements are in place. It recognises that there is always more that can be done and remains committed to maintaining and where possible improving these arrangements. The key ways of doing this are:

- keeping its governance arrangements under continuous review, including through the Board Effectiveness Review;
- addressing issues identified by Internal Audit as requiring improvement;
- reviewing and enhancing performance reporting to focus on key risks and areas for improvement; and
- listening to feedback from key stakeholders

SIGNATURE

Sadiq Khan
Chair of TfL
XX November 2024

SIGNATURE

Andy Lord
Commissioner
XX November 2024

TfL Board members

The Mayor appoints members for their skills, knowledge and experience relating to TfL's activities. The Board is independent of the executive

Sadiq Khan
Chair

Seb Dance
Deputy Chair

Heidi Alexander

Kay Carberry CBE

Professor Greg Clark CBE

Cllr Ross Garrod*

Anurag Gupta

Bronwen Handyside

Anne McMeel

Dr Mee Ling Ng OBE

Dr Nelson Ogunshakin OBE

Mark Phillips

Marie Pye

Dr Nina Skorupska CBE FEI

Dr Lynn Sloman MBE

Ben Story**

Peter Strachan

Cllr Kieron Williams***

* Cllr Garrod appointed from 3 November 2023
** Ben Story left the Board on 29 September 2023
*** Cllr Kieron Williams left the Board on 13 October 2023

Membership of TfL committees and panels

Audit and Assurance Committee

Mark Phillips
Chair

Anurag Gupta
Vice Chair

Kay Carberry CBE

Cllr Ross Garrod*

Dr Mee Ling Ng OBE

Elizabeth line Committee (disbanded 25 July 2023 following the opening of the end-to-end railway)

Heidi Alexander
Chair

Anne McMeel
Vice Chair

Seb Dance

Dr Nelson Ogunshakin OBE

Mark Phillips

* Cllr Garrod appointed from 13 December 2023

Finance Committee

Anne McMeel
Chair

Anurag Gupta*
Vice Chair

Prof Greg Clark CBE

Seb Dance

Dr Nina Skorupska CBE FEI

Ben Story**

Land and Property Committee

Prof Greg Clark CBE
Chair

Dr Nina Skorupska CBE FEI
Vice Chair

Seb Dance

Anurag Gupta***

Anne McMeel

Marie Pye****

Ben Story**

* Anurag Gupta appointed Vice Chair from 30 September 2023

** Ben Story left the Board on 29 September 2023 and was Vice Chair of the Finance Committee until that date

*** Anurag Gupta appointed from 8 June 2023

**** Marie Pye appointed from 26 July 2023

Programmes and Investment Committee

Dr Nelson Ogunshakin OBE*
Chair

Peter Strachan**
Vice Chair

Seb Dance

Mark Phillips***

Dr Lynn Sloman MBE

Ben Story****

Cllr Kieron Williams*****

Remuneration Committee

Kay Carberry CBE
Chair

Peter Strachan
Vice Chair

Seb Dance

Dr Nelson Ogunshakin OBE

* Dr Nelson Ogunshakin OBE was Vice Chair until appointed Chair from 30 September 2023

** Peter Strachan was appointed appointed Vice Chair from 30 September 2023

*** Mark Phillips was appointed from 26 July 2023

**** Ben Story left the Board on 29 September 2023 and was Chair until he left

***** Cllr Kieron Williams left the Board on 13 October 2023

Customer Service and Operational Performance Panel

Dr Mee Ling Ng OBE
Chair

Marie Pye
Vice Chair

Cllr Ross Garrod*

Bronwen Handyside

Anne McMeel

Dr Lynn Sloman MBE

Peter Strachan

Cllr Kieron Williams**

Safety, Sustainability and Human Resources Panel

Dr Lynn Sloman MBE
Chair

Dr Nina Skorupska CBE FEI
Vice Chair

Kay Carberry CBE

Bronwen Handyside

Dr Mee Ling Ng OBE

Mark Phillips

Marie Pye

Rail user representatives***

Professor Greg Clark CBE
(South of London)

Peter Strachan
(North of London)

* Appointed from 13 December 2023

** Member until he left the Board on 13 October 2023

*** The rail users represent the interests of those living, working and studying in areas outside Greater London who use railway services operated by TfL.

TfL Board and committee member remuneration

Current Board Member	For the year ended 31 March 2024 (£)
Sadiq Khan	Not remunerated by TfL
Seb Dance	Not remunerated by TfL
Heidi Alexander	19,000
Kay Carberry CBE	20,000
Professor Greg Clark CBE	20,000
Anurag Gupta[1]	18,818
Bronwen Handyside	18,000
Anne McMeel	20,000
Dr Mee Ling Ng OBE	20,000
Dr Nelson Ogunshakin OBE[2]	19,000
Mark Phillips[3]	20,000
Marie Pye[4]	18,682
Councillor Ross Garrod[5]	7,124
Dr Nina Skorpuska CBE FEI	19,000
Dr Lynn Sloman MBE	20,000
Peter Strachan	20,000
Members who left in 2023/24	
Ben Story[6]	10,000
Councillor Kieron Williams[7]	9,333

Non-voting meeting attendees: Board – Government observers	For the year ended 31 March 2024 (£)
John Hall (Strategic Special Representative)	Not remunerated by TfL
Becky Wood (Technical Special Representative) (until 2 June 2023)	Not remunerated by TfL
David Coles (DfT Observer) (from 26 July 2023)	Not remunerated by TfL

Non-voting meeting attendees: Elizabeth Line Committee (until 26 July 2023)	For the year ended 31 March 2024 (£)
Sarah Atkins	5,079
Matt Lodge (Government observer)	Not remunerated by TfL

Non-voting meeting attendees: Finance Committee – Government observers	For the year ended 31 March 2024 (£)
Becky Wood (Technical Special Representative) (until 2 June 2023)	Not remunerated by TfL
John Hall (Strategic Special Representative) (from 26 July 2023)	Not remunerated by TfL

Non-voting meeting attendees: Programmes and Investment Committee – Government observers	For the year ended 31 March 2024 (£)
Becky Wood (Technical Special Representative) (until 2 June 2023)	Not remunerated by TfL
David Coles (DfT Observer) (from 26 July 2023)	Not remunerated by TfL

1 Anurag Gupta was appointed to the Land and Property Committee from 8 June 2023

2 Dr Nelson Ogunshakin OBE was appointed Chair of the Programmes and Investment Committee from 30 September 2023

3 Mark Phillips was appointed to the Programmes and Investment Committee from 26 July 2023

4 Marie Pye was appointed to the Land and Property Committee from 26 July 2023

5 Councillor Ross Garrod was appointed to the Board from 3 November 2023

6 Ben Story left the Board on 29 September 2023

7 Councillor Kieron Williams left the Board on 13 October 2023

TfL members attendance 2023/24[1]

Member	Board (6)	Audit and Assurance Committee (4)	Customer Service and Operational Performance Panel (4)	Elizabeth line Committee (2)	Finance Committee (5)[2]	Land and Property Committee (4)	Programmes and Investment Committee (5)	Remuneration Committee (3)	Safety, Sustainability and Human Resources Panel (4)
Sadiq Khan	6	–	–	–	–	–	–	–	–
Seb Dance	6	–	–	2	5	2	5	2	–
Heidi Alexander	4	–	–	2	–	–	–	–	–
Kay Carberry CBE	6	4	–	–	–	–	–	3	4
Professor Greg Clark CBE	5	–	–	–	3	4	–	–	–
Councillor Ross Garrod	3 (3)	0 (1)	0 (1)	–	–	–	–	–	–
Anurag Gupta	6	3	–	–	5	4	–	–	–
Bronwen Handyside[3]	1	–	0	–	–	–	–	–	0
Anne McMeel	6	–	4	2	5	4	–	–	–
Dr Mee Ling Ng OBE	6	4	4	–	–	–	–	–	4
Dr Nelson Ogunshakin OBE	5	–	–	1	–	–	3	1	–
Mark Phillips	6	4	–	2	–	–	3(3)	–	3
Marie Pye	6	–	4	–	–	3 (3)	–	–	4
Dr Nina Skorupska CBE FEI	5	–	–	–	4	4	–	–	2
Dr Lynn Sloman MBE	4	–	4	–	–	–	4	–	3
Ben Story[4]	1 (2)	–	–	–	1 (1)	1(2)	2 (2)	–	–
Peter Strachan	4	–	3	–	–	–	5	2	–
Councillor Kieron Williams[5]	1 (2)	–	1 (2)	–	–	–	1 (3)	–	–

1 Number of total meetings includes those held entirely online, but live streamed for the public. Member attendance includes virtual attendance

2 Includes an additional meeting held on 22 December 2023, called with less than five clear days' notice, which impacted Member availability

3 Bronwen Handyside's attendance was impacted due to ill-health

4 Ben Story left the Board on 29 September 2023

5 Cllr Williams left the Board on 13 October 2023

Remuneration report 2023/24

Fairly rewarding our colleagues and people

Kay Carberry CBE
Chair, TfL Remuneration Committee

'TfL must have a pay policy that is competitive with peers, while at the same time keeping a firm eye on salary levels to ensure they remain appropriate'

Message from the Chair

Rewarding our colleagues is essential to attract and retain talented people

SIGNATURE TO BE ADDED

Kay Carberry CBE
Chair, TfL Remuneration Committee

People are at the core of everything TfL does. As Chair of the Remuneration Committee, my role is to ensure that TfL has a remuneration policy that enables it to attract and retain people with the right level of skill and experience to lead the organisation through the many challenges and opportunities that it faces. It is also right that senior salaries offer value for money and are benchmarked fairly and consistently.

While the job market appears to be slowing slightly, there are still significantly more job vacancies than there were before the pandemic and competition remains high. This is particularly the case for specialist roles, including in sustainability and in technology and data. In this context, it is even more important that TfL has the right remuneration policy.

TfL has made great progress on recovering its finances that were decimated by the pandemic, and met its target this year of being financially sustainable in terms of its day-to-day operations, with Government support only being required for capital investment.

We approved revised performance award schemes for the financial years 2021/22 and 2022/23, which reflected the need for TfL to ensure that it could sustain a fair reward package and retain talent at such a vital time, while working to reach financial self-sufficiency. Payment of any awards relating to those years was subject to TfL running its operations free of extraordinary Government funding for revenue support in 2023/24. Meeting this target means that it was possible for the performance awards for 2021/22 and 2022/23 to be reintroduced, rewarding colleagues for their hard work and commitment over that period and ensuring we can retain talent in a competitive market.

> ‘My role is to ensure that TfL has a remuneration policy that enables it to attract and retain people with the right level of skill and experience to lead the organisation’

Due to the exceptional circumstances of performance awards covering these two years being paid out within this financial year, the number of colleagues receiving total remuneration of more than £100,000 in 2023/24 rose.

TfL is a large and complex organisation that delivers the capital’s vital public transport network, and its people are at the heart of making it a success. Through the skills and hard work of our people, we are focused on delivering a safe, efficient and reliable service to make using transport in London a good experience.

As a Committee, this means setting a policy that is competitive on pay with our peers, while at the same time keeping a firm eye on salary levels to ensure they remain appropriate. In doing so, we can attract and retain motivated, energised, and talented people who will guarantee the future success of the organisation.

Governance

Remuneration Committee members

Kay Carberry CBE
Chair

Peter Strachan
Vice Chair

Seb Dance

Dr Nelson Ogunshakin OBE

Role and responsibilities

Our remuneration policy is set by our Remuneration Committee to attract, motivate and retain high-calibre, suitably qualified people to successfully manage our large and complex business. The Committee considers the need to remunerate at a competitive level compared with the external market and peer organisations while also, in a fair and reasonable manner, rewarding them for their individual contributions to our long-term success, without paying them more than is appropriate.

The Committee's full terms of reference are published on our website. These essentially involve keeping an overview of our reward and remuneration policies and the arrangements for talent management and succession planning. From time to time, the Committee will review and set the remuneration of the Commissioner, chief officers and other direct reports of the Commissioner. The Committee also helps review the remuneration strategies for the entire senior manager group, particularly regarding performance-related pay.

Committee meetings

The Committee met on 12 June 2023, 9 November 2023 and 29 February 2024.

Committee activities

In November 2021, the Committee agreed the reintroduction of performance award schemes for the 2021/22 and 2022/23 performance years, with the addition of a financial overlay trigger, which was the approval of the 2023/24 Budget demonstrating how we achieve financial sustainability. At the meeting on 12 June 2023, the Committee noted the business performance results as measured by the TfL and delivery business scorecards for the year ended 31 March 2023 and agreed that the financial overlay trigger had been met. Therefore the payment of performance awards for 2021/22 and 2022/23 was made during 2023/24.

The Committee endorsed the proposal to operate performance award schemes across all levels for the 2023/24 performance year and agreed that it would include the continuation of a financial criterion. The financial criterion for 2023/24 was to achieve an operating surplus without government base funding and would also apply to the performance award schemes operated for other employees.

At the November meeting the Committee noted a new and updated benchmarking report and that the unique nature of TfL's role and governance arrangements meant there were no direct comparators, so benchmarking was against a broad range of organisations.

As with previous benchmarking exercises, all of TfL's chief officer roles were shown to be below the benchmarked medians, and this was further entrenched when total compensation packages were included.

The Committee noted that officers were attracted to TfL for a variety of reasons but that continued or widening pay disparity did impact TfL's ability to retain and attract the best talent. The impact of below median chief officer remuneration also compressed remuneration throughout the organisation.

While considering resourcing at TfL, the Committee noted the update on how TfL was addressing its green, digital and leadership skills challenges through its strategic workforce planning activities.

A review of roles that are critical and hard to fill took place at the end of October, which identified 250 unique roles through a succession planning exercise to help ensure a talent pipeline was being developed. Technology and Data would have its own strategic workforce plan owing to the challenges in filling specialist roles given market rates, and this would be submitted to a future meeting.

The Committee noted that leaver surveys identified a key reason for leaving TfL was a lack of career opportunities. The Committee would receive updates on succession planning and the Reward Strategy at future meetings.

Throughout the year, the Committee has been responsible for approving salaries of £100,000 or more for any new appointments, including the package for the Commissioner's appointment in June 2023.

Policy

Board remuneration
Board members receive a basic fee of £16,000 per annum. Additional fees are paid for each appointment to a committee or panel, up to a maximum total remuneration of £20,000 per annum.

The additional fees are paid at the rate of £1,000 per annum as a member and £2,000 per annum as the Chair of a committee or panel. Members are also entitled to receive free travel on the TfL transport network. No allowances are paid to members.

Any expenses claimed by members, in relation to fulfilling their role as a TfL board member, are published on the board members' page of our website, along with details of any gifts or hospitality received.

The remuneration for each member for the year ended 31 March 2024 is shown on page XX. No fee is paid to the Chair or Deputy Chair of TfL.

General remuneration
Our general policy is to provide remuneration that attracts, retains and motivates individuals of the right calibre to manage a large and complex organisation. Remuneration packages reflect responsibilities, experience, performance and the market from which we recruit.

The reward structure that has been developed is commensurate with this policy. It includes a base salary and a performance award scheme against the achievement of a range of safety, operational, customer, people, delivery and financial targets.

The main objective of the remuneration policy is to ensure that reward is based on performance, to drive delivery while ensuring that the overall reward package is affordable.

Executive remuneration
The base pay and the total remuneration of the Commissioner, chief officers and other direct reports of the Commissioner is set by the Remuneration Committee, which uses external benchmarking and other comparative information to determine remuneration. This is broken down into the following components.

The remuneration received by the Commissioner and chief officers for 2023/24 is shown in Note 6 of the Statement of Accounts.

Component	Purpose	Operation	Maximum
Base pay	To reflect the individual's role, experience and contribution. This is set at a level to attract and retain individuals of the calibre required to lead a business of our size and complexity.	The following factors are taken into account: • Remuneration benchmark information from a specific peer group to identify a market median range of base pay, which reflects what TfL's Commissioner and chief officers would receive if they were to work in a similar role in another company of similar size, complexity and scope • The scope and responsibility of the role • The individual's skill, experience and performance against targets • Affordability for us	There is no prescribed maximum salary. Any increases to base pay for the Commissioner, chief officers and directors will be reviewed on an annual basis subject to Remuneration Committee approval.
Performance-related pay	To incentivise delivery of stretching one-year key performance targets (both individual and collective) as measured through individual performance rating and scorecard results.	Performance awards are calculated using a matrix, which sets out the percentage performance award an employee will receive based on a combination of the scorecard result and their individual performance rating. Depending on the business area that the employee works in, either TfL's scorecard alone or a combination of TfL's scorecard and the divisional scorecard sets the budget available for performance awards. An employee's contribution, in the form of a personal performance rating, determines the percentage performance award received from the available budget using a multiplier approach. Awards are paid in the following financial year.	The maximum award for the Commissioner is 50 per cent of base pay. The maximum award for chief officers is 30 per cent of base pay.

Component	Purpose	Operation	Maximum
Benefits	To provide a competitive total reward package that supports attraction, retention and motivation.	The Commissioner and chief officers receive the same core benefits as all our other employees. The only enhancements are full family cover for private medical benefit and an annual health assessment, which is available to all TfL directors. Membership of the TfL Pension Fund, a 'defined benefit' scheme that provides for a pension payable from age 65, based on 1/60th of pensionable salary for each year of service or, if invited and eligible, similar benefits provided on an unfunded basis. Some legacy arrangements apply for certain employees whereby an employer contribution of 10 per cent of salary is paid to either a defined contribution arrangement or as cash supplement at a discounted amount.	Pensionable salary is capped at: • £181,800 from 6 April 2022 to 5 April 2023 • £205,200 from 6 April 2023 to 5 April 2024 for members who joined after 31 May 1989

Performance-related pay

Performance awards are a critical component of TfL's total remuneration proposition for senior management supporting TfL's ability to attract and retain talent within the business.

TfL's performance award schemes have an important role to play in delivering high performance across TfL. Through the direct relationship with business performance (as captured in our scorecards) the schemes serve to highlight the main priorities in delivering the Mayor's Transport Strategy and unify senior management in delivering our critical goals. They also ensure that reward is only delivered that is commensurate with the level of success achieved and therefore provide a fair and value for money approach to reward.

For the 2023/24 performance year, the schemes continued to operate with a revised financial criterion, which was to achieve operating breakeven without the support of Government base funding. This was a metric on the TfL scorecard for 2023/24 and needed to be achieved before any individual awards can be made.

Severance policy

Most employees who leave owing to redundancy do so under our voluntary severance arrangements. These terms may include the following, dependent on circumstances:

- A number of weeks of pay based on length of service, age and weekly pay
- Notice period that an employee may work or receive as a payment in lieu of notice
- Enhanced pension provision

There are minimum service requirements for some of these terms and some elements vary if employees volunteer to leave early during organisational change. There are also some variations to these terms, which have been agreed as local arrangements for the small number of employees who are members of the Local Government and Principal Civil Service Pension Schemes.

Following the Dawn Jarvis report (published on 12 February 2019), which was commissioned by the Mayor to review termination clauses and payments for senior employees across the GLA Group, the Remuneration Committee has oversight of any proposed exit payments for the Commissioner, chief officers and other senior directors reporting to the Commissioner.

The Committee will also consider any exit payment outside the standard redundancy terms, and which exceeds £100,000, excluding notice periods, which are contractual.

In non-redundancy situations, we may enter into severance arrangements where it is in the interests of the organisation and represents value for money. All such arrangements are considered on a case-by-case basis. In non-redundancy situations, we may enter into severance arrangements where it is in the interests of the organisation and represents value for money. All such arrangements are considered on a case-by-case basis.

Remuneration

Benchmarking of senior executives' pay
The Remuneration Committee uses data from remuneration consultants to benchmark the remuneration for the Commissioner and chief officers. Following a procurement process, Willis Towers Watson (WTW) was appointed as the new supplier for senior executive benchmarking until 2026.

Benchmarking uses two separate peer groups with the first made up of private sector companies that are comparable in terms of scale, complexity and sector. The data is mainly derived from WTW's UK compensation survey data; a survey peer group which comprises 311 organisations focusing on the transport, construction, engineering, energy and utilities industries. This provides a broad cross-section of the UK private sector market.

The second peer group is solely from publicly accountable organisations, which comprises 23 UK organisations deemed to have some degree of public accountability.

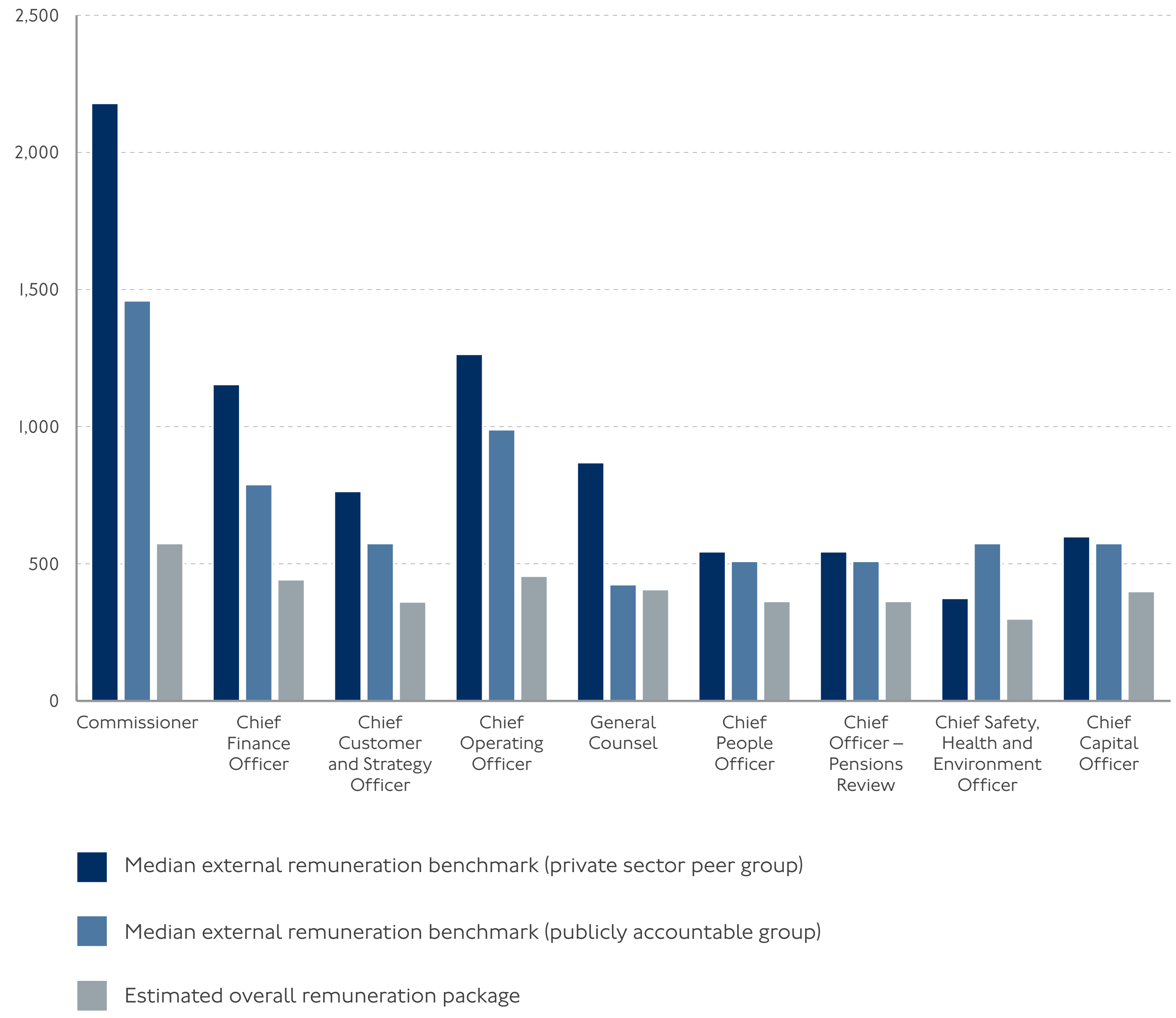
Each role is benchmarked against its respective counterparts in comparator organisations, with the scope of each role matched using WTW's global grading system and our internal Hay job evaluation scores.

Estimated overall remuneration for each role includes the base salary and estimates of performance-related pay and pension provision.

Performance-related pay has been based on the relevant budget at a scorecard result of 75, and the value of the pension provision is based on standard actuarial assumptions. The value of the estimated overall remuneration package will therefore be different to the actual remuneration paid.

The benchmarking has shown that the base salaries and comparable remuneration for the Commissioner and chief officers are significantly below the market level.

Benchmarking of remuneration for Commissioner and chief officers (£000s)



Commissioner remuneration ratio

In total remuneration terms, the Commissioner earns 8.2 times that of the median employee, excluding Crossrail. The ratio has increased in 2023/24 as no performance awards were paid across the organisation in 2022/23.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021/22	8.5:1	6.3:1	5.5:1
2022/23	8.1:1	5.9:1	5.5:1
2023/24	10.9:1	8.2:1	7.2:1

The Commissioner's base salary in 2023/24 was £395,000 (appointed on 7 June 2023). This compares with the median base salary of £60,705 and the lowest base salary, excluding apprentices, of £22,000.

Our people are at the core of everything the organisation does

Total remuneration of more than £100,000

Total remuneration includes salaries, fees, performance-related pay, benefits in kind, lump sums and termination payments, but excludes pension contributions paid by the employer.

The figures for 2023/24 were impacted by the TfL pay award, the timing of the payment of performance awards for 2021/22 and 2022/23 and back dated holiday payments causing an increase in the numbers, which we expect to reduce next year.

This was the final year of a two-year pay deal and eligible colleagues received an increase of 4.4 per cent. In January 2024, the Mayor provided funding for, an improved pay offer for London Underground colleagues for the 2023/24 year. Our reward strategy has aimed to bring pay settlements for both operational and non-operational colleagues closer together. Therefore, the same pay deal was also offered to non-operational colleagues for 2023/24, which was accepted.

The London Underground and TfL pay deals for 2023/24 consisted of a five per cent increase in base pay plus a £1,000 consolidated payment, with further consolidated payments for our lowest earners.

Owing to the timing of the agreement, the full impact of the pay awards is not reflected in these figures. Back-dated payments will be made in early 2024/25 to London Underground and TfL colleagues, which will impact next year's remuneration figures.

Number of employees who earned total remuneration of more than £100,000 in the year

	2023/24	2022/23
Base salary of £100,000 or more	345	232
Base salary below £100,000	360	206
Voluntary severance payments taking earnings over £100,000	10	16
Level of overtime worked taking earnings over £100,000	585	275
Total TfL	**1,300**	**729**
Crossrail	19	37
Total (including Crossrail)	**1,319**	**766**

In the years since 2016, inflation and salaries in the external market have risen more significantly than budgets provided within TfL, with record levels of inflation in 2022 and 2023 while the £100,000 threshold has remained static. In 2016, there were 188 employees on a base salary of more than £100,000. This has now risen to 363. Had the threshold set in 2016 risen in line with the February Retail Price Index (RPI) each year, the equivalent value would now be £146,558, with 39 employees on a higher salary than this. Had it risen in line with the February Consumer Price Index (CPI) it would be £132,522, with 74 employees above this level.

In comparison, if we applied the annual pay review budgets awarded to the senior manager population over the same time this figure would now be £112,230, with 128 employees above this.

Performance awards were paid during 2023/24, for the schemes in operation for 2021/22 and 2022/23. These were exceptional circumstances and contributed to the increase in the number of people who earned more than £100,000.

The number of people whose base salary was less than £100,000 but the overtime they earned took their total remuneration over the threshold increased by 310. Many of these people are specialist engineers working overnight and at weekends to repair and maintain tracks and trains on the Tube network and installing new signalling on the Circle, District, Hammersmith & City and Metropolitan lines. In addition, under the Working Time Regulations, this requires regular overtime pay to be included in the calculation of holiday pay. As a result, we reached an agreement with our trade union colleagues to pay two years back-pay, which was processed during 2023/24 and has contributed to the increase in overall pay of these affected staff.

There were 10 people, compared with 16 in 2022/23, who were on a base salary of less than £100,000 per year and received a one-off voluntary severance payment that took their total remuneration above this threshold. This is largely due to people leaving as part of our transformation programme, which is reducing management layers and eliminating duplication to improve efficiency and deliver recurring savings.

Appendix 1

Representation of equalities groups at different pay levels as at 31 March 2024, excluding Crossrail and our apprentices (this is not subject to audit)

	Less than £30,000		£30,001 to £40,000		£40,001 to £50,000		£50,001 to £60,000		£60,001 to £70,000		£70,001 to £80,000		£80,001 to £90,000		£90,001 to £100,000		More than £100,000	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Gender																		
Female	276	41	1,155	41	1,839	33	1,012	28	1,468	19	577	18	228	15	59	13	105	29
Male	394	59	1,643	59	3,713	67	2,606	72	6,461	81	2,679	82	1,320	85	398	87	258	71
Total	**670**		**2,798**		**5,552**		**3,618**		**7,929**		**3,256**		**1,548**		**457**		**363**	
Ethnicity																		
Black, Asian and minority ethnic	243	36	1,111	40	2,561	46	1,181	33	2,961	37	871	27	353	23	85	19	41	11
White	240	36	1,036	37	1,987	36	2,070	57	4,008	51	2,028	62	1,039	67	328	72	298	82
Not stated	187	28	651	23	1,004	18	367	10	960	12	357	11	156	10	44	9	24	7
Total	**670**		**2,798**		**5,552**		**3,618**		**7,929**		**3,256**		**1,548**		**457**		**363**	
Disability status																		
Disabled	40	6	137	5	239	4	114	3	225	3	112	3	55	4	16	4	21	6
No disability	371	55	1,627	58	3,716	67	2,411	67	5,082	64	2,026	62	842	54	285	62	264	73
Not stated	259	39	1,034	37	1,597	29	1,093	30	2,622	33	1,118	34	651	42	156	34	78	21
Total	**670**		**2,798**		**5,552**		**3,618**		**7,929**		**3,256**		**1,548**		**457**		**363**	

Appendix 2

Trade union facility time (not subject to audit)

The Trade Union (Facility Time Publication Requirements) Regulations 2017 mean we must collate and publish a range of data on the amount and cost of trade union facility time within the organisation each year. Facility time is the provision of paid or unpaid time off from an employee's normal role for trade union duties and activities as a union representative.

The trade unions represented in our organisation are:

- ASLEF
- PCS
- Prospect
- RMT
- TSSA
- UNISON
- Unite

799

members of staff elected as union representatives as at 31 March 2024 (881 as at 31 March 2023)

Working hours spent on facility (number of employees)

Percentage of time	Number of employees
0	-
1–50	757
51–99	7
100	35
Total	**799**

At any time we have a number of vacancies for Trade Union representatives, as such the number of representatives will be a snapshot.

We allow representatives paid time off for union duties and meeting these costs represents 0.36 per cent of our total wage bill.

	2023/24	2022/23
Total cost of facility time (£m)	7.9	8.0
Total remuneration costs for all TfL employees (£m)	2,155.6	2,275.6
Percentage of pay bill spent on facility time (%)	0.36	0.35

We do not provide paid time off for representatives to carry out union activities. The above approach to paid time off, and the number of representatives for our 28,000 employees, is in line with legislation guidelines from ACAS and agreements with the trade unions.

About us

Part of the Greater London Authority family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport. We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners' and helping to create a safer, fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made by walking, cycling or using public transport by 2041. To make this a reality, we prioritise safety, sustainability, health and the quality of people's experience in everything we do.

We run most of London's public transport services, including the London Underground, London Buses, the DLR, London Overground, Elizabeth line, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the IFS Cloud Cable Car.

We manage the city's red route strategic roads and are responsible for the maintenance, management and operation of more than 6,000 sets of traffic lights across the capital. The London boroughs are responsible for all the remaining roads within their boundaries. The experience, reliability and accessibility of our services are fundamental to Londoners' quality of life. Safety remains our number one priority and we continue to work tirelessly to improve safety across the network for both colleagues and customers.

Our vision is to be a strong, green heartbeat for London. We are investing in green infrastructure, improving walking and cycling, reducing carbon emissions, and making the city's air cleaner. The Ultra Low Emission Zone, and fleets of increasingly environmentally friendly and zero-emission buses, are helping to tackle London's toxic air. We are also improving public transport options, particularly in outer London, to ensure that more people can choose public transport or active travel over using their vehicles. That is why we are introducing the outer London Superloop bus network, providing express bus routes circling the entire capital, connecting outer London town centres, railway stations, hospitals and transport hubs.

We have constructed many of London's most significant infrastructure projects in recent years, using transport to unlock economic growth and improve connectivity. This includes major projects like the extension of the Northern line to Battersea Power Station and Nine Elms in south London, as well as the completion of the London Overground extension to Barking Riverside and the Bank station upgrade.

The Elizabeth line, which opened in 2022, has quickly become one of the country's most popular railways, adding 10 per cent to central London's rail capacity and supporting new jobs, homes and economic growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

We are committed to being an employer that is fully representative of the community we serve, where everyone can realise their potential. Our aim is to be a fully inclusive employer, valuing and celebrating the diversity of our workforce to improve services for all Londoners.

We are constantly working to improve the city for everyone. This means using information, data and technology to make services intuitive and easy to use and doing all we can to make streets and transport services accessible and safe to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day. None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. By working together, we are creating brighter journeys and a better city.

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