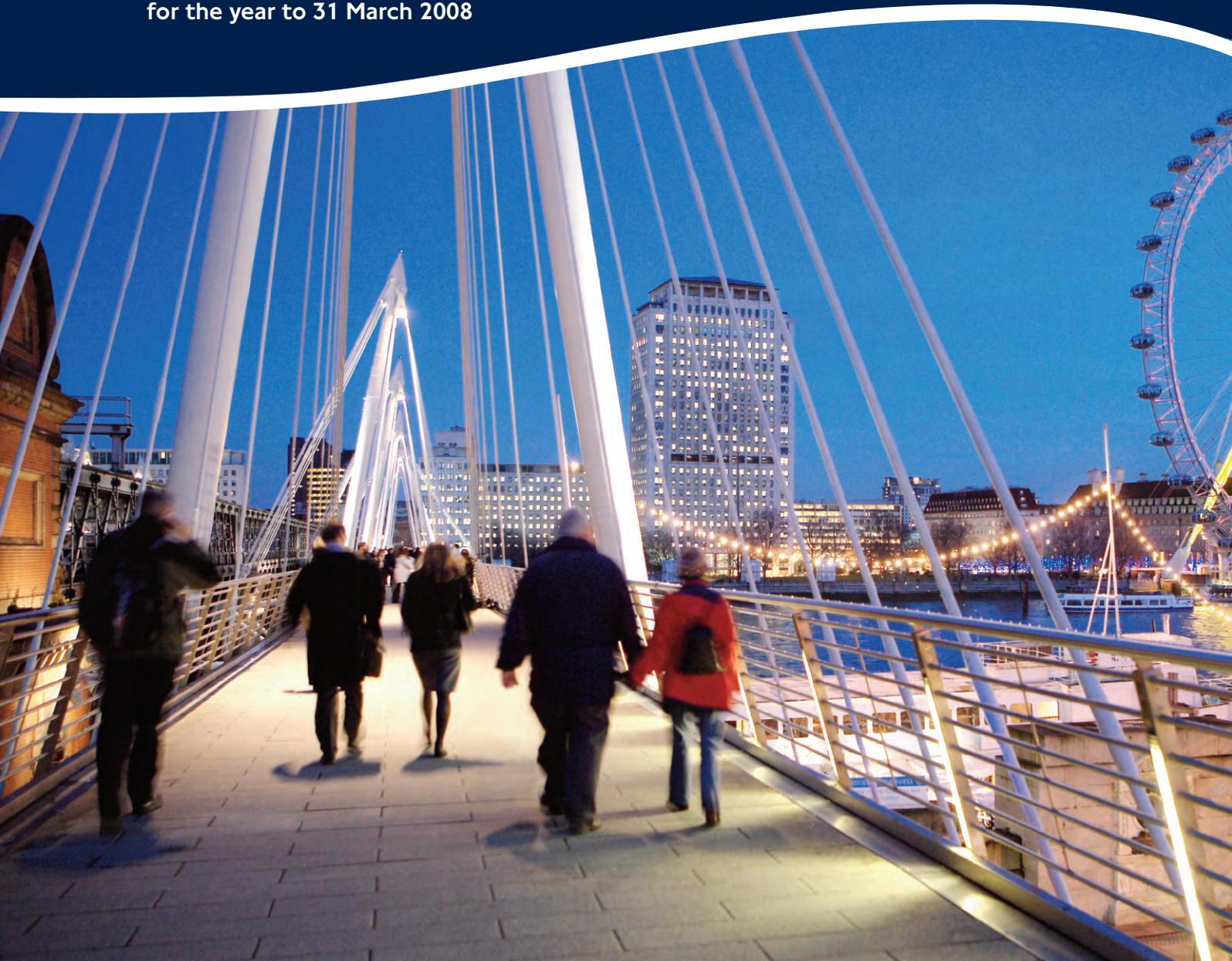


TfL Pension Fund

Report and Accounts

for the year to 31 March 2008



Notice for the visually impaired

Copies of this report in large type and in a text only format are available from the Fund Office. Please write to TfL Pension Fund, 4th Floor, Wing over Station, 55 Broadway, London SW1H 0BD, or call 020 7918 3733 for your copy.



TfL Pension Fund

Report and Accounts for the year to 31 March 2008

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Administration Office:

TfL Pension Fund
Wing Over Station
55 Broadway
London SW1H 0BD

Telephone (020) 7918 3733

Requests for a copy of the Trust Deed and Rules of the Fund and enquiries about the Fund generally, or about an individual's entitlement to benefit, should be addressed to the TfL Pension Fund Office at the above address. The Report and Accounts may be viewed on the TfL Pension Fund's Website, www.tflpensionfund.co.uk.

Pension Schemes Registry scheme reference number: 101653517

TfL Pension Fund

Organisation and Advisers as at 31 March 2008

Trustee

TfL Trustee Company Limited

Board of Directors of TfL Trustee Company Limited

(Nominating bodies are shown in brackets)

Mr SR Critchley (Chairman)	Chief Finance Officer, Transport for London (TfL)
Ms M Antoniou	Group HR Director, Transport for London (TfL)
Mr A Cleaves	Director of Periodic Review, Tube Lines Limited (TfL)
Mr HP Collins	Deputy Chief Operating Officer, London Underground Limited (TfL)
Mr GF Duffy	Director of Employee Relations, London Underground Limited (TfL)
Mr JC Godbold	Director, Transport Benevolent Fund (PCC)
Mr S Grant	District Organiser, ASLEF (ASLEF)
Mr S Gray	Group Reserve Stations Supervisor Class 1, London Underground Limited (TSSA)
Mr J Griffiths	Regional Industrial Organiser, Unite the Union (Unite the Union)
Ms JV Hart	Senior Disputes Resolution Lawyer, Transport for London (TfL)
Ms C Kavanagh	Director of Performance – Surface Transport, Transport for London (TfL)
Mr CA Miller	Pensioner (PCC)
Mr SR Perry	VP Asset Performance Controller, Metronet Rail (TfL)
Mr TJ Robson	Train Operator, Arnos Grove, London Underground Limited (PCC)
Mr P Regan	Director of Corporate Finance, Transport for London (TfL)
Mr PW Sikorski	Assistant General Secretary, RMT (RMT)
Mr ML Swiggs	Pensioner (PCC)
Mr JB Timbrell	Project Engineer, Metronet Trains Division, Metronet Rail (LTJTC)

Principal Employer

Transport for London

Scheme Actuary

Mr RV Williams, Watson Wyatt Limited

Participating Employers

Transport for London
Transport Trading Limited
Victoria Coach Station Limited
London Bus Services Limited
London Buses Limited
London River Services Limited
London Underground Limited
Docklands Light Railway Limited
British Transport Police Authority
Cadbury Limited
Capgemini UK plc
Cubic Transportation Systems Limited
Dalkia Energy & Technical Services Limited
EDF Energy Powerlink Limited
Electronic Data Systems Limited
Metronet Rail BCV Limited
Metronet REW Limited
Metronet Rail SSL Limited
Metronet TMU Limited
Thales Transport and Security Limited
Tribal Technology Limited
Tube Lines Limited

Bankers

The Royal Bank of Scotland plc

Communications Advisers

GR Communications
Talking People

Investment Adviser

Mercer Investment Consulting

Investment Managers

Alliance Bernstein Limited
Baillie Gifford & Co.
Bridgewater Associates, Inc.
Goldman Sachs Asset
Management
Legal & General Investment
Management
Nomura Asset Management UK
Limited
Trillium PPP Investment Partners
LP

Date of Appointment

21 December 2001
17 December 2001
2 November 2005
15 June 2005
14 June 2006
1 September 2004
18 February 2008

Secretary to the Trustees

Mr S Field

Custodian

JP Morgan Chase Bank

Auditors

KPMG LLP

AVC Providers

Clerical Medical
Equitable Life
Standard Life

Legal Advisers

Sacker & Partners LLP

Medical Adviser

Prof. K Holland-Elliott

TfL Pension Fund

Chairman's Introduction

I am pleased to present my review of the year ended 31 March 2008. Once again the Fund has operated against a background of continuing change. We have also seen a number of changes on the Trustee Board, although I am pleased to report that at year-end we were at full strength.

We welcome Peter Regan, Clare Kavanagh and John Griffiths to the Trustee Board. In addition Stephen Field was appointed as Head of Pensions and Fund Secretary in January 2008.

The events of the year for the Fund were dominated by the impact of Metronet Rail BCV Limited and Metronet Rail SSL Limited going into administration on 18 July 2007. The first of a succession of special meetings between the Trustees and their advisers took place on 19 July 2007 to consider the implications and impact on members of the Metronet sections. The administration placed legislative restrictions on what could be paid into and out of the Metronet sections, but as TfL undertook to make up for any shortfall, it was possible to arrange for the full payment of members' benefits unaffected by these restrictions.

Working with TfL and the administrators of the Metronet companies, the Trustees were able to implement a 'scheme rescue' for the Metronet sections of the Fund in early September 2007. Following the scheme rescue the Metronet sections were in effect put back into the position they were before administration. Arrangements were also put in place to facilitate the participation in the fund of new employers following the business transfer of the Metronet undertakings. Prior to TfL emerging as the only serious bidder, undertakings were obtained that a successful bidder would assume responsibility for the existing Metronet sections. Also as part of the scheme rescue agreement, two new sections in the Fund were established for Metronet REW Limited and Metronet TMU Limited to assist with the business transfer.

Additionally it became possible to conclude the actuarial valuations of the Metronet sections which had been delayed by the administration. As part of these discussions the Trustees secured from TfL, as Principal Employer, an undertaking to make lump sum payments to eliminate the deficit in the Metronet sections arising from the 31 March 2006 valuation, if their bid was successful. These payments have been made as detailed below.

The Investment Committee has had a busy year monitoring investment performance of the underlying managers and recommending changes to the strategic asset allocation of the Fund including a move into alternative investments. The Fund entered into an agreement in February 2008 to make its first investment with Trillium PPP Investment Partners LP which is an investor in a wide range of infrastructure projects.

Despite the market setbacks in the final quarter, the overall assets of the Fund have increased over the past 12 months from £4.661 bn to £4.682 bn. This year's investment performance did fall short of the Fund's performance benchmark by 0.4% and over the longer periods of three and five years by 0.2%. More information is contained in the Investment Report starting on page 13.

Following completion of the actuarial valuation as at 31 March 2006, new schedules of contributions have been put in place with effect from 1 April 2007. Members will be pleased to note that TfL as Principal Employer made a prepayment to the Scheme in August 2007 of £157 million in respect of the deficit of the Public Sector sections. Since the year-end lump sum payments of £20.128 million and £22.325 million have been made in respect of the Metronet sections following the business transfer on 27 May 2008. Schedules of Contributions for all the sections of the Fund can be found on page 29 to 52.

Regular training sessions were held throughout the year to ensure that the Trustee Directors remain up to date with legislative changes as well as best practice and that the Trustee complies with the requirements of trustee knowledge and understanding.

The Pensions website was further developed during the year and additional enhancements are planned for later in the year.

Finally on your behalf, I would like to record my thanks to all involved with the continued operations and development of the Fund: the Trustee Directors, Actuary, Investment and Legal Advisers, Investment Managers, Custodian, Auditors and not least the Fund Office and Fund Secretary for their support. As usual we can expect to face new challenges ahead, but I remain confident we have the resources to meet these and ensure that the Fund continues to prosper.

Chairman
9 July 2008

TfL Pension Fund

Report of the Directors of TfL Trustee Company Limited

The Directors of TfL Trustee Company Limited, the Trustee of TfL Pension Fund, have pleasure in submitting their Annual Report on the operations of the Fund, together with the Accounts of the Fund for the year ended 31 March 2008.

1. Management of the Fund

(a) The Trustee

The Trustee is required to act in accordance with the Trust Deed and Rules of the Fund, within the framework of pension and trust law. It is responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

(b) Board of Directors

The Board of the Trustee is made up of 18 Directors as set out on page 2. Full details of how Directors are nominated are given on page 7.

Directors serve for such period as their nominating body determines, or until that body withdraws their nomination or additionally, in the case of a nominee from the TfL Pension Consultative Council (PCC), they cease to be a member of the PCC.

The following changes to directors occurred during the year to 31 March 2008:

Retiring Director	Date of Retirement	New Appointment	Date of Appointment	Nominating Body
Mr SD Allen	14 June 2007	Mr P Regan	26 September 2007	TfL
Mr RPJ Webster	19 July 2007	Ms C Kavanagh	12 December 2007	TfL
Mr TC Scanlon	12 December 2007	Mr J Griffiths	12 December 2007	Unite the Union

The table below shows the number of meetings attended by each Director in the year to 31 March 2008 for which they were eligible to attend including attendance at scheduled Trustee Board meetings and Committee meetings.

TfL Nominated Directors	No. of meetings	No. of attendances	Non-TfL Nominated Directors	No. of meetings	No. of attendances
Mr SD Allen	3	1	Mr JC Godbold	10	10
Ms M Antoniou	10	7	Mr S Grant	11	5
Mr A Cleaves	13	11	Mr S Gray	15	13
Mr HP Collins	12	8	Mr J Griffiths	2	1
Mr SR Critchley	12	12	Mr CA Miller	14	12
Mr GF Duffy	16	8	Mr TJ Robson	12	10
Ms JV Hart	13	12	Mr TC Scanlon	9	7
Ms C Kavanagh	3	2	Mr PW Sikorski	10	10
Mr SR Perry	12	10	Mr ML Swiggs	13	12
Mr P Regan	5	5	Mr JB Timbrell	16	14
Mr RPJ Webster	4	1			

The average attendance at scheduled Trustee Board and Committee meetings was 81% and 79% respectively.

(c) Change of Secretary

Stephen Field was appointed as Secretary on 7 January 2008 following the departure of Sue Timbrell.

TfL Pension Fund

2. Committees of the Board of Directors

Whilst the Board of the Trustee decides all policy matters, it has recognised that committees are necessary in carrying out its functions in respect of the TfL Pension Fund efficiently and that the exercise of all delegated authority, when not directly supervised by the Board, shall be supervised by a committee.

For this purpose the Board has set up five Committees which comprise either four, six or eight Directors of the Trustee, half of whom are TfL nominated Directors and half of whom are non-TfL nominated Directors. Membership of each Committee is shown below.

<u>Committees</u>	<u>TfL Nominated</u>	<u>Non TfL Nominated</u>
Investment	Mr SR Critchley Mr HP Collins Mr GF Duffy Mr P Regan	Mr CA Miller Mr TJ Robson Mr JB Timbrell Mr J Griffiths
Operations	Ms M Antoniou Mr A Cleaves Ms JV Hart Ms C Kavanagh	Mr JC Godbold Mr CA Miller Mr PW Sikorski Mr ML Swiggs
Audit	Mr A Cleaves Ms JV Hart Ms C Kavanagh	Mr S Grant Mr S Gray Mr ML Swiggs
Disputes Resolutions	Mr GF Duffy Mr SR Perry	Mr S Gray Mr JB Timbrell
Appeals	Mr SR Critchley Mr HP Collins Mr P Regan	Mr S Grant Mr TJ Robson Mr J Griffiths

3. Committee Remits

Investment Committee

Keeping under review the appropriateness and, where deemed appropriate, recommending changes to the overall investment strategy of the Fund; investigating and reporting the use of new financial instruments; overseeing the investment adviser and investment managers and global custodian; keeping under review the appropriateness of investment managers, custodians, and the Fund's investment adviser.

Operations Committee

Monitoring the Service Provider's performance under the Administration Agreement and Fund Rules; monitoring quarterly cash flow, income and expenditure and capital expenditure budgets, instructing the Fund Secretary to prepare the brief to professional advisers to the Fund and to monitor their performance; devising the Fund's communications strategy.

Audit Committee

To ensure that the rules relating to finance and corporate governance matters are properly applied, the Fund's financial affairs are properly conducted in accordance with best practice and the Fund's accounting policies, and to ensure that there are processes in place for the Fund and the Trustee to comply with the Trust Deed and Fund Rules, Articles of Association, legislation and regulation, corporate governance and all relevant internal procedures and policies.

TfL Pension Fund

Disputes Resolutions Committee

To consider complaints made by individual members or their representatives.

The Disputes Resolutions Committee was disbanded on 31 March 2008 following the change to the Fund's Internal Disputes Resolution Procedure.

Appeals Committee

To hear appeals as the second stage adjudicator under the Internal Disputes Resolution Procedure as approved from time to time by the Board.

4. Governance

Introduction

The Fund was established with effect from 1 April 1989 to provide retirement and death benefits for all eligible employees of Transport for London, its subsidiaries and associated companies, in accordance with the Rules of the Fund and Definitive Trust Deeds.

During the year ended 31 March 2008 no new participating employers were admitted, but with effect from 1 April 2008 London Transport Museum Limited became a participating employer. Also Metronet REW Limited and Metronet TMU Limited were allocated their own sections from 1 April 2008.

Thales Communications Services Limited changed its name to Thales Transport and Security Limited on 2 January 2008.

Up to 5 April 2006 the Fund was approved by HM Revenue and Customs as an exempt approved scheme under the provisions of Chapter I Part XIV of the Income and Corporation Taxes Act 1988. From 6 April 2006 the Fund automatically became a "registered pension scheme" for tax purposes.

Members of the Fund are contracted out of the earnings-related element of the state pension scheme.

Changes to the Trust Deed and Rules of the Fund

During the year the following changes to the Trust Deed and Rules have been agreed by the Trustees with Transport for London:

- (i) Extending late retirement provisions to deferred members who left service before reaching age 60 (age 62 for Existing Members who left service before age 62)
- (ii) Permitting members to transfer their additional voluntary contribution (AVC) funds to other pension arrangements separately from their main Fund benefits
- (iii) In connection with the Metronet Scheme Rescue:
 - Allowing apportionment in respect of the Metronet SSL and Metronet BCV sections of the Fund when establishing separate sections for Metronet REW and Metronet TMU
 - Allowing a Public Sector Employer to participate in a New Section
 - Allowing for the Transfer of assets and liabilities between two New Sections with the consent of the Participating Employers of those sections.

Management of the Fund

(a) Trustee's responsibility for preparing Accounts

Under the Rules of the Fund and the Pensions Act 1995, the Trustee is required to prepare Accounts for each Fund year which show a true and fair view of the financial transactions of the Fund during the Fund year and of the disposition, at the end of the Fund year, of the assets and liabilities. Assets do not include insurance policies which are specifically allocated to the provision of benefits for, and which provide all the benefits payable under the Fund to, particular members; liabilities do not include liabilities to pay pensions and benefits after the end of the year.

TfL Pension Fund

The audited accounts are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Fund members, beneficiaries and certain other parties, audited accounts for each Fund year which:

- show a true and fair view of the financial transactions of the Fund during the Fund year and of the amount and disposition at the end of the Fund year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund year; and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised November 2002).

The Trustee has supervised the preparation of the accounts and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. The Trustee is also responsible for making available each year, commonly in the form of a Trustee's annual report, information about the Fund prescribed by pensions legislation, which is consistent with the audited accounts.

The Fund's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Fund by or on behalf of the employers and the active members of the Fund and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records of contributions received in respect of any active member of the Fund and for procuring that contributions are made to the Fund in accordance with the Rules of the Fund and with the Schedule of Contributions.

The Trustee also has general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities.

The Trustee has considered the Fund's compliance with law and regulations and is not aware of any actual or potential non-compliance with laws, regulations and the Trust Deed that could have a material effect on the ability of the Fund to conduct its affairs and therefore on the position disclosed in these Accounts.

(b) Board of Directors

The 18 Directors of the Trustee, set out on page 2, are nominated as follows:

- Nine persons by TfL of whom at least five must be members of the Fund.
- One person each by: - Unite the Union (previously Transport and General Workers' Union); the National Union of Rail, Maritime and Transport Workers; the Associated Society of Locomotive Engineers & Firemen; the London Transport Joint Trades Committee; the Transport Salaried Staffs' Association.
- Two persons by and from Section One of the TfL Pension Consultative Council.
- One person by and from each of Sections Two and Three of the TfL Pension Consultative Council.

Members of the TfL Pension Consultative Council are Fund Members elected by their fellow members. Section One members are pensioners or deferred pensioners. Sections Two and Three are contributing members of the Fund.

The Directors of the Trustee are committed to high standards of governance for all aspects of the Fund's operations. Although the Trustee is not governed by the Combined Code, which applies to UK fully listed companies, the Directors of the Trustee believe that the internal control aspects of the Code help demonstrate good governance and therefore the Trustee has followed the principles of the Code in relation to internal controls.

The Pensions Act 2004 established the Pensions Regulator and amongst its objectives is the promotion of good administration of work-based pension schemes. This has included the publication of codes of practice and accompanying guidance to support trustees in their responsibilities, in particular those covering trustee knowledge and understanding and internal controls. In April 2008 the Pensions Regulator also published a discussion paper on the governance of work-based pension schemes. The Trustee is taking steps to follow the Pensions Regulator's guidance as it develops.

TfL Pension Fund

The Directors of the Trustee acknowledge their responsibility for the Fund's system of internal controls and for reviewing its effectiveness. The internal controls are designed to manage risk and control the Fund's business and financial activities in a manner that enables it to:

- avoid or reduce risks that can cause loss of the Fund's assets or reputational damage,
- ensure compliance with applicable laws and regulations; and
- enhance resilience to external events.

To achieve this the Trustee has developed a Fund Governance Scheme that includes an annual risk review carried out by The Risk Review Group, comprising the Chairs of Committees, which identifies the key risks facing the Fund and the controls in place to manage these risks. These risks and controls are set out in a Risk and Controls Register which is considered by the Audit Committee and the Board who regularly review the effectiveness of the internal controls contained therein. The planned work and audit findings of Internal and External Audit are considered by the Audit Committee throughout the year and reported to the Board annually. It should be recognised, however, that such a process can only provide reasonable, not absolute, assurance against material misstatements or loss.

The Trustee has established a management structure that clearly defines roles, responsibilities and reporting lines. These are summarised in the Fund Governance Scheme. Delegated authorities are clearly documented and reviewed regularly.

The performance of the Fund's operations and of the Trustee's Managers is reported regularly to the Fund Secretary and the relevant Committees and, where appropriate, the Trustee Board itself. Performance trends and forecasts, as well as actual performance against budgets, are closely monitored. Financial information is prepared using appropriate accounting policies that are applied consistently. Operational procedures and controls have been established to facilitate complete, accurate and timely processing of transactions, communications to members and the safeguarding of the Fund's assets.

Governance Plan

Following the Risk Review the Trustee has established a 1 year Governance Plan to use in operating and managing the Fund, covering three main areas:

(i) Mission and Goals

Setting out the main goals of the Trustee and the main resources available and the Trustee's key success criteria and performance measures.

(ii) Review and Monitoring Goals, Risks and Performance

Setting up main areas which the Trustee will review and measure in order to evaluate various aspects of the Fund arrangements.

(iii) Specific Actions and Year Plan

Identifying specific actions with a target date for the completion of each action.

Strength of Employer Covenant

The Trustee monitors the credit rating of the Participating Employers by taking advice from the Scheme Actuary and by having good communication and exchange of information.

Quarterly Investment Updates

The Trustee monitors the financial strength of the Fund by receiving quarterly updates from the Fund Actuaries and Investment Advisers.

The Trustee monitors the performance of the investment managers each quarter. In order to increase the diversification of assets, the Trustee recommended a reduction in the amount of equities exposure held by moving into cash deposits pending the funding of the alternative investment mandates.

TfL Pension Fund

5. Financial review

The Accounts of the Fund for the year to 31 March 2008 have been drawn up in compliance with the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised November 2002).

The net assets of the Fund, that is the investment assets including the AVC scheme, the fixed assets held for own use, and the net current assets, amounted to £4,681.6m at 31 March 2008. The increase of £20.7m, compared with the value at 31 March 2007 of £4,660.9m, was made up as follows:

	<u>2008</u> £m	<u>2007</u> £m
Net returns on investments	(27.8)	302.2
Net additions from dealings with members	48.5	16.3
	<u>20.7</u>	<u>318.5</u>

Net returns on investments comprised decreased market value of investments of £121.3m (2007: increase of £223.9m) and investment income of £100.7m (2007: £82.6m) offset by investment management expenses of £7.2m (2007: £4.3m). The decrease in market value of investments was made up of realised investment gains of £126.5m (2007: £501.2m) and unrealised investment losses of £247.8m (2007: losses of £277.3m).

The decrease in the value of investments was offset by the net additions from dealings with members, as contributions receivable plus transfers in from other schemes exceeded benefits payable, payments to and on account of leavers and administrative expenses.

The net additions from dealings with members were £48.5m (2007: £16.3m). The additions primarily comprised contributions, which increased by £43.8m as a consequence of the annual increase in salaries and changes in employer contributions, and transfers in from other schemes which increased by £4.2m. Under the Rules of the Fund the administrative costs of the Fund are borne by the Fund itself. Administrative costs and pension levies increased by £2.3m primarily due to the payment of the Pension Protection Fund and Pensions Regulator levies. Benefits payable increased by £9.3m, mainly as a result of increases in pensions and lump sum retirement benefit payments.

Further details of the financial movements of the Fund may be found in the audited Accounts on pages 20 to 26.

Details of the participating employers' unit holdings and asset values are set out in the unaudited statement on page 54.

6. Actuarial valuations

Fund Rule 43, together with recent legislation, requires the Scheme Actuary to carry out a formal actuarial valuation of each section of the Fund at least every three years. The valuations reveal the extent to which the sections' existing assets are sufficient to meet their liabilities for benefits that have been earned for service up to the valuation date. They also establish the levels of contributions required in future to provide an appropriate level of funding when account is taken of benefits to be earned in the future.

A formal valuation was carried out by the Scheme Actuary as at 31 March 2006 of each of the twelve sections that were then in existence. As required by legislation and the Fund's governing documents, the assumptions that the Actuary needed to make regarding such matters as future investment returns and members' longevity were agreed between the Trustees and TfL and are recorded in formal documents called Statements of Funding Principles. The process of agreeing assumptions was carried out separately for each section.

As required by legislation and the Fund's governing documents, for each of the sections that had a funding deficit the Trustees and TfL agreed a Recovery Plan which sets out how the deficit is to be made good. They also agreed a Schedule of Contributions for each of the twelve sections which shows the contributions that are to be paid for the next five years or, if longer, until the funding deficit is expected to be eliminated. The Schedules of Contributions are shown on pages 29 to 52. They show separately the contributions required to meet future accruing benefit costs and the additional contributions that are planned to finance the funding deficits. In the case of the Cadbury Limited Section, the contributions for future service benefits have been abated in recognition of its funding surplus.

TfL Pension Fund

Following completion of the valuations, a Summary Funding Statement was sent to each member of the Fund which summarised the valuation results for his or her section.

Copies of the Actuary's reports on the valuations are available on application to the Fund Secretary at the address given on the Contents page at the front of the Report and Accounts.

7. Pension increases

Deferred members and pensioners whose pension commenced on or before 1 April 2006 received an increase, with effect from 1 April 2007, of 3.6%, based, in accordance with the Fund Rules, on the increase in the Retail Price Index for the year to September 2006. For pensioners whose pension commenced after 1 April 2006, the increase was reduced pro-rata.

Increases to pensions in payment and deferred pensions over the past five years have been as follows:

April 2003	1.7%
April 2004	2.8%
April 2005	3.1%
April 2006	2.7%
April 2007	3.6%

8. Metronet

Metronet Rail SSL Limited and Metronet Rail BCV Limited went into administration with effect from 18 July 2007. This administration automatically triggered a Pension Protection Fund (PPF) 'assessment period'. This placed restrictions on what could be paid into and out of the Metronet sections. No contributions could be paid to the Trustee and in some instances the pension benefits of new retirees from the section could not be paid in full (though in a separate arrangement TfL undertook to make good any such shortfall).

However the Trustees, working with TfL and the administrators of the Metronet companies, implemented a 'scheme rescue' in early September 2007. As part of the scheme rescue agreement, TfL became jointly liable with the Metronet companies for the pension liabilities of the Metronet sections.

The scheme rescue involved liaison with both the PPF and the Pensions Regulator, whose formal approval was needed for the scheme rescue proposal.

Following the scheme rescue the Metronet sections were in effect put back in the position they were in before the administration. This included the removal of restrictions on what could be paid into and out of the section. Contributions from both employee and employer which had not been paid during the assessment period were able to be paid.

The Metronet sections came out of administration and transferred to TfL at 00.01hrs on 27 May 2008 and their subsidiaries have now transferred to new companies within TfL. They will continue to trade as Metronet Rail and all Metronet Rail staff transferred to the nominee companies under their existing terms and conditions and in accordance with TUPE regulations.

The key objectives of the PPP Administrators to maintain the safe operation of the Metronet Rail business during Administration, and transfer the business to a new owner have been successfully achieved. The PPP Administrators will continue to have a role in overseeing the remaining assets and liabilities of Metronet Rail BCV Limited and Metronet Rail SSL Limited that are not transferring to TfL.

TfL Pension Fund

9. Changes in membership during the year

During the year to 31 March 2008 total membership increased by 1,265 to 83,749. This figure comprises an increase in contributing members of 1,396, a decrease in deferred pensioners of 147, a decrease in pensioners of 28 and an increase in dependants and eligible children of 44.

	<u>2007/ 2008</u>	<u>2007/ 2008</u>	<u>2006/ 2007</u>	<u>2006/ 2007</u>	<u>Change</u>
Contributing members as at 1 April	22,453		22,174		
Joiners	2,907		1,588		
	<u>25,360</u>		<u>23,762</u>		
Contributing members retiring	(495)		(388)		
Leavers taking a refund of contributions	(233)		(162)		
Leavers becoming deferred pensioners	(595)		(584)		
Leavers with less than two years service – member option decision pending	(155)		(148)		
Leavers taking a career break	(3)		-		
Deaths in service	(30)		(27)		
Contributing members as at 31 March		23,849		22,453	+1,396
Deferred pensioners as at 1 April	18,803		18,941		
Leavers becoming deferred pensioners	595		584		
	<u>19,398</u>		<u>19,525</u>		
Deferred pensions coming into payment	(606)		(628)		
Deferred pensioners taking a trivial commutation lump sum	(3)		(4)		
Deferred pensioners transferring to other schemes	(94)		(69)		
Deferred pensioner deaths	(39)		(21)		
Deferred pensioners as at 31 March		18,656		18,803	-147
Pensioners as at 1 April	30,436		30,345		
Contributing members retiring	495		388		
Deferred pensions coming into payment	606		628		
	<u>31,537</u>		<u>31,361</u>		
Pensioner deaths	(1,129)		(925)		
Pensioners as at 31 March		30,408		30,436	-28
Dependants as at 1 April	10,250		10,239		
Dependants becoming entitled to pensions	572		586		
	<u>10,822</u>		<u>10,825</u>		
Dependant deaths	(603)		(575)		
Dependants as at 31 March		10,219		10,250	-31
Eligible children as at 1 April	542		558		
Children becoming entitled to pensions	117		83		
	<u>659</u>		<u>641</u>		
Children ceasing to be eligible	(40)		(98)		
Child deaths	(2)		(1)		
Eligible children as at 31 March		617		542	+75
Total membership as at 31 March		<u><u>83,749</u></u>		<u><u>82,484</u></u>	<u><u>+1,265</u></u>

TfL Pension Fund

Details of contributing members by section as at 31 March 2008 were as follows:

	<u>2007/</u> <u>2008</u>	<u>2007/</u> <u>2008</u>	<u>2006/</u> <u>2007</u>	<u>2006/</u> <u>2007</u>	<u>Change</u>
	%		%		
Transport for London	18,970	79.54	17,274	76.93	+1,696
Metronet Rail BCV Limited	1,714	7.19	1,813	8.07	-99
Metronet Rail SSL Limited	1,630	6.83	1,711	7.62	-81
Tube Lines Limited	1,328	5.56	1,434	6.39	-106
EDF Energy Powerlink Limited	137	0.57	145	0.65	-8
Electronic Data Systems Limited	29	0.12	30	0.13	-1
Cubic Transportation Systems Limited	27	0.11	29	0.13	-2
British Transport Police Authority	5	0.02	5	0.02	-
Tribal Technology Limited	4	0.02	4	0.02	-
Thales Transport and Security Limited	2	0.01	2	0.01	-
Dalkia Energy & Technical Services Limited	1	0.01	3	0.01	-2
Cadbury Limited	1	0.01	2	0.01	-1
Capgemini UK plc	1	0.01	1	0.01	-
Total	<u>23,849</u>	<u>100.00</u>	<u>22,453</u>	<u>100.00</u>	<u>+1,396</u>

TfL Pension Fund

Investment Report

1. Investment policy (excluding AVC investments)

Most of the Fund's investment assets were invested and administered by the investment managers, whose names appear on page 2. The investment managers employed during the financial year ended 31 March 2008 had discretion to invest as they saw fit within the asset classes and geographical limitations laid down by the Directors. Certain legacy investments amounting to no more than 1% of total assets are administered in-house but the Directors take appropriate investment advice in the disposition of these assets.

Investment managers' fees are primarily based on the market value of the Fund and, in the case of the active managers, performance (subject to upper and lower limits), but commissions and fees are also charged on investment transactions.

The Directors measure the Fund's performance against the benchmark below which is based on the long-term strategic asset allocation.

Benchmark Summary at 31 March 2008

Sector	Weight (%)	Comparison Basis
UK Equities	34.61	FTSE All-Share
European Equities	9.22	FTSE AW Dev Europe ex UK
North American Equities	6.91	FTSE AW North America and FTSE AW USA (gross)
Japanese Equities	3.80	FTSE AW Japan
Pacific (excluding Japan) Equities	3.11	FTSE AW AsiaPacific ex Japan and FTSE AW Dev Asia Pac ex Japan
UK Index-Linked Gilts	16.75	FTSE A ILG (Over 5 Years)
UK Gilts	6.95	FTSE A All Stocks Gilts and FTSE A Over 15 Years Gilts
UK Non-Gilt Bonds	7.50	ML Stlg NonGilt 10+
Overseas Bonds	5.00	LB Global Aggregate Hedged
UK Cash Balances	6.15	LIBID 7 day
	<u>100.00</u>	

Each of the active managers has been set a target based on out-performance of a relevant index over rolling three-year periods. The Directors believe the target allocation set out below will maintain an appropriate balance between risk minimisation and return maximisation given the current and future liabilities of the Fund.

Portfolio	% of Fund	Manager
Core		
Index tracking - all asset classes	46.29	Legal & General Investment Management
Active Specialist		
Bonds	20.00	Goldman Sachs Asset Management
UK equities 1	9.94	Alliance Bernstein Limited
UK equities 2	9.94	Baillie Gifford & Co.
Pacific Basin equities	5.87	Nomura Asset Management UK Limited
Currency overlay (equities)	1.81	Bridgewater Associates, Inc.
Alternative Assets		
Infrastructure & cash	6.15	Legal & General Investment Management & Trillium PPP Investment Partners LP*
	<u>100.0</u>	

* Trillium PPP Investment Partners LP is a Limited Partnership in which the Fund has a 20.1% economic interest.

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The allocation of index tracking funds to market categories is regularly rebalanced to ensure that the total fund is allocated in accordance with the strategic guidelines. The Directors maintain a Statement of Investment Principles as required by the Pensions Act 1995 and the latest version is available on request from the Fund Office at TfL Pension Fund, Wing Over Station, 55 Broadway, London SW1H 0BD.

2. Custodial arrangements

During the year the Trustee was custodian of certain property unit trusts, venture capital funds and cash. Various brokers hold cash held in connection with Goldman Sachs and Bridgewater forward foreign exchange contracts, and Goldman Sachs interest rate swaps. The rest of the Fund's investments, comprising those assets managed by the Fund's investment managers, were held in the names of nominees by JP Morgan Chase Bank.

3. Investment overview

The investment assets of the Fund as at 31 March 2008, including AVC investments, had a market value of £4,728.3m, an increase of £77.6m compared to their market value, including AVC investments, of £4,650.7m as at 31 March 2007. Investment income (i.e. dividends and interest) amounted to £100.7m for the year to 31 March 2008 compared to £82.7m for the year to 31 March 2007.

The bulk of the assets held by the active managers are quoted on the main worldwide stock exchanges and are marketable. The assets held with Legal & General are also marketable. A small proportion of the Fund's assets are less readily marketable.

The income and maturity values of the holdings in UK government stocks are secure but capital values may fluctuate. The other assets have less secure income streams and capital values may also fluctuate.

On 18 February 2008 the Fund entered into an agreement to acquire a 20.1% economic interest in Trillium PPP Investment Partners LP which is an investor in a wide range of infrastructure projects. On 14 March 2008 funds were transferred to complete the investment.

4. Analysis of investments

A detailed analysis of the investment assets of the Fund at 31 March 2008 is shown below.

	<u>2008</u>		<u>2007</u>	
	£m	%	£m	%
Fixed interest securities	712.9	15.1	733.7	15.8
Equities - UK	1,061.7	22.4	1,068.7	23.0
- Other	384.4	8.1	493.8	10.6
Index-linked securities	173.2	3.7	139.0	3.0
Pooled investment vehicles	2,369.6	50.1	2,372.6	51.0
Other investment balances	27.8	0.6	23.8	0.5
Cash deposits	(25.6)	(0.5)	(211.4)	(4.6)
Interest rate swaps	(7.5)	(0.2)	(1.8)	-
AVC scheme investments	31.8	0.7	32.3	0.7
	<u>4,728.3</u>	<u>100.0</u>	<u>4,650.7</u>	<u>100.0</u>

A geographical analysis of the Fund's worldwide equity holdings is given below.

	Total		UK	North America	Europe	Japan	Other
	%	£m	£m	£m	£m	£m	£m
Direct quoted	49.8	1,352.0	967.6	74.9	32.1	121.0	156.4
Direct unquoted	3.5	94.1	94.1	-	-	-	-
Pooled investment vehicles	46.7	1,266.5	565.3	258.8	427.8	-	14.6
Total	<u>100.0</u>	<u>2,712.6</u>	<u>1,627.0</u>	<u>333.7</u>	<u>459.9</u>	<u>121.0</u>	<u>171.0</u>

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The 10 largest direct UK quoted equity holdings of the Fund as at 31 March 2008 are shown below.

	Market value	% of total UK quoted equity holdings
	£m	%
Royal Dutch Shell	60.8	6.3
Vodafone	59.3	6.1
BG Group	52.7	5.4
GlaxoSmithKline	48.0	5.0
Royal Bank of Scotland	46.7	4.8
HSBC	42.5	4.4
BP	39.4	4.1
BHP Billiton	36.7	3.8
Barclays Bank	27.1	2.8
British American Tobacco	24.9	2.6
	438.1	45.3

The foregoing excludes exposure to individual stocks through the Fund's holdings of units in pooled investment vehicles.

The Fund's investment in the following unit trusts represents more than 5% of the units in issue of these trusts.

	No of units held by the Fund	% of units in issue	Market value of units £m
Midlands Growth Fund	14,055	25.4	0.1
Abbotstone Property Unit Trust	2,575	56.3	1.7

5. Investment performance

The Fund participates in an investment performance measurement scheme organised by BNY Mellon Asset Servicing which provides comparative information for assessing investment performance. BNY Mellon Asset Servicing calculate both the overall investment returns obtained on the Fund's assets and the returns obtained by the individual investment managers.

The table below shows the total investment returns (including both capital and income) obtained on the Fund's assets (including property but excluding AVCs) for the one, three and five years to 31 March 2008 and the corresponding composite benchmark established by the Trustee as the prime performance comparator. The benchmark quoted is a weighted average of indices relevant to the new structure and, as such, is of limited application to the five-year averages.

	One Year		Three Year Average		Five Year Average	
	Total Fund	Bench -mark	Total Fund	Bench -mark	Total Fund	Bench -mark
Annual Return %	0.0	0.4	9.2	9.4	11.8	12.0

The Fund assets returned 0.0% for the year ending 31 March 2008, 0.4% below its benchmark return of 0.4%.

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Details of the performance of the individual portfolios in the year to 31 March 2008 compared with the previous year are shown below:

	Year to 31 March 2008		Year to 31 March 2007	
	Fund %	Benchmark %	Fund %	Benchmark %
Index-Tracking – Legal & General	3.3	N/A	9.8 [^]	N/A
UK Equities	-7.8	-7.7	13.2 [^]	13.2 [^]
North American Equities	-4.8	-4.8	7.1 [^]	7.1 [^]
European Equities (ex. UK)	2.7	2.4	17.7 [^]	17.5 [^]
Japan Equities	-7.2	-7.2	0.6 [^]	0.4 [^]
Pacific Basin (ex. Japan) Equities	-13.4	-13.4	24.6 [^]	24.2 [^]
UK Fixed Interest	5.1	5.1	1.7 [^]	1.7 [^]
Index-linked Gilts	13.6	13.5	3.6 [^]	3.7 [^]
UK Equities				
Alliance Bernstein	-10.8	-7.7	12.6	11.1
Baillie Gifford	-6.3	-7.7	8.3	11.1
Far East Equities				
Nomura	-0.4	-2.3	-2.4	-0.2
Bonds				
Goldman Sachs	3.6	3.8	1.1	1.9
Currency overlay				
Bridgewater – Currency forward positions	-2.4	-5.1	4.6	5.5
Bridgewater – Cash (equitised to US equities)	-5.4	-4.2	11.0	11.4

[^] Three quarters' results (not annualised)

The acquisition of a 20.1% economic interest in Trillium PPP Investment Partners LP was completed on 14 March 2008 and no performance information is applicable.

The active managers (all the above except Legal & General) have been set targets to achieve, measured as out-performance of the relevant benchmarks over 3 year rolling periods, with the extent of out-performance depending on the portfolio.

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6. AVCs

The distribution of the AVCs invested with the three providers as at the year end is set out below:

	Value of fund at 31 March 2008 £m	% of total	Reported returns (where declared) Year to 31 March 2008
<i>Equitable Life</i>			
With-profits fund	5.5	17.2	N/A
Unit-linked funds			
Managed	4.5	14.2	-4.7%
UK Tracking	1.5	4.9	-6.9%
Lifestyle	0.6	1.8	-6.9%
Building Society funds	1.1	3.5	N/A
	<u>13.2</u>	<u>41.6</u>	
<i>Clerical Medical</i>			
With-profits fund	8.5	26.9	1.5%
Unit-linked funds	0.6	1.8	N/A
	<u>9.1</u>	<u>28.7</u>	
<i>Standard Life</i>			
Managed	4.3	13.6	-3.9%
International	0.7	2.2	-3.9%
Protection	1.8	5.6	4.9%
Sterling	0.8	2.6	3.9%
FTSE Tracker	0.9	2.7	-8.9%
Ethical	0.3	0.8	-12.0%
With Profits	0.7	2.2	2.2%
	<u>9.5</u>	<u>29.7</u>	
Total AVC scheme investments	<u>31.8</u>	<u>100.0</u>	

TfL Pension Fund

7. Disclosure of information to auditors

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

8. Approval of the Report of the Directors of the Trustee

The Compliance Statement on page 55 forms part of this Report of the Directors of the Trustee.

This Report was approved by the Board of Directors of TfL Trustee Company Limited on 9 July 2008 and was signed on their behalf by:

SR Critchley

Directors
TfL Trustee Company Limited

CA Miller

TfL Pension Fund

Independent Auditors' Report to the Trustee of TfL Pension Fund

We have audited the Financial Statements of the TfL Pension Fund for the year ended 31 March 2008 which comprise the Fund Account, the Net Assets Statement and related notes. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Fund's Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder.

Our audit work has been undertaken so that we might state to the Fund's Trustee those matters we are required to state to them in such an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's Trustee for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Trustee and Auditors

As described in the Statement of Trustee's responsibilities on pages 6 and 7, the Fund's Trustee is responsible for obtaining an annual report, including audited Financial Statements prepared in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements show a true and fair view and contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the Trustee's report and other information contained in the Annual Report and consider whether it is consistent with the audited Financial Statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

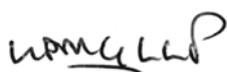
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by or on behalf of the Trustee in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinions we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the financial statements:

- show a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial transactions of the Fund during the Fund year ended 31 March 2008 and of the amount and disposition at that date of its assets and liabilities (other than liabilities to pay pensions and benefits after the end of the Scheme year); and
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.



KPMG LLP
Chartered Accountants
Registered Auditor
LONDON
9 July 2008

TfL Pension Fund

Fund Account

For the year ended 31 March 2008

	<u>Note</u>	<u>2008</u> £'000	<u>2008</u> £'000	<u>2007</u> £'000	<u>2007</u> £'000
Dealings with members					
Contributions receivable	3	258,133		218,499	
Individual transfers in from other schemes		14,019		9,865	
		<u>272,152</u>		<u>228,364</u>	
Benefits payable	4	213,585		204,807	
Payments to and on account of members leaving	5	2,014		1,451	
Administrative expenses	6	4,264		3,951	
Pension levies	7	3,825		1,881	
		<u>223,688</u>		<u>212,090</u>	
Net additions from dealings with members			48,464		16,274
Returns on investments					
Investment income	8	100,686		82,658	
Change in the market value of investments	9	(113,749)		225,735	
Change in the market value of swaps	9	(7,554)		(1,817)	
Investment management expenses	10	(7,206)		(4,328)	
Net returns on investments			(27,823)		302,248
Net increase in assets during year			20,641		318,522
Net assets at beginning of year			4,660,930		4,342,408
Net assets at end of year			<u>4,681,571</u>		<u>4,660,930</u>

Net Assets Statement

As at 31 March 2008

	<u>Note</u>	<u>2008</u> £'000	<u>2008</u> £'000	<u>2007</u> £'000	<u>2007</u> £'000
Investment assets at market value	9		4,728,266		4,650,744
Fixed assets held for own use	11		919		917
Current assets					
Prepayments and accrued income		16,374		61	
Cash balances		2,642		15,968	
		<u>19,016</u>		<u>16,029</u>	
Current liabilities					
Creditors	12	66,587		6,715	
Bank overdrafts	13	43		45	
		<u>66,630</u>		<u>6,760</u>	
Net current (liabilities)/assets			(47,614)		9,269
Net assets at end of year			<u>4,681,571</u>		<u>4,660,930</u>

The Notes on pages 21 to 26 form part of these Accounts.

These Accounts were approved by the Board of Directors of TfL Trustee Company Limited on 9 July 2008 and were signed on their behalf by:

SR Critchley

CA Miller

Directors
TfL Trustee Company Limited

TfL Pension Fund

Notes to the Accounts

1. Basis of preparation

The Accounts have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 and with the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised November 2002).

The Accounts summarise the transactions of the Fund and deal with the net assets at the disposal of the Trustee. The Accounts do not take account of the obligations to pay pensions and other benefits which fall due after the end of the Fund year. The actuarial position of the Fund, which does take account of such obligations, is dealt with in the statements and certificates by the Actuary on pages 29 to 52 and these Accounts should be read in conjunction with those statements.

2. Accounting policies

(a) Inclusion of income and expenditure

- (i) *Contribution income*
Employers' contributions are accounted for in the period to which the corresponding pay relates.
- (ii) *Transfers to and from other schemes*
Transfer payments in respect of members transferred to and from the Fund during the year are included in the Accounts in accordance with the transfer agreement.
- (iii) *Benefits payable*
Benefits payable are accounted for on the basis of entitlement during the year in accordance with the Rules of the Fund. Where a member has a choice about the form of their benefit, the benefit is accounted for when the member notifies the Trustee of his or her decision as to what form of benefit they will take.
- (iv) *Investment income*
Dividends from securities are credited to income when the investments are declared ex-dividend. Other investment income is accounted for on an accruals basis. Dividends and interest are grossed up for the amount of any taxation recoverable.
- (v) *Change in the market value of investments – gains/losses on derivatives*
Gains and losses in the market value of investment and forward foreign exchange contracts are recorded in the Fund Account under Change in the market value of investments. Gains and losses in the market value of interest rate swaps are reported in the Fund Account under Change in the market value of swaps.
- (vi) *Investment management expenses*
Investment management expenses are accounted for on an accruals basis. Performance related investment management expenses are accounted for at the time they become due for payment under the terms of the appropriate Investment Management Agreement.
- (vii) *Foreign currency translation*
Foreign income is translated into sterling at the rate ruling on the date the income is received. Income accrued at the year end is translated at the rate ruling at the end of the Fund year. Investments denominated in foreign currencies are translated using the sterling rate of exchange ruling at the end of the Fund year. Exchange gains and losses arising on translation of investment balances are included in the change in market value of investments shown in Note 9.

Forward foreign exchange contracts held at the year-end are valued at the forward rates that match the maturity dates of the open contracts.
- (viii) *Additional voluntary contributions (AVCs)*
AVCs are accounted for on an accruals basis, in the same way as other contributions, and the resulting investments are included in the net assets statement.

TfL Pension Fund

(ix) Depreciation

Expenditure on fixed assets held for own use has been capitalised to reflect the economic usefulness of the assets to the Fund. Depreciation of fixed assets held for own use is provided on a straight-line basis over their estimated useful lives as follows:

Computer equipment	-	5 years
Furniture	-	5 years

(b) Valuation of investments

Investments are included in the Net Assets Statement at their market values which are determined as follows:

- (i) UK and foreign securities quoted on a recognised stock exchange are stated at mid-market values or last traded prices ruling on 31 March 2008;
- (ii) fixed interest securities are valued at their clean prices (i.e. excluding accrued income). Accrued income is accounted for within investment income;
- (iii) pooled investment vehicles (managed funds) are stated at the average of the latest bid and offer prices quoted by the trust managers prior to 31 March 2008;
- (iv) unquoted securities are stated at the Trustee's valuation at 31 March 2008 based on the advice of the Fund's investment managers;
- (v) derivative contracts (except stock index futures contracts) are valued at mid-market values at 31 March 2008 as advised by the investment manager. Such contracts are presented gross in the notes to the accounts unless there is an agreement with the counterparty to settle on a net basis;
- (vi) stock index futures contracts are valued at exchange prices at the year-end and are reported using the economic exposure method of accounting;
- (vii) short-term deposits are valued at cost at 31 March 2008 taking into account gains or losses on foreign currency;
- (viii) AVC investments are shown at the values advised by the AVC providers.

3. Contributions receivable

	<u>2008</u> £'000	<u>2007</u> £'000
Members		
Ordinary	34,702	32,179
Additional voluntary contributions	2,541	2,349
	<u>37,243</u>	<u>34,528</u>
Employers		
Ordinary	220,890	183,971
	<u>258,133</u>	<u>218,499</u>
Total contributions receivable		
	<u>258,133</u>	<u>218,499</u>

Members' contributions are 5% of their contributory pensionable salary and are accounted for when deducted from members' pay. Employers' contributions are a multiple of the members' contributions, subject to fixed cash additions or deductions. In the past, employers' contribution levels have been determined by the Principal Employer on the advice of the Actuary following an actuarial review. However, under current legislation, employer contributions are agreed between the Trustee, on the advice of the Actuary, and the Principal Employer following the actuarial valuation. All employers paid their respective contributions in accordance with the Schedules of Contributions as shown on pages 29 to 52.

TfL Pension Fund

4. Benefits payable

	<u>2008</u> £'000	<u>2007</u> £'000
<i>On or during retirement</i>		
Pensions	180,936	173,438
Commutation of pensions and lump sum retirement benefits	27,070	26,567
<i>Death benefits</i>		
Lump sum payments	5,579	4,802
Total benefits payable	<u><u>213,585</u></u>	<u><u>204,807</u></u>

5. Payments to and on account of members leaving

	<u>2008</u> £'000	<u>2007</u> £'000
Individual transfers out to other schemes	1,539	1,000
Gross refunds of contributions to members	281	293
State scheme premiums	194	158
Total payments to and on account of members leaving	<u><u>2,014</u></u>	<u><u>1,451</u></u>

6. Administrative expenses

	<u>2008</u> £'000	<u>2008</u> £'000	<u>2007</u> £'000	<u>2007</u> £'000
<i>Staff costs</i>				
Payroll	1,937		1,904	
Recruitment and training	19		22	
		1,956		1,926
<i>Establishment costs</i>				
Accommodation	139		132	
Computer costs	300		165	
Telecommunications	22		27	
Depreciation	221		177	
		682		501
<i>Professional fees</i>				
Legal fees	451		315	
Audit fees	102		131	
KPMG non-audit fees	-		33	
Actuarial fees	689		690	
Medical fees	59		64	
Other professional fees	84		78	
		1,385		1,311
<i>Communication</i>				
Distribution	93		78	
Printing	89		94	
		182		172
<i>Consumables</i>				
Stationery	15		12	
Microfilm	8		4	
General	36		25	
		59		41
Total administrative expenses		<u><u>4,264</u></u>		<u><u>3,951</u></u>

7. Pension levies

	<u>2008</u> £'000	<u>2007</u> £'000
Pension Protection Fund	3,654	1,758
Pension Regulator levies	171	123
Total pension levies	<u><u>3,825</u></u>	<u><u>1,881</u></u>

TfL Pension Fund

8. Investment income

	<u>2008</u> £'000	<u>2007</u> £'000
Income from fixed interest securities	46,145	35,379
Dividends from equities	45,043	39,764
Dividends from unquoted securities	233	-
Income from index-linked securities	3,561	3,445
Income from pooled investment vehicles	1,383	709
Interest on cash deposits	3,574	2,893
Income from securities lending	386	224
Other investment income	361	244
Total investment income	<u>100,686</u>	<u>82,658</u>

9. Investment assets at market value

	<u>2008</u> £'000	<u>2008</u> £'000	<u>2007</u> £'000	<u>2007</u> £'000
Fixed interest securities				
UK public sector quoted	158,460		142,246	
Other UK quoted	300,581		362,835	
Overseas public sector quoted	52,575		21,027	
Other overseas quoted	182,896		95,413	
UK bond index futures contracts	66,112		20,567	
Overseas bond index futures contracts	(47,721)		91,649	
		712,903		733,737
Equities				
UK quoted	967,563		1,068,682	
UK unquoted	94,100		-	
Overseas quoted	312,670		342,012	
Overseas stock index futures contracts	71,779		151,778	
		1,446,112		1,562,472
Index-linked securities				
UK quoted	173,173		139,023	
		173,173		139,023
Pooled investment vehicles				
Managed funds				
Fixed interest - UK	229,936		237,170	
Fixed interest - Overseas	9,545		13,583	
Index-linked - UK	653,640		565,599	
Equities - UK	1,176,282		1,386,913	
Short term investments - Overseas	56,061		132,953	
Cash - UK	208,235		-	
Unit trusts				
Other - UK	19,589		23,068	
Other - Overseas	14,609		11,601	
Property - UK	1,687		1,687	
		2,369,584		2,372,574
Other investment balances				
Accrued income	31,083		22,476	
Investment creditors	(3,700)		(1,755)	
Unsettled transactions	461		3,132	
		27,844		23,853
Sterling cash deposits				
Sterling interest earning deposits	64,599		52,555	
Cash backing open bond & stock futures	(90,170)		(263,994)	
		(25,571)		(211,439)
Interest rate swaps				
Assets	46,907		3,643	
Liabilities	(54,461)		(5,460)	
		(7,554)		(1,817)
AVC scheme investments		31,775		32,341
Total investment assets		<u>4,728,266</u>		<u>4,650,744</u>

TfL Pension Fund

Change in value of the Investment assets	Value at 1 April 2007 £'000	Purchases At cost £'000	Sale Proceeds £'000	Change in Market Value £'000	Value at 31 March 2008 £'000
Fixed interest securities	733,737	513,579	496,702	(37,711)	712,903
Equities	1,562,472	559,666	508,953	(167,073)	1,446,112
Index-linked securities	139,023	50,235	33,347	17,262	173,173
Pooled investment vehicles	2,372,574	683,032	761,741	75,719	2,369,584
Other investment balances	23,853	8,607	4,616	-	27,844
Cash deposits	(211,439)	189,397	-	(3,529)	(25,571)
Interest rate swaps	(1,817)	-	-	(5,737)	(7,554)
AVC scheme investments	32,341	2,846	3,178	(234)	31,775
Total investment assets	4,650,744	2,007,362	1,808,537	(121,303)	4,728,266

Index futures contracts have been reported above based on their economic exposure value at the year-end. Under this basis of presentation, sold index futures, which reduce the Fund's exposure to the underlying investment sector, have a negative value and bought index futures, which increase the Fund's exposure to the underlying investment sector, have a positive value. The net economic value of futures contracts at the year-end was £90.2m which is matched by cash backing open bond and stock futures of £(90.2)m.

The investments in pooled investment vehicles are managed by companies registered in the UK.

At the 31 March 2008 £326.9m of investments were loaned under a securities lending programme against collateral of £353.5m comprising £98.7m Gilts, £132.0m overseas bonds, £5.9m UK equities, £71.9m overseas equities and £45.0m cash (2007: £117.4m loaned against £125.1m collateral).

The Fund's investment in the following managed funds represented more than 5% of the net assets at the 31 March 2008:

	£'000
Legal & General Over 5 Years Index-linked Gilts	653,640
Legal & General UK Equity Index	545,717
Legal & General Europe (ex UK) Equity Index	427,819

During the year Equitable Life, Clerical Medical and Standard Life had delegated responsibility for the investment and administration of the Fund's Additional Voluntary Contribution (AVC) plan. Members' contributions are deducted from their pay by the employers and are paid direct to the providers, where they are invested on behalf of the individuals concerned and in accordance with their instructions to provide additional pension benefits, within the overall limits laid down by the Inland Revenue. Each member contributing to the AVC plan receives an annual benefit statement of their account. At the 31 March 2008, £13,159,000 (2007: £14,892,000) of the Fund's AVC investments were managed by Equitable Life, £9,509,000 by Standard Life (2007: £7,990,000) and £9,107,000 by Clerical Medical (2007: £9,459,000).

There were no employer-related investments at any time during the year ended 31 March 2008.

Interest rate swaps to hedge the interest rate risk were undertaken as part of the Fund's investment strategy to enhance returns. The valuation of the swaps at 31 March 2008 analysed by currency and time to maturity is as follows:

Currency	2008	2007	Time to maturity	2008	2007
	£'000	£'000		£'000	£'000
Australian dollar	4	(996)	Less than 5 years	(6,285)	(1,248)
Brazilian real	(155)	-	5 to 10 years	10,938	(1,024)
British pound	286	(540)	10 to 15 years	(814)	510
Canadian dollar	(66)	(630)	15 to 20 years	(101)	-
Euro	(1,659)	300	20 to 25 years	(153)	(400)
Japanese yen	(579)	(721)	25 to 30 years	(6,706)	345
Swedish krona	(225)	822	30 to 35 years	(2,987)	-
United States dollar	(5,160)	(52)	35 to 40 years	(1,446)	-
Total interest rate swaps	(7,554)	(1,817)	Total interest rate swaps	(7,554)	(1,817)

TfL Pension Fund

10. Investment management expenses

	<u>2008</u> £'000	<u>2007</u> £'000
Administration, management and custody	6,908	4,174
Performance measurement services	22	21
Other advisory services	276	133
Total investment management expenses	<u>7,206</u>	<u>4,328</u>

11. Fixed assets held for own use

	Computer equipment £'000	Furniture £'000	Total £'000
<i>Cost at 1 April 2007</i>	1,317	72	1,389
Additions	223	-	223
Withdrawals	-	-	-
Cost at 31 March 2008	<u>1,540</u>	<u>72</u>	<u>1,612</u>
<i>Accumulated depreciation at 1 April 2007</i>	407	65	472
Depreciation charge for the year	217	4	221
Withdrawals	-	-	-
Accumulated depreciation at 31 March 2008	<u>624</u>	<u>69</u>	<u>693</u>
Net book value at 1 April 2007	<u>910</u>	<u>7</u>	<u>917</u>
Net book value at 31 March 2008	<u>916</u>	<u>3</u>	<u>919</u>

12. Creditors

	<u>2008</u> £'000	<u>2007</u> £'000
Unpaid benefits	3,395	2,422
Accruals and deferred income	63,192	4,293
Total creditors	<u>66,587</u>	<u>6,715</u>

Accruals and deferred income includes £58,386,000 employer contributions relating to the 2008/09 financial year. This prepayment was received as part of the amount of £157,000,000 paid by Transport for London to the Fund on 31 August 2007 in accordance with the Schedule of Contributions.

13. Bank overdrafts

Bank overdrafts represent cheques drawn but not presented for payment by 31 March 2008. Interest is not payable on these sums.

14. Related parties

The Fund has received contributions in respect of Directors of the Trustee who are also contributing members of the Fund. The Fund has paid benefits to Directors of the Trustee who are also beneficiaries of the Fund.

Transport for London pays administration and investment expenses on behalf of the Fund and subsequently recharges these to the Fund. At 31 March 2008, £430,000 (2007: £458,000) has been included in creditors in respect of administration expenses and fixed asset expenditure rechargeable to the Fund.

All of the above transactions are in accordance with the Rules of the Fund.

TfL Pension Fund

Statement of Trustee's Responsibilities in respect of Contributions

The Fund's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised the schedules of contributions showing the rates of contributions payable towards the fund by or on behalf of the employer and the active members of the fund and the dates on or before which such contributions are to be paid. The Fund's Trustee is also responsible for keeping records of contributions received and for procuring that contributions are made to the fund in accordance with the schedules.

Trustee's Summary of Contributions payable under the Schedules of Contributions in respect of the scheme year ended 31 March 2008

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Fund's Trustee. It sets out the employer and member contributions payable to the Fund under the Schedules of Contributions certified by the Scheme Actuary in respect of the scheme year ended 31 March 2008. The Fund auditor reports on contributions payable under the Schedules in the Auditors' Statement about Contributions.

Contributions payable under the Schedules in respect of the Fund year		£'000
Employers		
Normal contributions		220,890
Members		
Normal contributions		34,702
Contributions payable under the Schedules (as reported on by the Fund auditors)		<u>255,592</u>
Reconciliation of contributions payable under the Schedules to contributions reported in the accounts in respect of the Fund year		£'000
Contributions payable under the Schedules (as above)		255,592
Contributions payable in addition to those due under the Schedules (and not reported on by the Fund auditor)		
Member additional voluntary contributions		2,541
Total contributions reported in the accounts		<u>258,133</u>

This Report was approved by the Board of Directors of TfL Trustee Company Limited on 9 July 2008 and was signed on their behalf by:

SR Critchley

CA Miller

Directors
TfL Trustee Company Limited

TfL Pension Fund

Schedules of Contributions and Actuary's Certificates

Pages 29 to 52 contain the current Schedules of Contributions which specify the contributions that are to be paid to the Fund. There is a separate Schedule for each section of the Fund. At the end of each Schedule is a formal certificate provided by the Scheme Actuary to the effect that, in his opinion:

- when the certificates were given, the contributions shown in the Schedule were expected to be sufficient to meet the “statutory funding objective”
- by the end of the period covered by the Schedule (this form of words applies to those sections which had funding shortfalls at their last actuarial valuations); or
- throughout the period covered by the Schedule (this form of words applies to those sections which had funding surpluses at their last actuarial valuations);
- the Schedule is consistent with the section's Statement of Funding Principles.

The “statutory funding objective” is that the value of the section's assets is at least equal to the value of its past service liabilities assessed as described in the section's Statement of Funding Principles.

TfL Pension Fund

TfL Pension Fund – British Transport Police Authority Section Schedule of Contributions

This schedule of contributions relates to the British Transport Police Authority Section (the Section) of the TfL Pension Fund (the Fund). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to the fifth anniversary of the date on which this schedule is formally certified by the scheme actuary

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By the British Transport Police Authority (the “Employer”):

- In respect of the future accrual of benefits:
 - 4.70 times the contributions payable by Members of the Section.
- In respect of non-investment expenses and levies (including Pension Protection Fund levies):
 - contributions equal to the regular and exceptional non-investment expenses and levies (including Pension Protection Fund levies) that are charged to the Section.

In accordance with Fund rule 13(3), Members’ contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member’s wages or salary was made. Under the Pensions Act 1995, Members’ contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members’ pay. The Employer undertakes to pay Members’ contributions to the Section in accordance with the Fund rules. However, Members’ contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The Employer’s contributions that are expressed as a multiple of the Members’ contributions are due to be paid on or before the same date as the Members’ contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members’ contributions.

The Employer’s contributions in respect of regular non-investment expenses are to be paid to the Section on or before the last day of the month to which the corresponding expense charges relate.

The Employer’s contributions in respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies) are to be paid to the Section within a month of the date on which they are charged to the Section.

To the extent that, during the period from 1 April 2007 to the day before the date on which this schedule is certified by the scheme actuary, the Employer’s contributions differ from those set out in this schedule, the accumulated difference is to be:

- paid to the Section by the Employer on or before 31 July 2007; or
- deducted from the amounts due to be paid to the Section by the Employer after 30 June 2007, as appropriate.

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley
Position Chairman
Date 20 July 2007

Signed

Name H E Carter
Position General Counsel
Date 19 July 2007

Date of schedule (for reference purposes): 12 July 2007

TfL Pension Fund

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – British Transport Police Authority Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 12 July 2007.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 23 July 2007

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

TfL Pension Fund – Cadbury Limited Section Schedule of Contributions

This schedule of contributions relates to the Cadbury Limited Section (the Section) of the TfL Pension Fund (the Fund). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to the fifth anniversary of the date on which this schedule is formally certified by the scheme actuary

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By Cadbury Limited (the “Employer”):

- In respect of the future accrual of benefits:
4.75 times the contributions payable by Members of the Section.
- In respect of the excess of the value of the assets over the value of the accrued liabilities revealed by the actuarial valuation as at 31 March 2006:
the above contributions are to be reduced by £9,500 a year.
- In respect of non-investment expenses and levies (including Pension Protection Fund levies):
contributions equal to the regular and exceptional non-investment expenses and levies (including Pension Protection Fund levies) that are charged to the Section.

In accordance with Fund rule 13(3), Members’ contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member’s wages or salary was made. Under the Pensions Act 1995, Members’ contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members’ pay. The Employer undertakes to pay Members’ contributions to the Section in accordance with the Fund rules. However, Members’ contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The Employer’s contributions that are expressed as a multiple of the Members’ contributions are due to be paid on or before the same date as the Members’ contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members’ contributions.

The contribution reduction (of £9,500 a year) is to be deducted in twelve equal instalments over each year, with the deduction being made each month from the Employer’s contributions payable that month which are expressed as a multiple of the Members’ contributions and/or from the Employer’s contributions payable that month in respect of regular non-investment expenses.

The Employer’s contributions in respect of regular non-investment expenses are to be paid to the Section on or before the last day of the month to which the corresponding expense charges relate.

The Employer’s contributions in respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies) are to be paid to the Section within a month of the date on which they are requested by the TfL Pension Fund.

To the extent that, during the period from 1 April 2007 to the day before the date on which this schedule is certified by the scheme actuary, the Employer’s contributions differ from those set out in this schedule, the accumulated difference is to be:

- paid to the Section by the Employer on or before 31 July 2007; or
- deducted from the amounts due to be paid to the Section by the Employer after 30 June 2007, as appropriate.

TfL Pension Fund

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley

Position Chairman

Date 20 July 2007

Signed

Name H E Carter

Position General Counsel

Date 19 July 2007

Date of schedule (for reference purposes): 12 July 2007

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – Cadbury Limited Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 12 July 2007.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 23 July 2007

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

TfL Pension Fund – Capgemini UK plc Section Schedule of Contributions

This schedule of contributions relates to the Capgemini UK plc Section (the Section) of the TfL Pension Fund (the Fund). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to the fifth anniversary of the date on which this schedule is formally certified by the scheme actuary

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By Capgemini UK plc (the “Employer”):

- In respect of the future accrual of benefits:
5.05 times the contributions payable by Members of the Section.
- In respect of the shortfall in funding in accordance with the recovery plan dated 12 July 2007:
£0.035 million, payable on or before 31 July 2007.
- In respect of non-investment expenses and levies (including Pension Protection Fund levies):
contributions equal to the regular and exceptional non-investment expenses and levies (including Pension Protection Fund levies) that are charged to the Section.

In accordance with Fund rule 13(3), Members’ contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member’s wages or salary was made. Under the Pensions Act 1995, Members’ contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members’ pay. The Employer undertakes to pay Members’ contributions to the Section in accordance with the Fund rules. However, Members’ contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The Employer’s contributions that are expressed as a multiple of the Members’ contributions are due to be paid on or before the same date as the Members’ contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members’ contributions.

The Employer’s contributions in respect of regular non-investment expenses are to be paid to the Section on or before the last day of the month to which the corresponding expense charges relate.

The Employer’s contributions in respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies) are to be paid to the Section within a month of the date on which they are requested by the TfL Pension Fund.

To the extent that, during the period from 1 April 2007 to the day before the date on which this schedule is certified by the scheme actuary, the Employer’s contributions differ from those set out in this schedule, the accumulated difference is to be added to, or deducted from, (as appropriate) the amount of £0.035 million due to be paid to the Section by the Employer on or before 31 July 2007.

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley

Position Chairman

Date 20 July 2007

Signed

Name H E Carter

Position General Counsel

Date 19 July 2007

Date of schedule (for reference purposes): 12 July 2007

TfL Pension Fund

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – Capgemini UK plc Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to be met by the end of the period specified in the recovery plan dated 12 July 2007.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 12 July 2007.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 23 July 2007

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

TfL Pension Fund – Cubic Transportation Systems Limited Section Schedule of Contributions

This schedule of contributions relates to the Cubic Transportation Systems Limited Section (the Section) of the TfL Pension Fund (the Fund). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to the fifth anniversary of the date on which this schedule is formally certified by the scheme actuary

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By Cubic Transportation Systems Limited (the “Employer”):

- In respect of the future accrual of benefits:
 - 5.10 times the contributions payable by Members of the Section.
- In respect of the shortfall in funding in accordance with the recovery plan dated 12 July 2007:
 - £0.572 million, payable on or before 31 July 2007.
- In respect of non-investment expenses and levies (including Pension Protection Fund levies):
 - contributions equal to the regular and exceptional non-investment expenses and levies (including Pension Protection Fund levies) that are charged to the Section.

In accordance with Fund rule 13(3), Members’ contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member’s wages or salary was made. Under the Pensions Act 1995, Members’ contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members’ pay. The Employer undertakes to pay Members’ contributions to the Section in accordance with the Fund rules. However, Members’ contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The Employer’s contributions that are expressed as a multiple of the Members’ contributions are due to be paid on or before the same date as the Members’ contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members’ contributions.

The Employer’s contributions in respect of regular non-investment expenses are to be paid to the Section on or before the last day of the month to which the corresponding expense charges relate.

The Employer’s contributions in respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies) are to be paid to the Section within a month of the date on which they are requested by the TfL Pension Fund.

To the extent that, during the period from 1 April 2007 to the day before the date on which this schedule is certified by the scheme actuary, the Employer’s contributions differ from those set out in this schedule, the accumulated difference is to be added to, or deducted from, (as appropriate) the amount of £0.572 million due to be paid to the Section by the Employer on or before 31 July 2007.

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley

Position Chairman

Date 20 July 2007

Signed

Name H E Carter

Position General Counsel

Date 19 July 2007

Date of schedule (for reference purposes): 12 July 2007

TfL Pension Fund

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – Cubic Transportation Systems Limited Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to be met by the end of the period specified in the recovery plan dated 12 July 2007.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 12 July 2007.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 23 July 2007

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

TfL Pension Fund – EDF Energy Powerlink Limited Section Schedule of Contributions

This schedule of contributions relates to the EDF Energy Powerlink Limited Section (the Section) of the TfL Pension Fund (the "Fund"). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to the fifth anniversary of the date on which this schedule is formally certified by the scheme actuary

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By EDF Energy Powerlink Limited (the "Employer"):

- In respect of the future accrual of benefits:
 - 5.05 times the contributions payable by Members of the Section.
- In respect of the shortfall in funding in accordance with the recovery plan dated 12 July 2007:
 - £7.235 million, payable on or before 31 July 2007.
- In respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies):
 - contributions equal to the exceptional non-investment expenses and levies (including Pension Protection Fund levies) that are charged to the Section.

In accordance with Fund rule 13(3), Members' contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member's wages or salary was made. Under the Pensions Act 1995, Members' contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members' pay. The Employer undertakes to pay Members' contributions to the Section in accordance with the Fund rules. However, Members' contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The Employer's contributions that are expressed as a multiple of the Members' contributions are due to be paid on or before the same date as the Members' contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members' contributions.

The Employer's contributions in respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies) are to be paid to the Section within a month of the date on which they are requested by the TfL Pension Fund.

To the extent that, during the period from 1 April 2007 to the day before the date on which this schedule is certified by the scheme actuary, the Employer's contributions differ from those set out in this schedule, the accumulated difference is to be added to, or deducted from, (as appropriate) the amount of £7.235 million due to be paid to the Section by the Employer on or before 31 July 2007.

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley

Position Chairman

Date 20 July 2007

Signed

Name H E Carter

Position General Counsel

Date 19 July 2007

Date of schedule (for reference purposes): 12 July 2007

TfL Pension Fund

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – EDF Energy Powerlink Limited Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to be met by the end of the period specified in the recovery plan dated 12 July 2007.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 12 July 2007.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 23 July 2007

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

TfL Pension Fund – Electronic Data Systems Limited Section Schedule of Contributions

This schedule of contributions relates to the Electronic Data Systems Limited Section (the Section) of the TfL Pension Fund (the Fund). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to the fifth anniversary of the date on which this schedule is formally certified by the scheme actuary

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By Electronic Data Systems Limited (the “Employer”):

- In respect of the future accrual of benefits:
4.45 times the contributions payable by Members of the Section.
- In respect of non-investment expenses and levies (including Pension Protection Fund levies):
contributions equal to the regular and exceptional non-investment expenses and levies (including Pension Protection Fund levies) that are charged to the Section.

In accordance with Fund rule 13(3), Members’ contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member’s wages or salary was made. Under the Pensions Act 1995, Members’ contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members’ pay. The Employer undertakes to pay Members’ contributions to the Section in accordance with the Fund rules. However, Members’ contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The Employer’s contributions that are expressed as a multiple of the Members’ contributions are due to be paid on or before the same date as the Members’ contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members’ contributions.

The Employer’s contributions in respect of regular non-investment expenses are to be paid to the Section on or before the last day of the month to which the corresponding expense charges relate.

The Employer’s contributions in respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies) are to be paid to the Section within a month of the date on which they are requested by the TfL Pension Fund.

To the extent that, during the period from 1 April 2007 to the day before the date on which this schedule is certified by the scheme actuary, the Employer’s contributions differ from those set out in this schedule, the accumulated difference is to be:

- paid to the Section by the Employer on or before 31 July 2007; or
- deducted from the amounts due to be paid to the Section by the Employer after 30 June 2007, as appropriate.

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley

Position Chairman

Date 20 July 2007

Signed

Name H E Carter

Position General Counsel

Date 19 July 2007

Date of schedule (for reference purposes): 12 July 2007

TfL Pension Fund

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – Electronic Data Systems Limited Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 12 July 2007.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 23 July 2007

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

TfL Pension Fund – Metronet Rail BCV Limited Section Schedule of Contributions

This schedule of contributions relates to the Metronet Rail BCV Limited Section (the Section) of the TfL Pension Fund (the Fund). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to 31 March 2014

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By the employer:

- In respect of the future accrual of benefits:
4.50 times the contributions payable by Members of the Section.
- In respect of the shortfall in funding in accordance with the recovery plan dated 17 January 2008:
£4.086 million each year, payable for a seven-year period from 1 April 2007 to 31 March 2014.
- In respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies):
contributions equal to the exceptional non-investment expenses and levies (including Pension Protection Fund levies) that are charged to the Section.

In accordance with Fund rule 13(3), Members' contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member's wages or salary was made. Under the Pensions Act 1995, Members' contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members' pay. The employer undertakes to pay Members' contributions to the Section in accordance with the Fund rules. However, Members' contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The employer's contributions that are expressed as a multiple of the Members' contributions are due to be paid on or before the same date as the Members' contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members' contributions.

The employer's contributions that are expressed as fixed monetary amounts are to be paid in equal monthly instalments on or before the last day of the month to which they relate.

The employer's contributions in respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies) are to be paid to the Section within a month of the date on which they are requested by the TfL Pension Fund.

To the extent that, during the period from 1 April 2007 to the day before the date on which this schedule is certified by the scheme actuary, the employer's contributions differ from those set out in this schedule, the accumulated difference is to be paid to the Section by the employer on or before 31 January 2008, or deducted from the amounts due to be paid to the Section by the employer after 31 December 2007, as appropriate.

Notwithstanding the foregoing, at the employer's option the employer may make a single payment in lieu of such of those contributions that are expressed as fixed monetary amounts of £4.086 million a year as remain to be paid at the time. The amount of the single payment shall be calculated by the scheme actuary to the Fund to be equal to the discounted present value of the remaining fixed monetary payments allowing for interest at the rate of 6.15% pa.

TfL Pension Fund

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley

Position Chairman

Date 18 January 2008

Signed

Name H E Carter

Position General Counsel

Date 17 January 2008

Date of schedule (for reference purposes): 17 January 2008

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – Metronet Rail BCV Limited Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to be met by the end of the period specified in the recovery plan dated 17 January 2008.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 17 January 2008.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 22 January 2008

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

TfL Pension Fund – Metronet Rail SSL Limited Section Schedule of Contributions

This schedule of contributions relates to the Metronet Rail SSL Limited Section (the Section) of the TfL Pension Fund (the Fund). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to 31 March 2014

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By the employer:

- In respect of the future accrual of benefits:
4.50 times the contributions payable by Members of the Section.
- In respect of the shortfall in funding in accordance with the recovery plan dated 17 January 2008:
£4.532 million each year, payable for a seven-year period from 1 April 2007 to 31 March 2014.
- In respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies):
contributions equal to the exceptional non-investment expenses and levies (including Pension Protection Fund levies) that are charged to the Section.

In accordance with Fund rule 13(3), Members' contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member's wages or salary was made. Under the Pensions Act 1995, Members' contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members' pay. The employer undertakes to pay Members' contributions to the Section in accordance with the Fund rules. However, Members' contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The employer's contributions that are expressed as a multiple of the Members' contributions are due to be paid on or before the same date as the Members' contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members' contributions.

The employer's contributions that are expressed as fixed monetary amounts are to be paid in equal monthly instalments on or before the last day of the month to which they relate.

The employer's contributions in respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies) are to be paid to the Section within a month of the date on which they are requested by the TfL Pension Fund.

To the extent that, during the period from 1 April 2007 to the day before the date on which this schedule is certified by the scheme actuary, the employer's contributions differ from those set out in this schedule, the accumulated difference is to be paid to the Section by the employer on or before 31 January 2008, or deducted from the amounts due to be paid to the Section by the employer after 31 December 2007, as appropriate.

Notwithstanding the foregoing, at the employer's option the employer may make a single payment in lieu of such of those contributions that are expressed as fixed monetary amounts of £4.532 million a year as remain to be paid at the time. The amount of the single payment shall be calculated by the scheme actuary to the Fund to be equal to the discounted present value of the remaining fixed monetary payments allowing for interest at the rate of 6.15% pa.

TfL Pension Fund

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley

Position Chairman

Date 18 January 2008

Signed

Name H E Carter

Position General Counsel

Date 17 January 2008

Date of schedule (for reference purposes): 17 January 2008

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – Metronet Rail SSL Limited Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to be met by the end of the period specified in the recovery plan dated 17 January 2008.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 17 January 2008.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 22 January 2008

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

TfL Pension Fund – Public Sector Section Schedule of Contributions

This schedule of contributions relates to the Public Sector Section (the Section) of the TfL Pension Fund (the Fund). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to 31 March 2017

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By the employers participating in the Section (the “Employers”):

- In respect of the future accrual of benefits, non-investment expenses and levies (including those payable to the Pension Protection Fund):
4.35 times the contributions payable by Members of the Section.
- In respect of the shortfall in funding in accordance with the recovery plan dated 12 July 2007:
1.85 times the contributions payable by Members of the Section until 31 March 2010 and 0.15 times the contributions payable by Members of the Section thereafter.

In accordance with Fund rule 13(3), Members’ contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member’s wages or salary was made. Under the Pensions Act 1995, Members’ contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members’ pay. The Employer undertakes to pay Members’ contributions to the Section in accordance with the Fund rules. However, Members’ contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The Employers’ contributions that are expressed as a multiple of the Members’ contributions are due to be paid on or before the same date as the Members’ contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members’ contributions.

Notwithstanding the contribution due dates set out above, the Employers may pay contributions totalling only 6.10 times the contributions payable by Members of the Section during the period up to 31 August 2007 and will make a payment of £157 million on or before 31 August 2007 to meet the underpayment up to that date (as against the contributions set out in the foregoing paragraphs) and as advance payment of the Employers’ contributions falling due for a period after that date. This period will be determined as the period starting on 1 September 2007 in respect of which the total Employers’ contributions due in accordance with the foregoing paragraphs total £157 million less the aforementioned underpayment. No Employers’ contributions will be required during this period in recognition of the aforementioned advance payment.

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley

Position Chairman

Date 20 July 2007

Signed

Name H E Carter

Position General Counsel

Date 19 July 2007

Date of schedule (for reference purposes): 12 July 2007

TfL Pension Fund

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – Public Sector Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to be met by the end of the period specified in the recovery plan dated 12 July 2007.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 12 July 2007.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 23 July 2007

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

TfL Pension Fund – Thales Communications Services Limited Section Schedule of Contributions

This schedule of contributions relates to the Thales Communications Services Limited Section (the Section) of the TfL Pension Fund (the Fund). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to the fifth anniversary of the date on which this schedule is formally certified by the scheme actuary

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By Thales Communications Services Limited (the “Employer”):

- In respect of the future accrual of benefits:
 - 4.65 times the contributions payable by Members of the Section.
- In respect of the shortfall in funding in accordance with the recovery plan dated 9 August 2007:
 - £0.076 million, payable on or before 31 August 2007; and
 - £0.076 million, payable on or before 31 August 2008.
- In respect of non-investment expenses and levies (including Pension Protection Fund levies):
 - contributions equal to the regular and exceptional non-investment expenses and levies (including Pension Protection Fund levies) that are charged to the Section.

In accordance with Fund rule 13(3), Members’ contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member’s wages or salary was made. Under the Pensions Act 1995, Members’ contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members’ pay. The Employer undertakes to pay Members’ contributions to the Section in accordance with the Fund rules. However, Members’ contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The Employer’s contributions that are expressed as a multiple of the Members’ contributions are due to be paid on or before the same date as the Members’ contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members’ contributions.

The Employer’s contributions in respect of regular non-investment expenses are to be paid to the Section on or before the last day of the month to which the corresponding expense charges relate.

The Employer’s contributions in respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies) are to be paid to the Section within a month of the date on which they are requested by the TfL Pension Fund.

To the extent that, during the period from 1 April 2007 to the day before the date on which this schedule is certified by the scheme actuary, the Employer’s contributions differ from those set out in this schedule, the accumulated difference is to be added to, or deducted from, (as appropriate) the amount of £0.076 million due to be paid to the Section by the Employer on or before 31 August 2007.

TfL Pension Fund

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley

Position Chairman

Date 10 August 2007

Signed

Name H E Carter

Position General Counsel

Date 10 August 2007

Date of schedule (for reference purposes): 9 August 2007

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – Thales Communications Services Limited Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to be met by the end of the period specified in the recovery plan dated 9 August 2007.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 9 August 2007.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 13 August 2007

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

TfL Pension Fund – Tribal Technology Limited Section Schedule of Contributions

This schedule of contributions relates to the Tribal Technology Limited Section (the Section) of the TfL Pension Fund (the Fund). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to the fifth anniversary of the date on which this schedule is formally certified by the scheme actuary

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By Tribal Technology Limited (the “Employer”):

- In respect of the future accrual of benefits:
 - 5.10 times the contributions payable by Members of the Section.
- In respect of the shortfall in funding in accordance with the recovery plan dated 30 July 2007:
 - £0.092 million, payable on or before 31 August 2007; and
 - £0.092 million, payable on or before 31 August 2008.
- In respect of non-investment expenses and levies (including Pension Protection Fund levies):
 - contributions equal to the regular and exceptional non-investment expenses and levies (including Pension Protection Fund levies) that are charged to the Section.

In accordance with Fund rule 13(3), Members’ contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member’s wages or salary was made. Under the Pensions Act 1995, Members’ contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members’ pay. The Employer undertakes to pay Members’ contributions to the Section in accordance with the Fund rules. However, Members’ contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The Employer’s contributions that are expressed as a multiple of the Members’ contributions are due to be paid on or before the same date as the Members’ contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members’ contributions.

The Employer’s contributions in respect of regular non-investment expenses are to be paid to the Section on or before the last day of the month to which the corresponding expense charges relate.

The Employer’s contributions in respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies) are to be paid to the Section within a month of the date on which they are requested by the TfL Pension Fund.

To the extent that, during the period from 1 April 2007 to the day before the date on which this schedule is certified by the scheme actuary, the Employer’s contributions differ from those set out in this schedule, the accumulated difference is to be added to, or deducted from, (as appropriate) the amount of £0.092 million due to be paid to the Section by the Employer on or before 31 August 2007.

TfL Pension Fund

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley

Position Chairman

Date 30 July 2007

Signed

Name H E Carter

Position General Counsel

Date 30 July 2007

Date of schedule (for reference purposes): 30 July 2007

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – Tribal Technology Limited Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to be met by the end of the period specified in the recovery plan dated 30 July 2007.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 30 July 2007.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 31 July 2007

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

TfL Pension Fund – Tube Lines Limited Section Schedule of Contributions

This schedule of contributions relates to the Tube Lines Limited Section (the Section) of the TfL Pension Fund (the Fund). It has been prepared by the Trustee of the Fund after obtaining the advice of Richard Williams, the Scheme Actuary to the Fund.

Contributions to be paid towards the Section from 1 April 2007 to 31 March 2014

By Members of the Section who are in Contributory Membership:

- 5% of the relevant pay definition as set out in Fund rule 13.

By Tube Lines Limited (the “Employer”):

- In respect of the future accrual of benefits:
 - 4.30 times the contributions payable by Members of the Section.
- In respect of the shortfall in funding in accordance with the recovery plan dated 31 August 2007:
 - £0.861 million payable during the period from 1 April 2007 to 31 March 2008;
 - £1.561 million payable during the period from 1 April 2008 to 31 March 2009;
 - £1.661 million payable during the period from 1 April 2009 to 31 March 2010; and
 - £1.377 million each year, payable for a four-year period from 1 April 2010 to 31 March 2014.
- In respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies):
 - contributions equal to the exceptional non-investment expenses and levies (including Pension Protection Fund levies) that are charged to the Section.

In accordance with Fund rule 13(3), Members’ contributions are due to be paid to the Section within five working days from the end of the period in respect of which the relevant payment of the member’s wages or salary was made. Under the Pensions Act 1995, Members’ contributions are legally due to be paid to the Section no later than 19 days after the end of the month in which they were deducted from the Members’ pay. The Employer undertakes to pay Members’ contributions to the Section in accordance with the Fund rules. However, Members’ contributions will not be deemed to be late under this schedule unless they are paid later than the legal due date.

The Employer’s contributions that are expressed as a multiple of the Members’ contributions are due to be paid on or before the same date as the Members’ contributions to which they relate and similarly are not deemed to be late under this schedule unless they are paid later than the legal due date for the Members’ contributions.

The Employer’s contributions that are expressed as fixed monetary amounts are to be paid in equal monthly instalments on or before the last day of the month to which they relate.

The Employer’s contributions in respect of exceptional non-investment expenses and levies (including Pension Protection Fund levies) are to be paid to the Section within a month of the date on which they are requested by the TfL Pension Fund.

To the extent that, during the period from 1 April 2007 to the day before the date on which this schedule is certified by the scheme actuary, the Employer’s contributions differ from those set out in this schedule, the accumulated difference is to be paid to the Section by the Employer on or before 30 September 2007, or deducted from the amounts due to be paid to the Section by the Employer after 31 August 2007, as appropriate.

TfL Pension Fund

Signed on behalf of the Trustee of the TfL Pension Fund

Signed on behalf of Transport for London

Signed

Name S R Critchley

Position Chairman

Date 4 September 2007

Signed

Name H E Carter

Position General Counsel

Date 4 September 2007

Date of schedule (for reference purposes): 31 August 2007

Actuary's certification of schedule of contributions

Name of section: TfL Pension Fund – Tube Lines Limited Section

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2006 to be met by the end of the period specified in the recovery plan dated 31 August 2007.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 31 August 2007.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the section's liabilities by the purchase of annuities, if the section were to be wound up.

R V Williams
Fellow of the Institute of Actuaries
Watson Wyatt Limited

Date 12 September 2007

Watson House
London Road
Reigate
Surrey
RH2 9PQ

TfL Pension Fund

Independent Auditors' Statement about Contributions, made under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustee of TfL Pension Fund

We have examined the summary of contributions payable under the Schedules of Contributions to the TfL Pension Fund in respect of the Fund year ended 31 March 2008 which is set out on page 27.

This statement is made solely to the Fund's Trustee, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Fund's Trustee those matters we are required to state to it in an auditors' statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's Trustee, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of the Trustee and Auditors

As described on page 7, the Fund's Trustee is responsible, under the Pensions Act 2004, for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions which sets out the rates and due dates of certain contributions payable towards the Fund by or on behalf of the employers and the active members of the Fund. The Trustee has a general responsibility for procuring that contributions are made to the Fund in accordance with the Schedules of Contributions.

It is our responsibility to provide a statement about contributions paid to the Fund and to report our opinion to you.

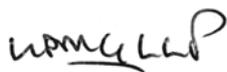
We read the Trustee's report and other information in the Annual Report and consider whether it is consistent with the Summary of Contributions. We consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the Summary of Contributions.

Basis of statement about contributions

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to give reasonable assurance that contributions reported in the Summary of Contributions have been paid in accordance with the relevant requirements. For this purpose, the work that we carried out included examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Fund and the timing of those payments. Our statement about contributions is required to refer to those exceptions which come to our attention in the course of our work.

Statement about contributions payable under the Schedules

In our opinion contributions for the Fund year ended 31 March 2008 as reported in the Summary of Contributions and payable under the Schedule have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the actuary on the 23 July 2007, 31 July 2007, 13 August 2007, 12 September 2007 and 22 January 2008.



KPMG LLP
Chartered Accountants
LONDON
09 July 2008

TfL Pension Fund

Participating Employers' Unit Holdings and Asset Values Statement

The Fund is structured into a series of financially segregated sections, comprising a composite section for the ongoing public sector employees (including responsibility for all pensioners and deferred pensioners) and individual sections for each of the private sector employees. The Fund's main investment portfolio is unitised for accounting purposes. The participating employers' unit entitlements and unit values as determined under Rule 2C of the Fund are shown below.

Participating Employer	Equity Fund			
	As at 31 March 2008		As at 31 March 2007	
	Units	£'000	Units	£'000
Public Sector	1,628,793,378	2,201,519.1	1,816,425,949	2,621,802.5
Metronet Rail BCV Limited	97,739,600	132,107.4	93,053,083	134,311.5
Metronet Rail SSL Limited	88,098,559	119,076.3	81,678,446	117,893.5
Tube Lines Limited	83,064,733	112,272.4	82,279,605	118,761.2
EDF Energy Powerlink Limited	15,530,293	20,991.1	12,142,314	17,526.0
Cadbury Limited	102,287	138.3	135,806	196.0
Capgemini UK plc	174,170	235.4	149,058	215.1
Cubic Transportation Systems Ltd	1,547,330	2,091.4	1,261,538	1,820.9
Dalkia Energy & Technical Services Ltd	68,467	92.5	-	-
Electronic Data Systems Limited	1,483,897	2,005.7	1,384,798	1,998.8
Tribal Technology Limited	175,420	237.1	126,159	182.1
British Transport Police Authority	279,608	377.9	264,182	381.3
Thales Transport and Security Ltd	156,851	212.0	110,972	160.2
	<u>1,917,214,593</u>	<u>2,591,356.6</u>	<u>2,089,011,910</u>	<u>3,015,249.1</u>

The Equity Fund unit price at the year-end was £1.351625750 (2007 £1.443385320)

Participating Employer	Bond Fund			
	As at 31 March 2008		As at 31 March 2007	
	Units	£'000	Units	£'000
Public Sector	1,078,303,078	1,614,439.6	1,026,542,294	1,431,817.8
Metronet Rail BCV Limited	37,815,450	56,617.4	39,850,594	55,583.5
Metronet Rail SSL Limited	34,085,332	51,032.7	34,983,524	48,794.9
Tube Lines Limited	32,137,744	48,116.8	35,238,763	49,150.9
EDF Energy Powerlink Limited	7,549,355	11,302.9	6,529,699	9,107.6
Cadbury Limited	30,781	46.1	45,260	63.1
Capgemini UK plc	157,235	235.4	149,015	207.9
Cubic Transportation Systems Ltd	1,396,878	2,091.4	1,257,461	1,753.9
Dalkia Energy & Technical Services Ltd	26,490	39.7	-	-
Electronic Data Systems Limited	446,538	668.6	461,470	643.7
Tribal Technology Limited	158,363	237.1	126,166	176.0
British Transport Police Authority	44,545	66.7	46,606	65.0
Thales Transport and Security Ltd	60,686	90.9	47,563	66.3
	<u>1,192,212,475</u>	<u>1,784,985.3</u>	<u>1,145,278,415</u>	<u>1,597,430.6</u>

The Bond Fund unit price at the year-end was £1.497203899 (2007 £1.394796714)

	31 March 2008	31 March 2007
	£'000	£'000
Equity Fund	2,591,357	3,015,249
Bond Fund	1,784,985	1,597,431
Alternative assets (allocated to Public Sector)	305,549	-
Other (non unitised assets allocated to Public Sector)	(320)	48,250
Total Net Assets at 31 March	<u>4,681,571</u>	<u>4,660,930</u>

TfL Pension Fund

Compliance Statement

1. Scheme Advisers

There are written agreements in place between the Trustee and each of the Scheme advisers listed on Page 2 of this report and also with the Principal Employer.

2. Transfers

All transfer values paid to or received from other pension schemes were calculated using formulae agreed by the Scheme Actuary and in accordance with statutory regulations. No transfers were made at less than their cash equivalent.

3. Changes to the Fund's advisers

Talking People were appointed as Communication Advisers on the 25 March 2008.

4. Pension Tracing Service

To help members of pension schemes trace past pension rights, the Department for Work and Pensions (DWP) has set up the Pension Tracing Service. The Fund is registered with the Pension Tracing Service and the registration number is 101653517.

The Pension Tracing Service can be contacted at:

The Pension Service
Tyneview Park
Whitely Road
Newcastle upon Tyne
NE98 1BA
Telephone 0845 6002 537

5. Complaints Procedure

In the event of a complaint from a member or beneficiary of the Scheme, every effort will be made to fully investigate and resolve it on an informal basis. In the event that a complaint cannot be satisfactorily resolved, the Fund has an Internal Disputes Resolution Procedure, a copy of which is available from the Secretary to the Trustee.

Should any complaint still remain unresolved after using this procedure, it may be referred to the Pensions Advisory Service and the Pensions Ombudsman as follows:

The Pensions Advisory Service

The Service was established to assist members of schemes in clarifying their expectations and rights with present or past Schemes. TPAS can be contacted at:

The Pensions Advisory Service
11 Belgrave Road
London SW1V 1RB
Telephone 0845 6012 923 (Calls charged at local rate)

Pensions Ombudsman

The Pensions Ombudsman was appointed to resolve issues and disputes that may arise between schemes and their members. The Ombudsman has powers similar to those of a County Court. The Ombudsman can be contacted at the same address as TPAS and has a separate telephone number:

Telephone 020 7834 9144

Scheme members should initially seek assistance through TPAS who, if unable to satisfactorily clarify matters, will refer appropriate cases to the Ombudsman.

For further help or information

Please contact the Fund Office if you have any questions about this report.
Contact details are shown below.

TfL Pension Fund
4th floor
Wing over Station
55 Broadway
London SW1H 0BD

Telephone: 020 7918 3733
Email: helpdesk@tflpensionfund.co.uk
Website: www.tflpensionfund.co.uk