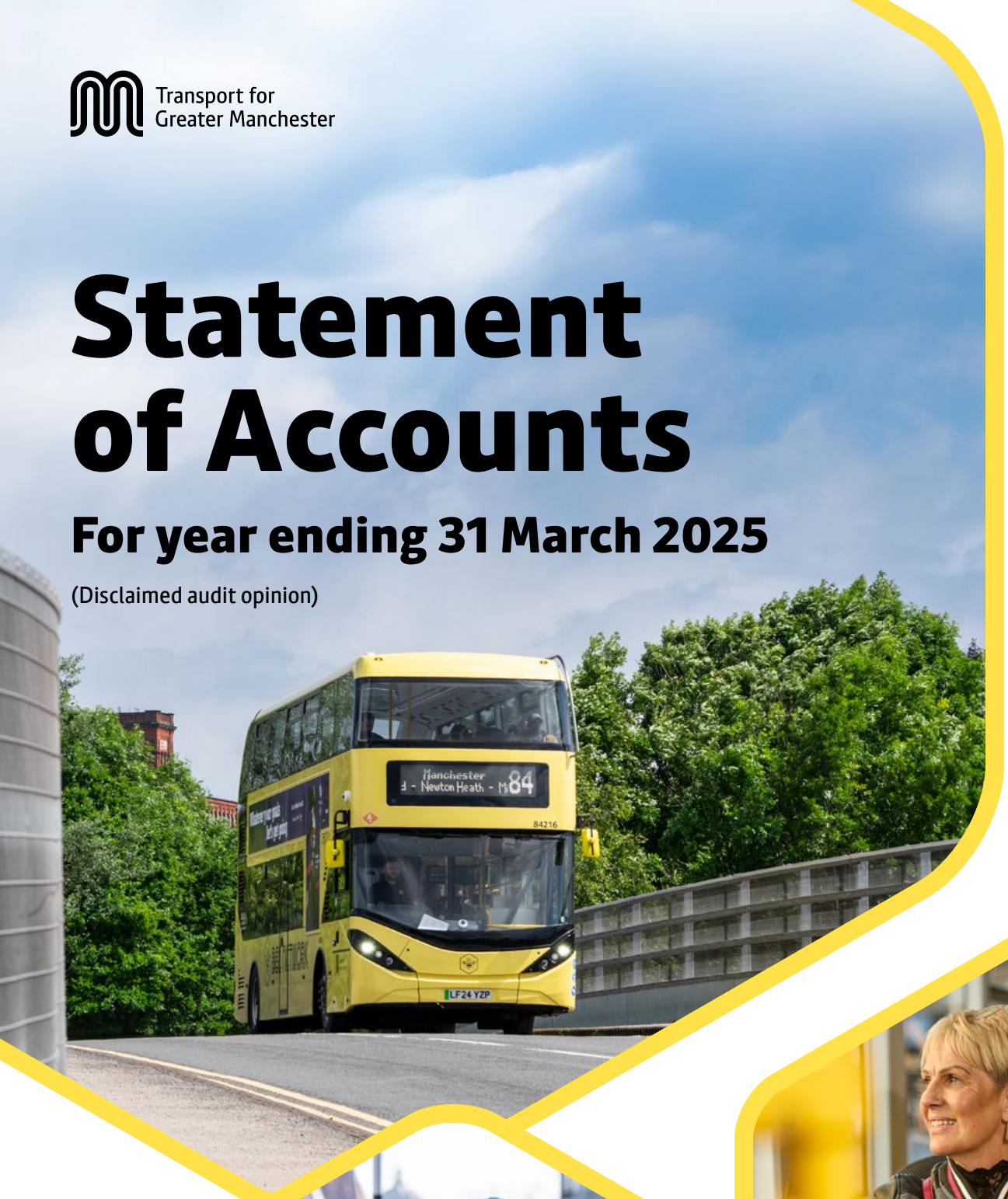
Transport for Greater Manchester

Statement of Accounts

For year ending 31 March 2025

(Disclaimed audit opinion)



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About Transport for Greater Manchester

What is our vision?

Our vision is the same as the Greater Manchester vision.

We want Greater Manchester to be a thriving city region where everyone can live a good life.

What is our purpose?

Our purpose outlines why we exist.

Both TfGM and the Bee Network exist for the same reason: to improve lives by connecting people and places. Everything we do should stay true to this purpose.

What is our mission?

Our mission is what we're setting out to do.

For TfGM, that's to be the enabling force behind all journeys. For the Bee Network, it's to deliver seamless, affordable, safe and sustainable journeys for all.

What are our values?

Our values are the fundamental things we believe in.

They help us prioritise and make decisions. If something doesn't match our values, we don't do it. Our values are:

- **Deliver.** We do the right thing and stick to our commitments.
- **Adapt.** When we move forward, so does Greater Manchester.
- **Care.** We look after each other, our customers, our great city region and our planet.

Our Business Plan

As the Bee Network grows, we need to be able to adapt and make sure we're set up to deliver for Greater Manchester. Our Business Plan provides a focus for the year ahead, with clear measures of success. It sets out our five strategic objectives:

1. Ensure transport is an enabler to achieve city region outcomes.
2. Operate and sustain a safe, green, customer-centric, integrated transport system.
3. Grow and transform the transport network in Greater Manchester.
4. Build an inclusive, high-performing organisation with a skilled and engaged workforce.
5. Secure financial sustainability and efficient resource management.

We monitor our performance against the Business Plan closely throughout the year. You can see some of our key achievements for 2024/25 throughout this document.

Year at a glance

Over the past year we've worked with our partners to transform transport in Greater Manchester.

Through the Bee Network we've worked to improve the way millions of people travel for work, leisure and other essential trips in our thriving city region.

Here's a snapshot of some of our successes and key achievements for passengers.

Over **100 million** bus journeys and annual patronage growth of c.14% since bus services were franchised.

All 577 bus routes and **1,600 buses** brought back under public control.

Around **300 zero emission buses** serving local communities.

Two new **round the clock night bus services** launched connecting Manchester with Leigh and Bolton via Salford.

1.2 million rides on Starling Bank Bike hire scheme.

20km of new Bee Network standard walking, wheeling and cycling routes, making **133km now in use.**

More than **50,000** 16–18-yr olds now using 'Our Pass' to get free travel to college, work and leisure.

Customer satisfaction up from **76% to 85%**

Eight key rail routes to join the Bee Network **by 2028** and the rest by 2030, outlined in a new plan.

Step-free access works at Daisy Hill & Irlam rail stations.

New rail station for Golborne, Wigan, on track, with a successful business case and planning application.

A record breaking **46 million** tram journeys in 2024.

£24 million Metrolink improvement works, including replacing around 5km of track.

Plans on track to further **extend the Metrolink network.**

24/7 Operational Control Centre dealt with 6,000+ incidents on our roads affecting the wider transport network.

Vision Zero strategy and action plan launched to improve road safety.

460,000 people using the Bee Network app, with close to **1 million downloads.**

113-strong TravelSafe officer unit **patrolling 3,750+** hours a week across Bee Network buses and interchanges.

2.1 million journeys made in the first 4 weeks of contactless 'tap and go' launching across bus and tram.

Business at a glance

1,600 Bee Network buses.

577 Bee Network bus routes.

4,200 bus shelters.

12,000 bus stops.

1,200 Starling Bank Bikes running from 200 stations.

147 trams on our Metrolink network.

99 tram stops accross 103km of tram track.

650km Key Route Network that we oversee and manage.

£77 million supporting affordable fares for younger, older and disabled people.

2,500 traffic signals that we operate.

19 transport interchanges and bus stations.

14 Information and Ticket offices that we manage.

Our structure

Transport for Greater Manchester (TfGM) is the local government body responsible for transport. Whether it's working with bus, tram and train operators to keep your journeys on track – or delivering our local transport strategy and commitments.

We develop and deliver Greater Manchester's transport vision, strategic plans and policies on behalf of the Greater Manchester Combined Authority (GMCA), which is made up of the Greater Manchester Mayor and the ten Greater Manchester local authorities.

GMCA is the city region's primary decision-making body responsible for economic development, regeneration and housing, environment, strategic spatial planning, skills and training, police and crime, and fire and rescue.

Group Chief Executive Caroline Simpson is CEO of TfGM, GMCA and GM Fire and Rescue Service.

Greater Manchester Mayor and Commissioners

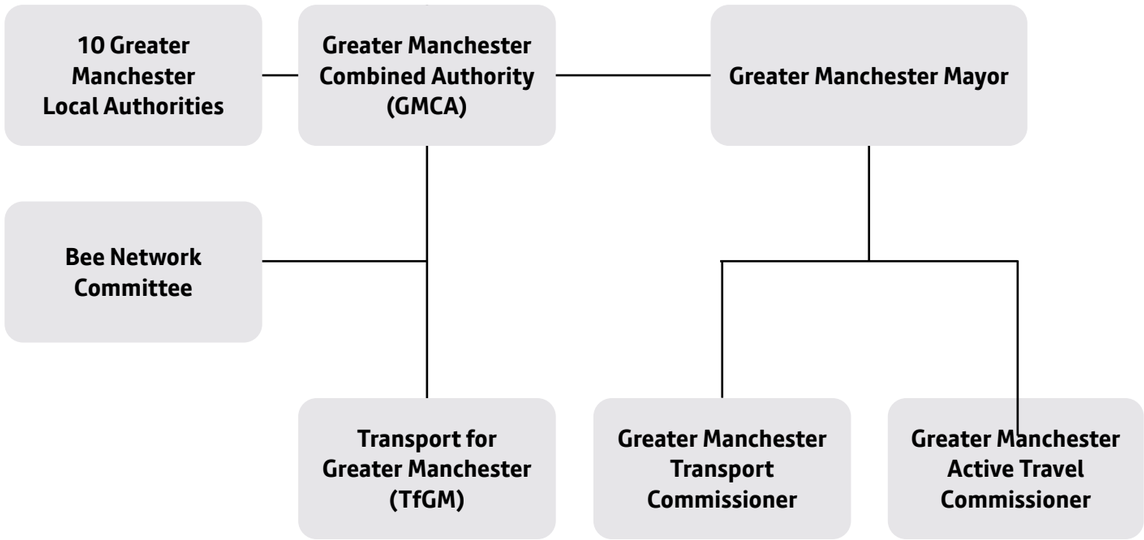
The Greater Manchester Mayor, Andy Burnham, holds some transport powers (including powers relating to bus franchising) which must be exercised individually.

The Mayor has appointed a Transport Commissioner, Vernon Everitt, and an Active Travel Commissioner, Dame Sarah Storey, to oversee and help drive delivery of Greater Manchester's transport commitments.

GMCA has appointed both commissioners to the TfGM Executive Board, and the Transport Commissioner currently chairs the TfGM Executive Board.

The Bee Network Committee

Some transport powers are delegated to a Bee Network Committee made up of members of the ten Greater Manchester local authorities. This Committee makes decisions, monitors the performance of the transport network, develops policy and supports local coordination of the Greater Manchester highway authorities (ten GM local authorities).



TfGM's Directors

The following directors held offices of statutory membership during the year, in accordance with Section 9 (2) of the Transport Act 1968.

Caroline Simpson

Chief Executive

(Appointed 25 June 2024 following the departure of Chief Executive Eamonn Boyle on 23 June 2024).

Steve Warrener

Managing Director and Finance and Corporate Services Director

(Left Finance and Corporate Services Director role on 31 October 2024).

Danny Vaughan

Chief Network Officer

(Appointed 1 May 2024, role replaced Chief Operating Officer).

Non-Executive Directors:

Steve Wilson

(Ex Officio Position for GMCA Treasurer. Appointed as a Board Advisor July 2024.)

Jo Kaye

Tracey Matthews (Contracted until 31 Jan 2026)

Tanya Coff (Contracted from 1 Feb 2026)

Mike Blackburn

The Annual Governance Statement later in this document provides further details regarding about our directors, information on TfGM's governance systems and processes, and how TfGM complies with the local government governance framework.

Bee Network: Connecting people with places

Bee Network Mission: To deliver seamless, affordable, safe and sustainable journeys for all.

We're all about keeping Greater Manchester moving and growing. We're doing that through the Bee Network, Greater Manchester's vision for a world-class, joined-up public transport and active travel network – under local control and accountable to local people.

2024/25 was a landmark year for local transport as we brought the final local bus services back under local control and rolled out transformational improvements under the trusted yellow Bee Network brand, now a common sight across our city region.

Transforming travel

The Bee Network is starting to transform the way people travel, making it easier and more affordable for people to get where they need to go – for work, training or education, leisure or for daily activities such as doing the food shop or the school run.

We're already making journeys easier, safer and more affordable, with services you can rely on. But the Bee Network is about more than just buses, trams, bikes and roads. It also includes our facilities, services, systems and travel information that sit alongside them.

Managing and operating the Bee Network

TfGM manages the Bee Network, Greater Manchester's world-class, joined-up transport network under local control. We work closely with operators to coordinate services, help put passengers first and improve the journey experience.

- Bee Network bus services are run under franchise by commercial bus companies: Diamond, First, Go North West, Metroline and Stagecoach.
- Bee Network tram services are run under contract by KeolisAmey Metrolink (KAM).
- Bee Network cycle hire, the Starling Bank Bike scheme, is powered by Beryl.

We make sure that our 19 interchanges and bus stations, 14 Information and Ticket offices, and approximately 12,000 bus stops and 4,200 bus shelters are safe, accessible, clean and well-run.

We're also working to make travel easier and more affordable through better information, the Bee Network app and joined-up ticketing.

Seamless travel: Customers can now make seamless journeys across buses, trams and cycling, walking and wheeling, made possible through a fully franchised bus network, introduced in phases and completed in January 2025.

Quick and easy payments: Within months of buses coming under local control, contactless 'tap and go' payments launched across bus and tram, making travel more flexible across modes and opening up new journey opportunities.

Getting active: We're delivering the largest active travel network (walking, wheeling and cycling) in the UK at pace, with 133km of routes now completed. Pedal power is seeing around 1,600 rides a day made on our Starling Bank Bikes, with the hire scheme planned to expand and 300 new e-bikes now available.

A vision for Bee Network rail: Next stop is rail, with eight local commuter train services planned to join the Bee Network in three phases by 2028, offering improved services, stations and a better journey experience.

Strategic context

Greater Manchester has a long tradition of working in partnership to achieve great things for the city region.

As part of the Greater Manchester family, TfGM has a key role to play in delivering the vision and ambitions set out in the Greater Manchester Strategy and delivery plan:

"To make Greater Manchester a thriving city region where everyone can live a good life."

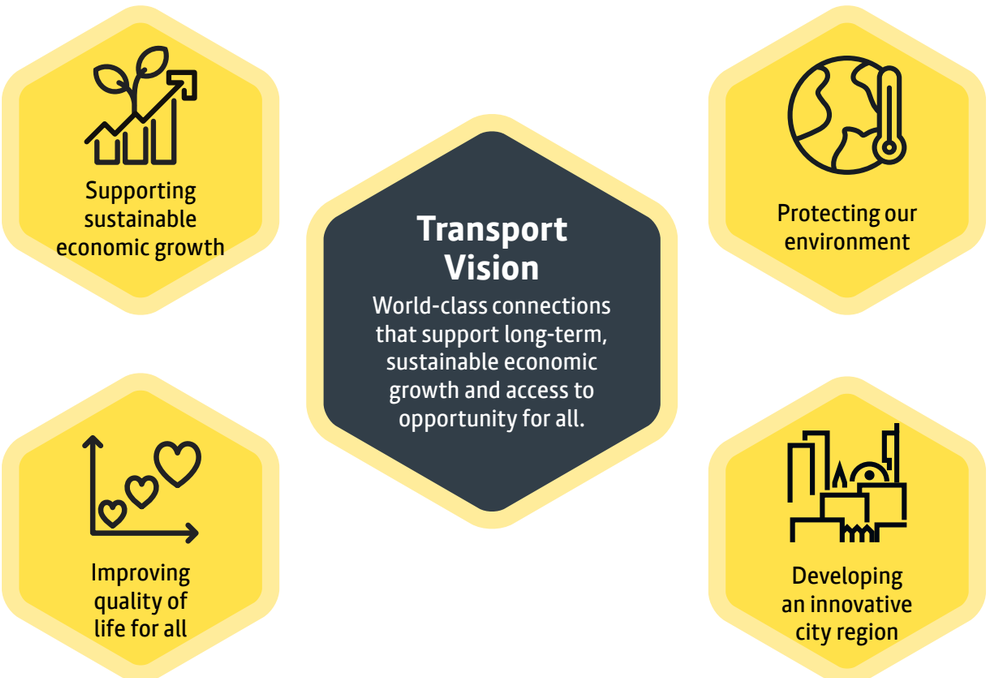
A strategy for a world-class transport network

The Greater Manchester Transport Strategy 2040 (GMTS 2040) sets out our long-term ambitions for transport to help shape and create a successful, resilient city region.

Our vision is for Greater Manchester to have:

"World-class connections that support long-term, sustainable economic growth and access to opportunity for all."

The GMTS 2040 is aligned with a range of strategies to deliver the city region's priorities, from the Greater Manchester Clean Air Plan to the Places for Everyone Plan.



Delivering the strategy

The GMTS 2040 is updated through a series of five-year delivery plans, the latest covering 2021-2026.

In turn, the 2040 Transport Strategy continues to set the framework for a range of sub-strategies, policies and delivery plans, all published at tfgm.com/strategy

That includes the **Electric Vehicle Charging Infrastructure, Streets for All, Freight and Logistics, GM Rapid Transit, Shared Mobility and Greater Manchester Bus strategies.**

People, from residents and businesses to visitors to our city region, are at the heart of the 2040 Transport Strategy.

Seven key customer-focused principles underpin our work and guide the development of the transport network, as shown in the diagram below.

A green and healthy city region

Everything we do is part of the Greater Manchester Green City Region ambition to ensure everyone has a healthy, low-carbon, nature-rich environment in which to live well, prosper and grow.

By connecting communities and encouraging more people to walk and wheel for shorter journeys, we want to clean up the air we breathe and have a healthier and happier population.

Going carbon neutral

Transport makes up 30% of the city region's total carbon emissions. So, encouraging sustainable travel is key to meeting Greater Manchester's ambition to be carbon neutral by 2038. We're also supporting the city region's ambitions to have a fully decarbonised bus and tram network by 2030.

By 2040 we want to see 50% of all journeys in Greater Manchester made by walking, wheeling, cycling and public transport – that means one million more sustainable journeys every day.

What we're doing

- Delivering the low-carbon Bee Network, including the UK's largest network of green and safe walking and cycle routes.
- Coordinating the Greater Manchester Clean Air Plan to tackle nitrogen dioxide exceedances on some local roads.
- Working with the ten Greater Manchester local authorities to deliver more Electric Vehicle (EV) chargers, with more than £16 million government funding.
- Delivering the actions in our Corporate Environment Plan.

Clean Air Plan proposals approved

Through the transformational Bee Network we're already cleaning up our air with investment in cleaner buses and active travel.

In January 2025 government approved the investment-led Greater Manchester Clean Air Plan and a further £86 million investment towards cleaner buses, taxis and targeted local traffic management measures.

The approved Clean Air Plan will allow the city region to meet legal limits for nitrogen dioxide on local roads in the shortest possible time, without the need for a Clean Air Zone.

Find out more at cleanairgm.com

Case study: Renewable power for the Bee Network

Greater Manchester is taking huge steps towards having the first carbon neutral public transport system in the UK. We've made plans to invest significantly in home grown clean energy to power the Bee Network.

In February 2025, we launched the tender process for a long-term renewable energy deal (Power Purchase Agreement) with an estimated value of £57 million over 15 years. This would give enough power for the Metrolink tram network – and act as a model to power a future electrified bus network, which is expected to almost quadruple annual energy use.

Using a long-term contract to buy energy at an agreed price is expected to both help reduce running costs and protect against spikes in energy prices.

Financial summary

TfGM's financial performance has been robust in 2024/25. This has been achieved against a challenging backdrop as local transport finances continue to be significantly affected by the COVID-19 pandemic and inflation, costing us more to run our network and services than it has done previously.

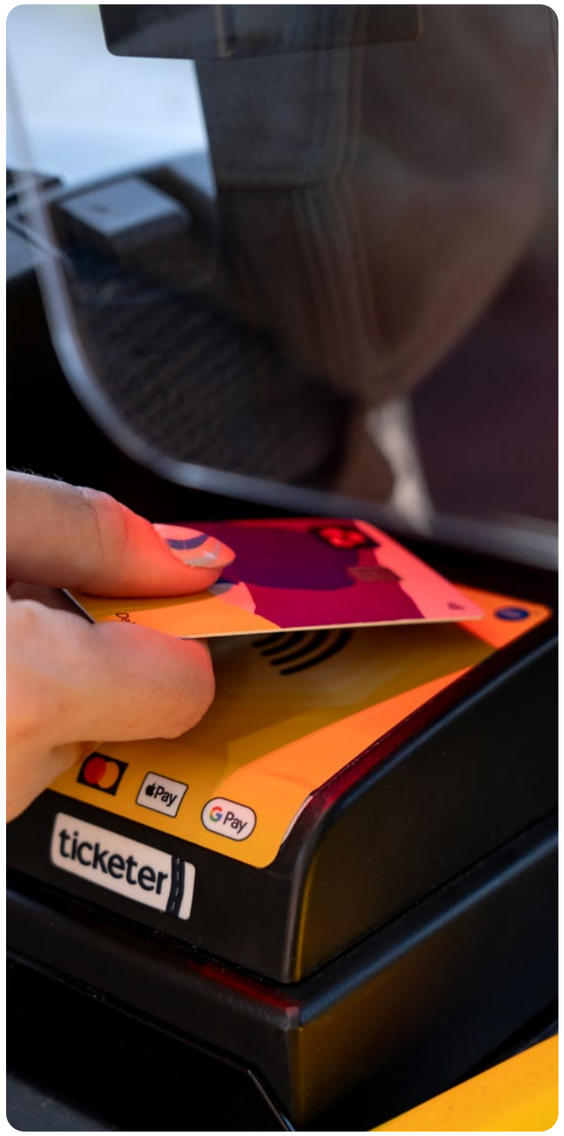
Our income from local and national government funding, fares and other commercial revenue hasn't increased at the same rate as our costs. At the same time, we've also taken on more financial risk and reward as we brought buses back under local control.

The Bee Network would not have been possible without the financial support of the ten GM local authorities. Their funding through the Mayoral Precept and additional contributions was vital to meet the costs of moving to the bus franchising model.

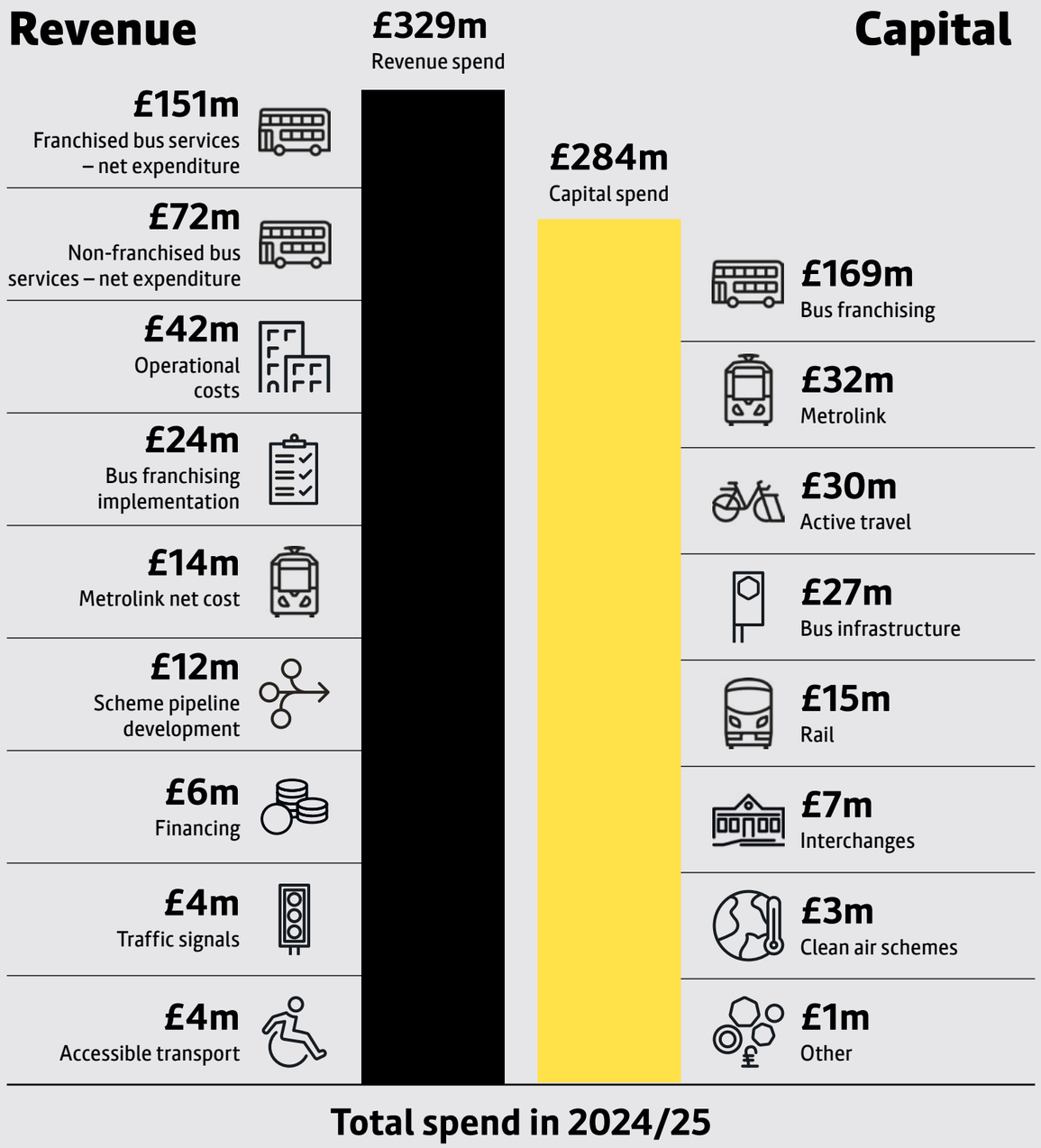
And, since April 2024, the transport levy has increased by around 4% to meet the ongoing costs of running the Bee Network.

Staying on track to deliver the Bee Network has required a continual organisational focus on financial sustainability. As a result, we have seen one of the strongest post-covid recoveries in the UK.

We're working more effectively and efficiently to deliver cost savings to try and achieve a balanced budget.



Spend at a glance



Putting the customer first

Greater Manchester has a diverse population and an increasing visitor economy, with 5.6 million trips a day made by residents alone.

We've put the customer experience at the heart of the Bee Network, listening to what people want and need to choose public transport or active travel.

Over the last year we've made improvements across every aspect of the customer experience – guided by our six customer commitments. That includes more reliable services, improving safety and the perception of safety, and making services more accessible for everyone.

We've also made huge strides towards making travel easier and more affordable through lower fares, smart, integrated ticket systems, and smarter travel information.

Our work to better understand the challenges people face when using public transport has also improved accessibility and the passenger experience.

Our customer commitments

We've worked with local people to develop a clear set of customer commitments. So that people know what to expect and can let us know if we're not up to scratch.

We're committed to delivering a Bee Network that is:

- **Safe:** We will create a safe and secure network.
- **Accessible:** Everyone can use us.
- **Affordable:** We will keep the cost of travel as low as possible.
- **Reliable:** We will deliver a reliable network.
- **Sustainable:** We will take the lead in creating a greener, healthier Greater Manchester.
- **Accountable:** We will use your feedback.

We actively seek customer feedback to help improve services and the customer experience. It's easy to quickly 'Rate your journey' with a quick survey on the Bee Network app or website.

5.6 million

trips a day made by Greater Manchester residents alone.

450,000 customers

using tap and go to make 2.1 million journeys in the first four weeks.

£2/£1 single bus fare

became a 'hopper' ticket, allowing further travel within one hour of purchase.

594,000 customer contacts

27% annual increase in contact to our Bee Network Contact Centre.

2024/25 achievements

- Launched a cheaper and simpler range of Bee Network bus tickets and kept £2/£1 (adult/child) single bus fare.
- Launched contactless 'tap and go' payments across bus and tram – with 450,000 individual customers using it to make 2.1 million journeys in the first four weeks of operation.
- Introduced new Annual Bus and Annual Bus and Tram tickets and made all annual tickets available through a Credit Union loan scheme.
- Further recruitment to the now 113-strong team of TravelSafe Support and Engagement Officers, patrolling 3,750 hours a week to provide a reassuring presence across the bus network.
- Supported safety on the network through antisocial behaviour and 'active bystander' campaigns.
- Improved customer perceptions of safety on the network, up from 74% of people surveyed in 2023, to 78% in 2024.
- Improved customer satisfaction and loyalty, with customer satisfaction survey scores up from 76% to 85%, and our customer loyalty Net Promoter Score rising from +21 to +34.
- Handled a 27% annual increase in the volume of contacts to our Bee Network Contact Centre, with 594,000 customer contacts.
- Improved bus service accessibility through network changes, new state-of-the-art buses, and a trial of the GoodMaps inclusive navigation app at Shudehill and Bolton interchanges.
- Improved travel information, including real time information:
  - Bee Network app: Improving the journey planner and disruption information, travel alert push notifications, and TravelSafe LiveChat.
  - Audio visual announcements on buses.
- Supported events at the new Co-op Live arena with an integrated event and tram ticket offer for launch (funded by Co-op and supported by Manchester City F.C.), and an Etihad Stadium shuttle bus service network, resulting in a 3% shift away from cars in the 2024/25 football season.

Case study: Fare's fair

Making travel payments easier – and offering value for money fares – has been key to the Bee Network's early success and will continue to unlock passenger growth.

As Greater Manchester's buses have come under local control, we've introduced an affordable, simple, flat fare structure. We've kept the £2/£1 (adult/child) single fare while the national bus cap has risen to £3 – and made it even better value as a hopper ticket, allowing multiple bus journeys in the first hour of travel.

In March 2025 we introduced contactless 'tap and go' payments across bus and tram, with a daily and weekly cap offering more flexible travel. In its four weeks alone, we saw 2.1 million tap and go journeys on buses.

To keeping travel affordable and help with the cost of living, we also introduced unlimited travel through new Annual Bus, and Annual Bus and Tram tickets, to complement the existing Annual Tram ticket. The tickets offer great savings for regular passengers, and we've also worked with local credit unions to give customers the choice to spread the cost instead of paying up front.

Case study: Making travel safer

The TravelSafe Partnership (led by TfGM and Greater Manchester Police with support from British Transport Police, transport operators, local authorities and charities) takes a zero-tolerance approach to crime and antisocial behaviour.

As well as targeted operations to reduce antisocial behaviour and fare evasion at key hotspots, around 15,000 hours per week are spent patrolling the Metrolink and bus networks, 24/7.

As well as our work on the ground, high-profile campaigns are proving effective in reducing crime and antisocial behaviour and improving perceptions of safety on public transport. The 'Don't Get Ghosted' campaign showed young people how they could be "ghosted" and unable to socialise with their peers if they are banned or have their travel pass removed.

Our 'Help the scene. Intervene' campaign built on previous work to tackle gender-based discrimination by encouraging passengers to look out for and challenge harassment and unwanted sexual behaviours on public transport.

Better buses through local control

On 6 January 2025 Greater Manchester made history as the first city region outside London to take its bus network back into local control in around 40 years. Franchising bus services is a major step on our journey to a fully joined-up travel experience.

Buses are at the heart of the Bee Network as they carry the most people – around 75% of trips by public transport – reducing car journeys and easing congestion. Record numbers of people in Greater Manchester are now using cheaper, cleaner, more reliable bus services, helping connect more people to jobs, education and leisure opportunities.

The local bus network is now easier for everyone to use, with improved services, state-of-the-art new buses, and improved access at TfGM bus stops and our 19 transport interchanges and stations.

We're already seeing the results with rising passenger numbers bringing in higher fare revenue than budgeted – and increased customer satisfaction ratings.

The new-look bus network

Through bus franchising, TfGM now contracts bus operators to run high quality bus services, while taking charge of planning a joined-up network.

We decide where buses run, how often and at what times, setting affordable fares, targets for buses to be reliable, run on time, and meet high standards.

The focus is on buses arriving on time, at convenient locations and offering the best value for money.

2024/25 achievements

- Completed phase three of bus franchising with all 577 routes and 1,600 buses under local control as part of the Bee Network.
- Increased patronage, with more people getting on board. Passenger bus journeys hit 100 million by February 2025, with an annual patronage increase of c.14% since the first bus services were franchised in September 2023. Around 160 million bus journeys a year will be made on the Bee Network.
- Improved satisfaction with fares, jumping from 63% in 2022 to a record high of 82% in 2024.
- Bee Network buses are more reliable and better joined up than the services they replaced:
  - Punctuality for phase 1 franchised bus services (introduced September 2023) is now consistently above 80% (up from c.66% on the pre-franchised network).
  - Reliability of the phase 2 (launched March 2024) and phase 3 (launched January 2025) franchised bus services is better than before. And both phase 1 and 2 services have been consistently above 70% punctuality since the beginning of March 2024. Work is ongoing to improve performance across the whole network.
- Higher than expected patronage growth and passenger revenues are allowing us to make improvements to services:
  - Changed around 75 bus routes to provide earlier, later, more frequent and better-connected services, in many cases linking up with tram and train times for seamless onward journeys.
  - Launched the first new bus service, 615, connecting Wigan with Middlebrook Retail Park, restoring a link lost years ago.
  - Launched a night bus trial on the V1 and 36 bus services, connecting Manchester with Leigh and Bolton via Salford at least every hour both ways, 24 hours a day, seven days a week.
- Introduced more than 550 newer, cleaner buses, with nearly 300 zero emission buses now operating on routes serving our communities.
- Introduced a matchday bus network for all Manchester City FC men's fixtures, with over 34,000 journeys during the current football season (through to 20 May 2025) and 23 buses now serving 82 locations.
- Introduced a new, modern, smart booking system for long-standing door-to-door transport services Ring & Ride and Local Link, making travel more convenient for disabled and older people.

100 million
passenger bus journeys by February 2025.

1,600
buses under local control.

577
bus routes under local control.

300
new zero emission buses serving local communities.

Case study: Moving to a zero-emission bus fleet

Through the newly franchised Bee Network we're making rapid progress to electrify our bus fleet and our depots – and are on track to have a full electric network by 2030.

Hundreds of new, greener and more accessible vehicles are now on Greater Manchester's roads. By spring 2025, more than half of Bee Network buses were brand new, and 75% of the fleet is now less than four years old (compared to an average fleet age of 9.5 years in 2019).

The Bee Network now has 17% electric vehicles (compared to 2% before franchising), expected to rise to 25% in 2025/26. We're also working with operator Go North West to trial a first-of-its-kind conversion – testing the feasibility of re-powering existing diesel buses into fully electric vehicles.

The programme is being funded with Department for Transport Zero Emission Bus (ZEBRA) funding and locally-funded prudential borrowings. A further £51.1m Clean Air Plan funding was approved in January 2025 for more zero emission and Euro VI buses and EV charging infrastructure, helping us to reach our goal of a decarbonised bus fleet by 2030.

A record year for Metrolink

With 99 stops, 147 trams and a 103km network of lines across Greater Manchester, our Metrolink tram system is a key part of the Bee Network.

Metrolink began running in 1992 and, following a multi-billion-pound expansion has grown to become the largest light rail network in the UK. The network is fully accessible, with step-free access at all stops and level access from the platform to the tram.

Our trams are low-emission, producing very little air pollution at street level – and powered entirely by electricity produced from modern, cleaner, greener energy sources.

Over the last year Metrolink has gone from strength to strength, seeing one of the strongest post-covid recoveries in the UK. Frequent, reliable services made sustainable travel a convenient choice for a record-breaking 46 million passengers in 2024.

We've been working hard to keep the tram network as reliable and resilient as possible through a programme of investments. And we continue to make operational improvements and plan for Metrolink's future, with work ongoing to assess options for new, extended and converted lines, including tram-train services that join up the light and heavy rail networks.

On the right track: Who does what

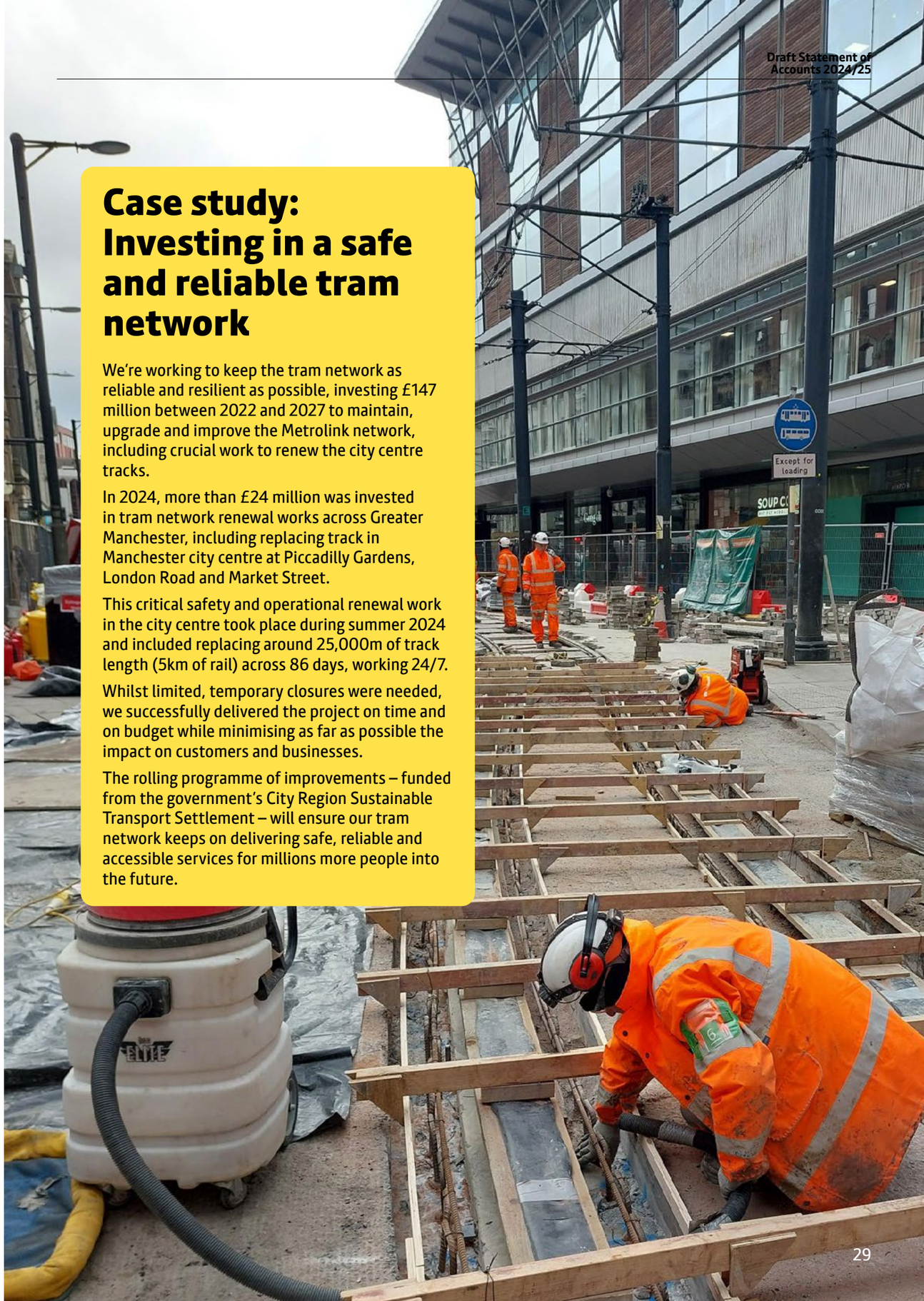
TfGM owns the Metrolink network, and we are responsible for setting fare levels, investing in and expanding the network, planning for future developments and overseeing the operations and maintenance contract.

KeolisAmey Metrolink (KAM) operates and maintains the network on a 10-year contract through to 2027.

Together we work to make sure the tram network is reliable, safe and easy to use.

2024/25 achievements

- 98.5% of scheduled miles operated and 88% of trams arriving on time.
- Delivered a new back office 'tap and go' system.
- Introduced 'tap and go' payments with daily and weekly fare caps across bus and tram services.
- Completed a £24m Metrolink improvement programme, including a major city centre track renewals project.
- Achieved a 7% point drop in fare evasion with 90,320 penalty fares issued.
- Ongoing prioritisation of potential Metrolink extensions, moving to Strategic Outline Business Case stage.
- Completed market sounding and benchmarking for the future Metrolink contracting model.



Case study: Investing in a safe and reliable tram network

We're working to keep the tram network as reliable and resilient as possible, investing £147 million between 2022 and 2027 to maintain, upgrade and improve the Metrolink network, including crucial work to renew the city centre tracks.

In 2024, more than £24 million was invested in tram network renewal works across Greater Manchester, including replacing track in Manchester city centre at Piccadilly Gardens, London Road and Market Street.

This critical safety and operational renewal work in the city centre took place during summer 2024 and included replacing around 25,000m of track length (5km of rail) across 86 days, working 24/7.

Whilst limited, temporary closures were needed, we successfully delivered the project on time and on budget while minimising as far as possible the impact on customers and businesses.

The rolling programme of improvements – funded from the government's City Region Sustainable Transport Settlement – will ensure our tram network keeps on delivering safe, reliable and accessible services for millions more people into the future.

Reimagining roads

Greater Manchester's roads are the city region's arteries, carrying some 1.8 billion individual trips every year.

Our highways network is crucial to delivering reliable Bee Network bus and tram services, emergency services, supporting freight, business, visitors and commuters – and increasingly, active travel.

We have a key role working with our partners to keep Greater Manchester's roads moving – ensuring they have the capacity to support continued growth.

This reimagining of our roads will make it easier for everyone to get around Greater Manchester, supporting our ambition to be carbon neutral by 2038, Greater Manchester's ambition is for with 50% of all journeys being made by walking, cycling and public transport by 2040.

To achieve the ambitions in the 2040 Greater Manchester Transport Strategy, we are changing our roads – making them safer and easier to use for walking and cycling and giving greater priority to buses. This reimagining of road space will be key to continued growth and becoming a greener city region with cleaner air for us all to breathe.

Improving road safety remains a key area of work, and in November 2024, Greater Manchester leaders unanimously approved the partnership-led Vision Zero Strategy and Action Plan, setting out how to eradicate deaths and life-changing injuries on our roads by 2040.

The Key Route Network

While the ten Greater Manchester local authorities are responsible for roads in their area, including general maintenance, TfGM has strategic oversight of the Key Route Network making up over 650km of Greater Manchester's busiest roads. While this is just 7% of the total length of the highways network, it carries some two-thirds of peak-time traffic.

We work closely with local authorities and National Highways to coordinate day-to-day operations – and deal with incidents and events on local roads and motorways.

2024/25 achievements

- Published a Vision Zero Strategy and Action Plan in November 2024, aiming to eliminate road death and life-changing injuries on our roads by 2040, with a target to achieve a 50% reduction by 2030.
- Continued work to develop a new speed management policy with the ten Greater Manchester local authorities.
- Upgraded Greater Manchester's network of safety cameras, with 88 of the 91 completed.
- Installed 23 new signalised junctions or pedestrian crossings and upgraded 44 existing signalised junctions or pedestrian crossings.
- Improved the pedestrian wait time at over 220 pedestrian crossings across Greater Manchester.
- Expanded the 24/7, 365 days a year Operational Control Centre to accommodate more bus operator colleagues (from newly franchised bus service areas) and internal teams.
- Safer Roads Greater Manchester successfully ran six campaigns, including non-seat belt use, driving distractions, summer and winter Don't Drink or Drug Drive, improved pedestrian safety, and mobile phone use campaigns.
- Ran a state-of-the-art AI camera trial to detect drivers using mobile phones or not wearing a seatbelt.
- 11 'In Car Child Seat Safety' clinics successfully delivered throughout Greater Manchester.
- 121,000 drivers attended a DriveSafe educational course as an alternative to prosecution.
- 82 older drivers successfully completed the Safer Roads Greater Manchester funded 'Safer Driving for Longer' course, which is provided by DriveSafe.

88 safety cameras upgraded.

24/7, 365 Operational Control Centre

expanded to support new bus operators and more TfGM colleagues.

11 'In Car Child Safety' clinics

delivered throughout Greater Manchester.

82 older drivers

successfully completed 'Safer Driving for Longer' course.

23 new and upgraded

signalised junctions/ pedestrian crossings.

121,000 drivers

attended a DriveSafe educational course as an alternative to prosecution.

A vision for Bee Network rail

Rail plays a crucial role in connecting large numbers of people to and around the regional centre and is key to Greater Manchester's ambitious plans for sustainable growth and economic prosperity. In 2022/23, over 20.8 million rail trips were made to Manchester central stations, making it a vital part of Greater Manchester's transport network.

In January 2025 the Mayor of Greater Manchester set out a three-phase plan, working with the rail industry, to bring rail services and stations into the Bee Network.

Building on the successful approach to buses, we'll encourage even more people to make the switch to public transport by making rail services more reliable, affordable, simpler, flexible, and accessible to everyone. We'll put passengers first so they can expect improved services, stations and a better journey experience.

TfGM will also deliver step-free upgrades at 10 stations over the next three years – twice as many as the past decade – to build a more inclusive and accessible network. As a result, 63% of Greater Manchester's stations will be accessible by March 2028, up from 43%.

Future rail capacity

Greater Manchester is also spearheading the charge for improved rail capacity north-south, and east-west. This includes the launch of the Liverpool-Manchester Railway Board to maximise the economic and social benefits of a potential new railway between the north west's two largest city regions. The new line would be a key component of the Northern Arc vision – an emerging economic corridor stretching from the Mersey to the Pennines and beyond – to generate £90bn in economic growth in the North West by 2040.

The Mayors of Greater Manchester and the West Midlands also commissioned a private sector report to set out plans for a rail link between the Midlands and the North-West, after the previous government scrapped the northern leg of HS2.

Bringing rail into the Bee Network

We're planning to bring eight commuter rail lines into the Bee Network in phases through to 2028 – so passengers can enjoy all the benefits of joined-up buses, trams, trains and active travel.

64 stations will join the Bee Network over the next three years to 2028, with the remaining 32 stations joining by 2030.

The Bee Network aims to transform local rail services and the journey experience.

That includes train stations, trains services, customer information, and plans to introduce 'tap and go' fares, as well as better links with bus and tram services.

Our phased plans have the backing of the rail industry and aim to bring improvements to many local rail commuters as soon as possible, boosting passenger numbers, helping drive growth and deliver new homes.

2024/25 achievements

- Published Bee Network rail network integration vision to bring eight key rail routes on board by 2028.
- Outline business case approval and planning permission submitted for Golborne station – Greater Manchester's first new rail station in over 20 years.
- Access for All work completed at Daisy Hill and Irlam stations, providing step-free access to customers.
- Drove forward the prioritised pipeline of work for future Access for All station projects, including Swinton, Hindley, Bryn and Reddish North, which are all scheduled for delivery in 2026.
- Invested £10 million to deliver accessibility and customer upgrades at Salford Central station, completed in spring 2025.
- Made a submission to the government's 'A Railway Fit for Britain's Future' national consultation, outlining longer-term opportunities for rail improvements through greater devolution (including setting local fares, planning local services and developing underused land around stations).
- Liverpool-Manchester Railway Board launched in May 2024 to maximise the economic and social benefits of a new railway between the North West's two largest city regions. The proposed line is a key component of the Northern Arc initiative outlined in the 'Connecting the North West to Drive National Prosperity' report.
- Plans for a rail link between the Midlands and the North-West set out in a new report published in September 2024.

Case study: Step-free access at Daisy Hill and Irlam

In spring 2024, work started to install lifts and improve accessibility at two of Greater Manchester's rail stations: Daisy Hill and Irlam.

At Daisy Hill, £4 million has been invested to provide step-free access to the platform for the first time. Works also included installing an accessible toilet, enhancing the station's accessible car parking facilities, and upgrades to the ticket office and booking hall to create a new lift lobby area, which opened in spring 2025.

At Irlam, a £5.8 million programme included installing two new passenger lifts which opened in spring 2025, ensuring step-free access to and from the platforms.

The multi-million-pound upgrades at Irlam and Daisy Hill stations are part of a collaborative effort between TfGM, Northern and Network Rail, with funding provided by the Department for Transport's Access for All Scheme.

Getting active: Walking, wheeling and cycling

We promote and invest in walking, wheeling and cycling as a healthy and sustainable way to get around. We want active travel to be the first choice for shorter journeys, or as part of a longer journey using buses, trams and trains.

Making it easier for people to move more actively around the city region – and improving access to public transport – is at the heart of the Bee Network and delivery of wider outcomes, particularly health.

We're delivering cycling and walking infrastructure at pace and at scale. The Bee Network now has 133km of compliant cycle routes and over 200 new crossings – and we expect the total delivered to exceed 176km by 2027. Our Starling Bank Bike hire scheme continues to help people get around by pedal power, with trips up by 26% year-on-year.

Our Active Travel Mission

Our long-term goal is for 95% of the population in Greater Manchester to live within 400 metres of a safe walking, wheeling and cycling route by 2040.

Our plans are guided by the Active Travel Mission for Greater Manchester developed by the Active Travel Commissioner, Dame Sarah Storey. The mission focuses on accessibility, behaviour change, and clear communications, including six priority areas:

- Providing access to everyone
- Infrastructure delivery
- Travel to school
- Access to active travel
- Integration with public transport
- Road danger reduction

Supporting community cycling improvements

We work closely with active travel organisations and community groups to promote cycling, walking and wheeling at a grassroots level, offering grants, training and supporting local schemes.

In 2024/25 we:

- Supported groups across 40 bike library hubs (including 13 new hubs) across Greater Manchester to allow people to borrow a bike and give cycling a go – and launched a new 'borrow an e-bike' scheme.
- Gave £500,000 in Community Access Grants to 75 organisations, to purchase 135 bikes, cargo cycles and adaptive cycles and make community interventions such as greening, wayfinding, and offering public bike repair stand with pumps.
- Supported 65 community groups through the Cycle and Stride project so that more than 12,000 people could take part in led walks, bike rides, cycle maintenance sessions or school activities.
- Delivered over 1,500 cycle training client sessions with a range of courses to help people learn to ride or give them confidence to ride on the road.
- Supported delivery of 1,172 new community cycle parking spaces.

£500,000
in Community Access Grants.

1,500
cycle training sessions provided.

2024/25 achievements

- A guided pilot to allow bikes on trams took place in spring 2024.
- The Starling Bank Bike hire scheme hit a landmark one million journeys in November 2024, and we undertook feasibility studies to underpin plans to expand it to more areas.
- Continued to develop a prioritised pipeline of over 250 active travel infrastructure projects to keep on rolling out new routes across Greater Manchester, with significant schemes delivered in Manchester, Oldham, Rochdale, Trafford and Wigan.
- Launched a new 'School Streets' programme, with an ambition to increase the number of existing schemes from 30 to 100 in the four years to 2028.
- Held a public consultation (in November 2024) to help inform our School Travel Strategy to encourage active travel to schools and further education.
- New spiral ramp completed at Stockport Interchange allowing walking, wheeling and cycling access to Stockport's riverfront for the first time in generations.
- Engaged with 19 schools across Greater Manchester as part of the Youth Travel Ambassador scheme, with 324 ambassadors appointed, allowing us to reach over 20,700 pupils.
- 121 teachers joined the Modeshift STARS platform bringing the total to 256 (representing 185 schools), meaning that 18% of all Greater Manchester schools are actively engaging with creating a school travel plan.

19 schools
engaged with as part of the Youth Travel Ambassador scheme.

324
Youth Travel Ambassadors appointed.

20,700 pupils
reached with the Youth Travel Ambassador scheme.

18%
of Greater Manchester schools creating a school travel plan.

1 million journeys
taken on Starling Bank Bikes as of November 2024.

250
active travel infrastructure pipeline projects developed.

Working with communities, partners and stakeholders

We are committed to building strong and lasting relationships with a wide range of stakeholders, partners and the communities we serve.

That includes engagement with businesses, employers, community groups, education, the voluntary sector, residents, councils and those with protected characteristics.

We carry out statutory and non-statutory consultations and surveys throughout the year, making sure equalities considerations are embedded in planning and decision-making. That might mean co-designing activity with stakeholders, where appropriate.

We also build and maintain effective strategic partnerships, including working closely with central government officials in a range of departments to influence and develop policy, transport projects and other outcomes that benefit Greater Manchester.

All of this allows us to listen and influence across all aspects of transport and end-to-end journeys.

2024/25 achievements

- Appointment of the Bee Network Committee's first ever Disability Advocate.
- Ongoing work with equalities groups to review and develop the Bee Network app.
- Embedding a partnership approach to the refresh of Greater Manchester's Local Transport Plan through engagement with a wide range of sector representative groups and partners.
- Set up a business stakeholder forum to support the development of a night-time transport pilot.
- Worked with NHS Greater Manchester to review and update the transport elements of their new Green Plan.
- Worked with our Greater Manchester local authority partners to ensure data and feedback from local communities is used to inform and influence development of new transport infrastructure.

Case study: Making the Bee Network accessible and inclusive

The Bee Network's distinctive yellow buses have been designed with input from disability groups. The vehicles have enhanced accessibility features including two wheelchair spaces, priority seats, audio visual announcements, and a hearing induction loop on all services.

Nathaniel Yates, 31, who advocates for improved access across public transport, has welcomed the Bee Network bus services, saying: **"I have Cerebral Palsy, and it can take me longer to do things like find a seat on a bus. I also have a visual impairment so new features like the audio visual announcements and accessible signage make a big difference.**

"Now that Greater Manchester has taken control of bus services it means that public transport providers are more accountable and better understand the needs of people it serves."

Erik Matthies, 42, has a visual impairment and is also a member of TfGM's Disability Design Reference Group (DDRG).

Erik said: **"The big displays on the front of the buses showing the service number and its destination are helpful for someone like me, who has some sight, but not a lot. I'm also happy that on Bee Network buses the priority seats are clearly labelled."**

Our people

Our people are at the heart of what we do.

Our vision is for TfGM to be one of the best places to work in Greater Manchester, where people can thrive. We support our colleagues to succeed in every step of their journey with us, from well-being support to learning and development opportunities and career progression.

We work hard to reflect the diverse communities we serve and offer a collaborative and inclusive environment where everyone can bring their whole self to work.

Equality, diversity and inclusion

We have published our Equality, Diversity and Inclusion action plan (2024/25) following extensive consultation with colleagues, and the support of a specialist consultancy. Progress to date has been positive, with 23 out of 28 actions in progress or completed.

Listening to our people

We listen closely to our people and act on what they tell us. We've developed a new colleague-led People Plan, using feedback from colleagues through our annual Best Companies survey. We are currently a Best Companies 'one to watch' employer.

Once the results of each survey are published, all teams hold workshops and produce action plans to address and improve on colleagues' feedback.

Family-friendly policies

We've recently improved our family-friendly policies following work with trade unions and input from colleagues. Following consultation we have enhanced Maternity, Paternity and Adoption policies. This work also included the creation of new Fertility, Neonatal, Shared Parental Leave and Special Leave policies.

The new rates and allowances are amongst the most supportive anywhere in local public service and the transport sector.

Developing our skills

Developing our colleagues is a key priority and starts from day one. New starters can expect a 1-2-1 induction with their line manager or supervisor and varied learning opportunities. We've recently introduced a monthly corporate induction day so that all new colleagues can understand TfGM's structure, purpose, values and behaviours, and start to make connections.

The 'My Impact' performance review process then allows everyone to set personal objectives that are in line with business plan priorities. These are monitored through regular 1-2-1s and again an end of year review.

We continue to develop our learning and development offering to support colleagues to achieve their professional goals and organisational objectives, including:

- **Early talent:** Achieving gold membership of The 5% Club, recognising excellence in providing development through apprenticeships, and introduction of T Level placements to create new pathways into careers at TfGM.
- **Management development:** 'Leading, the TfGM way', our new in-house management development programme, launched in spring 2025, to help all people managers create positive working relationships with their teams and support them to reach their potential.
- **Annual training support:** This is prioritised around safety critical and compliance training, and organisational priorities. We also link training to career development through the 'My Impact' process.

Supporting wellbeing

Our vision is for a supportive culture where colleagues are valued, healthy and productive so they can reach their full potential in their roles and thrive in all areas of their lives.

Our colleagues' wellbeing is supported through our policies, a central hub of resources to empower our people to proactively improve their wellbeing, our Employee Assistance Programme and the recently launched Mental Health Champions Network.

Our performance

Financial performance

Accounts

TfGM is required to prepare an annual Statement of Accounts in accordance with the Accounts and Audit regulations 2015. These Regulations require accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS).

The Statement of Accounts should be read in conjunction to the External Auditors Annual Report.

Primary statements

The Statement of Accounts includes the following primary statements (a note on the purpose of each of these statements is also shown below):

Comprehensive Income and Expenditure Statement (CIES):

This shows the accounting receivable income and the costs incurred in the year for providing services. TfGM's Comprehensive Income and Expenditure Statement for the year shows a net income of £122.9 million (2023/24: net income of £55.0 million). However, this includes a number of statutory non-cash accounting adjustments that are required per the CIPFA code of Practice that TfGM is required to follow. These do not, however, align with TfGM's management accounts and the net impact on the useable revenue reserves within the Movement in Reserves Statement, which show the true net surplus or deficit in the year.

To help demonstrate this, the table below removes the required statutory adjustments to the accounts and highlights the actual trading position for TfGM. This shows a small net loss in the year of £4.4 million (2023/24: £2.2 million loss).

	2024 /25	2023 /24
Actual revenue (deficit)/surplus for the year	(4,433)	(2,167)
Accounting adjustments to the statutory accounts		
Add capital grants received in the year	140,108	144,098
Less: capital grant amortisation recognised in management accounts		
Amount released to match depreciation of grand funded assets	(96,097)	(86,345)
Amount released on disposal of grant funded assets	(7,928)	(2,574)
Net change for non-commercial leases	88,460	
IAS19 Pension accounting adjustments	1,528	(923)
Transfer to the deregulation reserve	3,015	3,200
Property revaluation adjustment	(1,779)	(309)
Revenue surplus (deficit)/ for the year per the statutory accounts	122.9	54,980

As shown above, there are a number of adjustments required to the statutory accounts to understand the true trading position of TfGM. The main adjustment is in relation to the timing of receipt of capital grants and recognition of grant amortisation.

TfGM is required, in the statutory accounts, to recognise capital grants once received, and these are therefore included in the CIES as income in the year. Capital grants, recognised in the year, are £142.0 million (2023/24: £144.1 million). However, the receipt of grants and recognition of income will not align to when the expenditure (future depreciation on the capital assets) will be charged and recognised in the CIES. To match funding with costs, the management accounts recognise grant income when depreciation is charged. The table above shows the movement in grants from the actual outturn to the statutory accounts.

The statutory accounts also reflect the current estimated valuation of the net pension liability. The estimated position often fluctuates each year-end depending on the current estimate of the long-term assumptions (salary increases, discount rate and inflation). A small change in any of these estimates results in a large change in the estimated net liability. As there is no current cost or gain for this forecasted position – and no cash impact – this is not taken into account in the management accounts and general reserve position. The year-end accounting entries for the current estimated net pension liability have therefore been removed in the adjustments below.

Both of these statutory account adjustments are 'backed out' in the MIRS within the revenue reserve along with the adjustment for the deregulation reserve and any revaluation of property assets. This then reflects the 'true' surplus or deficit position and aligns to the management accounts trading position.

After taking into account all sources of income and expenditure, TfGM's net expenditure is financed primarily by way of a revenue grant from the Greater Manchester Combined Authority (GMCA). The GMCA makes a levy on the ten Greater Manchester local authorities to meet its own expenditure, which includes the revenue grant to TfGM. GMCA also receives other grants from central government to fund TfGM's activities. Capital grants are also receivable from the GMCA in respect of approved expenditure on capital schemes.

The grants receivable from GMCA in the 2024/25 financial year were as follows:

	2025	2024
	£000	£000
Revenue grants	322,803	296,729
Capital grants	142,056	141,595
Passenger Transport Facilities Grants	14,329	30,816
Total grants receivable	479,188	(269,140)

Movement in Reserves Statement (MIRS)

This shows the year-on-year movement on different reserves held by TfGM. These are analysed further in note 23 into 'Usable' (those reserves that TfGM may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use), and 'Unusable' (where reserves are those that TfGM is not able to use to provide services).

As of 31 March 2025, TfGM Usable reserves were £41.3 million (2023/24: £47.8 million) and the Unusable reserves were £2,110.5 million (2023/24: £1,981.1 million).

The main Unusable Reserve is the Deferred Capital Receipts Account, which holds the capital grants received by TfGM to fund its capital programme. As explained above, the Code requires TfGM to recognise capital grants when received in the CIES if these do not have conditions which may give rise to repayment. The majority of grants fall within this category and are held initially within the Deferred Capital Receipts Reserve. This reserve is used to fund the future costs of depreciation on the assets delivered by the programme. Each year the depreciation charged for assets that have been funded by the grants held in this reserve are transferred from the Deferred Capital Receipts Reserve to the general reserve to allow matching of capital costs and grants. This ensures the capital grants received are ring fenced to cover the future capital depreciation cost.

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. TfGM accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the authority makes employer's contributions to pension funds, or eventually pays any pensions for which it is directly responsible.

The Deregulation Reserve represents the costs relating to the transfer of Greater Manchester Passenger Transport Executive's (GMPTE) bus operations to Greater Manchester Buses Limited following the implementation of the Transport Act 1985. As required by the Act, and in accordance with the transfer scheme, which was approved by the Secretary of State for Transport, GMPTE transferred its bus operation activities and certain of its assets and liabilities to this new company. The Deregulation Reserve represents payments and losses incurred by TfGM (formerly known as GMPTE) with respect to bus deregulation on 25 October 1986, which were not charged to profit and loss.

The Revaluation Reserve contains the gains made by TfGM arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Corporate Capital Reserve primarily relates to the reserves of the entities from which TfGM (then GMPTE) was formed.

Balance sheet:

This shows the value as at the balance sheet date of the assets and liabilities recognised by TfGM. The net assets are matched by reserves held, which are analysed into Usable and Unusable Reserves as described above. The net assets at 31 March 2025 were £2,151.8 million (31 March 2024: £2,028.9 million).

The key movements in the Balance Sheet are summarised below:

The value of assets held in Property, Plant and Equipment in the year has increased slightly due to capital spend in the year whilst also allowing for the annual depreciation charge. Expenditure in the year includes the following schemes:

- **Bus depot and electrification works:** £33.1 million expenditure has been spent through purchasing bus depots, along with electrification and renewal works to support charging the electric vehicles.
- **Bus purchases:** TfGM purchased 72 Euro VI vehicles.
- **Metrolink Renewals Programme:** £24 million expenditure has been spent on Metrolink renewals projects.
- **Metrolink trams and supporting infrastructure:** £4.8 million has been spent tram safety improvements and providing additional network capacity.

The Accounts reflect the outcome of the annual actuarial valuation for accounting purposes based on IAS19 of TfGM's pension fund assets and liabilities.

A full actuarial valuation on a 'funding' basis was undertaken at 31 March 2022. A 'desktop' valuation was then performed at 31 March 2025 to roll forward the balances from the full valuation, adjusting for changes in financial assumptions. The net position on the fund changed from a deficit position of £14.49 million to a deficit of £12.60 million (a movement of £1.89 million). The movement in the year shows an increase in pension assets of £19.8 million before the asset ceiling adjustment. Due to the surplus in the initial forecast position, an asset ceiling adjustment was required of £118.3 million (2023/24: £66.1 million) using the minimum funding requirement from past service calculations.

TfGM has adopted IFRS 16 leases in 2024/25. The CIPFA code of Practice does not require restatement of prior year figures and therefore this has resulted in the creation of a right of use asset along with lease liabilities. The net impact of these is a net asset of £103.6 million. A number of historic land and building leases have been brought onto TfGM's balance sheet along with all buses under TfGM control as part of bus franchising.

Cash flow statement:

This shows the change in cash and cash equivalents of TfGM during the year. The statement shows how TfGM has generated and used cash and cash equivalents; and classifies cashflows into operating, investing and financing activities. The net decrease in cash and cash equivalents during the year was £4.1 million (2023/24: net decrease of £34.6 million). The year-on-year change from cash outflow to cash inflow is due to the repayment of borrowings and timing of receipts and payments on the capital programme.

The majority of funding received by TfGM is capital and revenue grants from GMCA, which significantly reduces any risk over the recoverability of any future cash inflows. Capital and revenue budgets are strictly monitored to ensure spend is within the approved budget. There is on-going monitoring of the cashflow position and security over the majority of income received. However, TfGM continually reviews its cashflow position closely in conjunction with GMCA and this has been considered in the Going Concern statement made as part of finalising these Accounts.

Expenditure and funding analysis:

This note aims to provide a clear link between the in-year monitoring of the revenue budget and the final outturn position in the audited financial statements. The expenditure and funding analysis shows the net expenditure charged to revenue reserves as reported to management and reconciles this expenditure to the comprehensive income and expenditure statement.

The net expenditure in the year is summarised below:

	2025	2024	Increase/ Decrease
	£000	£000	£000
Concessionary fares scheme	28,171	54,449	26,278
Supported bus services	15,378	42,240	26,862
Bus franchising	106,773	29,819	(76,954)
Metrolink	27,391	12,660	(14,731)
Capped fares	(6,115)	-	6,115
Accessible transport	3,529	3,487	(42)
Highways activities	(586)	(698)	(112)
Road safety activities	(660)	(989)	(329)
Operational and other costs	88,879	90,464	1,585
	262,760	231,432	(31,328)

The funding for the net costs above is shown in the CIES with further details in note 5.

The key movements in the year have been reviewed below:

TfGM operates reimbursement schemes for the carriage of concessionary passengers. The English National Concessionary Travel Scheme (ENCTS) is mandated by government and provides for free off-peak bus travel for eligible older and eligible disabled passengers. TfGM also fulfils the GMCA provision of extensions to the concessions available to certain people, for example travel by children and older people at a discount. The aim of these schemes is to ensure that the commercial operators carrying concessionary passengers are no better or no worse off from the existence of the schemes.

The decrease in concessionary reimbursement expenditure in 2024/25 is primarily due to the gradual franchising of bus services over the period. Instead of reimbursing operators for carrying concessionary passengers, the reimbursement is now "due to TfGM" as "revenue foregone" for carrying concessionary passengers for free. This carriage of concessionary passengers is funded via the GMCA levy, and the income is included within the non-specific grant income line in the CIES. Therefore, there are no revenue or costs for the reimbursement of concessionary passengers for TfGM franchised (Bee Network) services within the cost of services section of the CIES.

The 'Our Pass' scheme, which provides free bus travel for 16-18-year-olds throughout Greater Manchester, is funded from the Mayoral budget. The scheme saw an increase in numbers of passes issued, correlated with patronage growth, and an increase in reimbursement rates due to inflationary pressures on ticket prices. This scheme is outside the scope of DfT guidance regarding pre-Co rates of reimbursement. As above, on franchised (Bee Network) services, the reimbursement is now "due to TfGM" as revenue foregone.

TfGM provides financially supported bus services, to ensure that areas and services which operators deem commercially unviable receive adequate public transport provision. Costs of supported bus services have decreased, as noted above, due to the network being fully franchised in January 2025. Therefore, the costs for running the services which were commercially unviable are included within the bus franchising contract payments.

Bus franchising net expenditure in the year was £106.8m (2023/24: £29.8m) and relates to the net operational cost of running the TfGM franchised bus services, which commenced in 2023/24 (including the cost of supported bus services and lost revenue from concessions as noted above). Bus franchising in Greater Manchester was phased and introduced in three tranches. The first tranche (c25% of the total network) commenced in September 2023 and the second tranche (c25%) went live in March 2024, with the final tranche going live in January 2025. The net cost in 2023/24 therefore predominately relates to the operation of Tranche 1 only, whereas the cost in 2024/25 includes a full year of Tranche 1 and two and three months of Tranche 3. The net expenditure includes bus ticket revenues, bus specific grant income (e.g. Bus Services Operator Grant (BSOG)), direct contract costs, depreciation and overhead costs. This does not include the TfGM allocated income for concessionary fares and supported bus services revenue. This income is included in the non-specific grant income line within the CIES.

Metrolink net expenditure relates to the net operational cost of running the Metrolink service. The net expenditure reported in the CIES is after removing internal recharges. There has been an increase in net expenditure in the year of £14.8 million (2024: net increase of £0.4 million).

Capped fares relates to funding received to cover the lost revenue for capping bus fares. The reduction of £6.1m in the year is due to expenditure in the statutory accounts only including payments to external operators before the network was fully franchised. The cost to TfGM is revenue forgone as a result of capping bus fares at £2 (single adult day ticket) and £5 (daily adult ticket) is significantly in excess of the £6.1m of additional revenue disclosed.

TfGM funds Ring and Ride, a door-to-door accessible transport service for people who find it difficult to use other public transport services. TfGM also provides travel vouchers for people not able to use ordinary buses, trains or trams, and who have serious walking difficulties or are registered blind. The vouchers can be used to pay for taxis, private hire vehicles, and for travel on accessible bus services such as Ring and Ride and community transport. The net expenditure is consistent with the prior year.

Highways activities include the management of traffic signals – including the design, installation and on-going maintenance of signals and the monitoring of the Key Route Network (nearly 400 miles of Greater Manchester's busiest roads). There has been a small decrease in net income in the year of £0.1 million.

The road safety activity net income relates to the Greater Manchester Casualty Reduction Partnership. Income is received for delivering speed awareness and other driver training courses. Any surplus income, after the costs of providing the courses, is invested into improving road safety in Greater Manchester. There has been a small decrease in net expenditure in the year.

Operational costs include the cost of bus station operations, TfGM Information and Ticket offices, safety and security, bus shelters, passenger information, consultation, depreciation (on non Metrolink and Bus Franchising assets) and amortisation, support costs and spend on revenue funded projects, including scheme development. In 2024/25 TfGM have also purchased buses and disposed of these to bus operators. Bus purchases in the year were mainly in relation to the Tranche 3 franchising area and were made by TfGM to ensure they were available for the start of Tranche 3 Bee Network bus services. The costs are fully funded by either a revenue grant from GMCA or by a contribution from franchised operators to the vehicle costs. Spend of £75.962 million was incurred in the year. Also included within this line of the CIES is the operators' contribution of £75.732 million. This is primarily due to a higher spend on revenue funded projects and programmes. The cost of work on a number of projects are funded from revenue streams outside of Levy and Precept funding and the income is included in the taxation and non-specific grant income line in the CIES. This included work on developing the next tranche of infrastructure investment schemes and continuing work to implement bus franchising. Additionally, there has been an increase in staff costs, along with general inflationary pressure.

Outlook

Revenue budget for 2025/26

On 7 February 2025 GMCA approved the revenue and capital budgets for TfGM for 2025/26. As in previous years, TfGM will be undertaking regular, ongoing updates to reforecast its financial position for the financial year 2025/26. Reports will be submitted to GMCA in July, October and February, which will include these reforecasts.

Financial sustainability plan

The Bee Network continues to be delivered against an extremely challenging financial background. Patronage and revenues on Metrolink and bus services have continued their very strong recovery during the current financial year, but are still below where they would have been if the pandemic had not occurred. This, combined with exceptional inflationary pressures in recent years, has led to a significant 'stepped' and recurrent increase in the net expenditure of running the transport network. These challenges, and the ending of pandemic-era government funding have, and will continue, to impact on the net costs of both the Metrolink and bus networks, alongside other risks as described below.

Additional pressures and risks

In addition to the risks relating to public transport patronage and revenues, and cost inflation, several other budget pressures and risks exist, including:

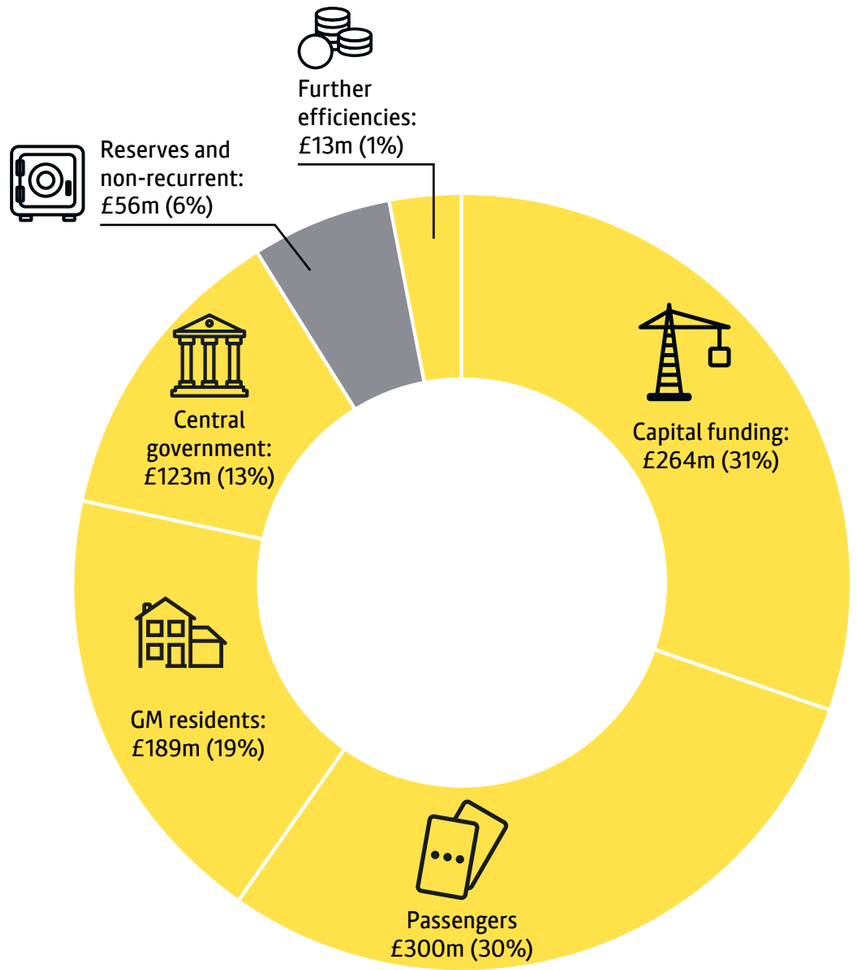
- The inflationary impact on TfGM's core operating costs (e.g. salary and other support costs and energy costs).
- Ongoing costs to operate, maintain and renew what is a growing asset base (e.g. depots, new interchanges etc).
- No medium to long-term certainty on current government funding streams, particularly bus funding streams (e.g. BSIP and BSOG). The 2025/26 settlement from government was positive, but against a backdrop of significant fiscal challenges there remains uncertainty on the quantum of central government funding for future years.
- Project preparation and scheme development costs to incorporate local rail services into the Bee Network.
- Increasing costs of compliance with recent national changes in law (e.g. the Procurement Act 2023, Terrorism Bill 2024).
- Contributing funding to Greater Manchester's Vision Zero initiative to reduce road-related serious injuries and deaths.
- Costs of operating and maintaining an expanding network of traffic signals, with no specific additional funding. The network continues to expand primarily due to the delivery of new highways / active travel schemes.
- Continuing costs to support the ongoing development of integrated ticketing initiatives (including introducing tap and go functionality between rail, tram and bus).
- Tranche 3 bus franchising started on 5 January, so finalisation of contractual costs for any contractual changes and compensation events for additional costs unknown at bid stage may crystalise in 2025/26.

During the current financial year, GMCA and the government agreed the Integrated Settlement for 2025/26. This devolves funding to GMCA and, in turn, TfGM from the government for five different GMCA business areas (pillars), including local transport. This means that certain individual transport grant funding streams across government departments (capital and revenue grants) will be replaced by an individual grant.

This will give GMCA greater flexibility to plan and fund local priorities over the longer term. The settlement will also give GMCA a greater flexibility, with the ability to move funding between the five different pillars of the Integrated Settlement in order to achieve the outcomes agreed with the government. .

GMCA has therefore received funding certainty for key local government transport grants (including bus related grants such as the BSIP grant) and will have greater flexibility over the use of these grants.

In addition, TfGM continues to deliver on the Financial Stability Plan (FSP), and this will continue through 2025/26 as part of working to ensure the long-term financial sustainability of the transport network and provide the foundation for the continued delivery of the Bee Network. The Budget report to GMCA in February 2025 set out the various initiatives underpinning the FSP. Whilst the FSP delivers financial benefits, discussions still need to continue with government, particularly in advance of the Comprehensive Spending Review, to make the case that ongoing and increasing government funding (e.g. BSIP) is required to keep improving public transport and driving economic growth in GM and in other regions.



Key points to note from the budget are:

Income

- The transport levy, which is raised from the ten GM local authorities, represents the largest source of grant funding for TfGM's operational costs. This will increase by £6 million in 2025/26.
- The Mayoral Transport Budget of £133.3 million, which is a decrease of £2.4 million compared to the 2024/25 revised budget. This funding is made up of the Statutory Charge (for bus franchising), Bus Service Operator Grant and Mayoral Precept.
- Government grants include funding for bus costs, scheme development costs and other smaller grants, including the Rail Administration Grant.
- Funding from reserves includes contributions from Capital Programme reserves and Earnback grant funding.

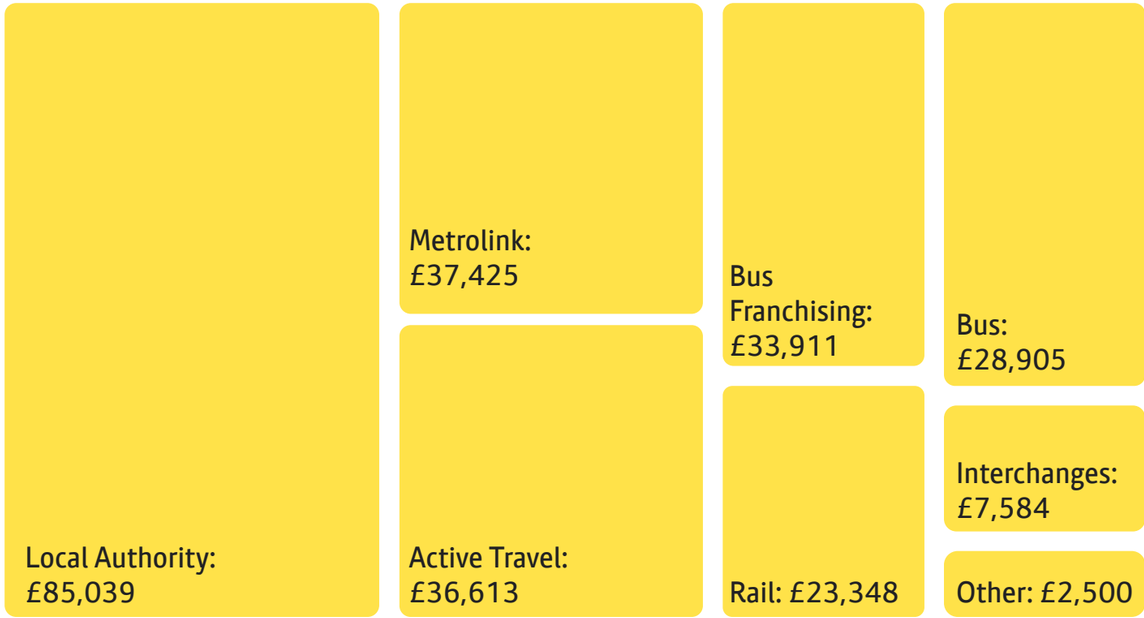
Expenditure

- Bus franchising was fully implemented in 2024/25 and as a result, a number of payments are no longer required or have been significantly reduced (e.g. concessionary reimbursement, capped fares, financially supported services and the devolved BSOG grant).
- There are increased net costs to taking on the final, third tranche of the franchised bus network, and there is also an increased 'lost revenue' element of the budget. This is due to items stated above, such as concessionary reimbursement, capped fares and financially supported services funding coming through as GMCA grant funding and not being netted off operational costs.
- The finance costs for Metrolink capital schemes funded via GMCA borrowings are included in the 2025/26 net Metrolink budget, whereas in 2024/25, the finance costs incurred were not passed onto TfGM and were retained by the GMCA due to TfGM budgetary pressures. The reinstatement of these finance costs in 2025/26 is the main reason for the budgeted increase in Metrolink net costs.
- Operational costs include the costs of operating and maintaining the TfGM owned bus stations, Information and Ticket Offices and other infrastructure, and the costs of support functions and other specific grant funded costs. The underlying costs are forecast to decrease by c£2 million from the expected outturn costs in 2024/25. It has been assumed that efficiency savings will need to be delivered through the Financial Sustainability Plan to ensure the most effective and efficient delivery models; and to reduce the core operating costs of TfGM (including by reductions in external expenditure); and an ongoing focus on increasing commercial income from the existing TfGM asset base.

Capital budget for 2025/26

The Capital programme approved by GMCA in February 2025 includes £255.3 million of expenditure on transport related capital projects across Greater Manchester, being delivered by both TfGM and the ten Greater Manchester local authorities. The main areas of spend are shown below:

2025/6 Transport capital programme £'000



A description of the main elements and key outputs of the 2025/26 Transport Capital Programme is set out below:

- Local authority-led works, including Streets for All schemes, Key Route Network and road improvements, and other highways initiatives.
- Active Travel initiatives including cycling and walking infrastructure schemes, to be predominantly delivered by the ten Greater Manchester local authorities.
- Further electric bus purchases, (along with associated depot electrification and renewal works), as well as implementing and upgrading ticketing and IS infrastructure to support the continued electrification of the Greater Manchester bus network, and continued progress on Bury Interchange and associated residential developments.
- Further enhancements and improvements to Greater Manchester bus routes.
- The start of Rail Reform and Integration, along with further design and delivery of rail station accessibility works at Swinton, Bryn, Hindley, Reddish, Flowery Fields, Newton for Hyde, & Levenshulme and continued development of the new Golborne Station scheme.
- Continuation of the Metrolink Renewals and Tram Safety Improvement programmes.

Basis of preparation of Statement of Accounts

This Statement of Accounts includes the individual financial statements for TfGM only. Due to the size of its subsidiary entities, it is considered that they are not material in the context of TfGM and therefore group accounts have not been presented.

There are no changes in accounting standards which are to have a material impact on the financial statements for TfGM.

The Statement of Accounts is prepared under an accounting regime adopting the International Financial Reporting Standards (IFRS). TfGM implements IFRS by adopting the IFRS-based 'Code of Practice on Local Authority Accounting' ('the Code'), which is the 'version' of IFRS adopted by local authorities.

Steve Warrener

SG WARRENER
Director
23 February 2026

David Bull

DM BULL
Director

Statement of Accounts

Statement of Responsibilities for the Statement of Accounts

TfGM's responsibilities

TfGM is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Finance and Corporate Services Director.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Finance and Corporate Services Director 's responsibilities

The Finance and Corporate Services Director is responsible for the preparation of TfGM's Statement of Accounts, in accordance with proper practices as set out in CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (The Code).

In preparing this Statement of Accounts, the Finance and Corporate Services Director has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with The Code, so far as was appropriate for a Passenger Transport Executive.

The Finance and Corporate Services Director has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Responsible Financial Officer's certificate

I hereby certify that the Statement of Accounts gives a true and fair view of the financial position of TfGM as at 31 March 2025 and of its income and expenditure for the year ended 31 March 2025.

David Bull

DM BULL
Director of Finance, Commercial and Corporate Services
23 February 2026

Annual Governance Statement

The Annual Governance Statement forms part of TfGM's Governance Framework and results from the requirement to conduct a review at least once a year of the effectiveness of its system of internal control, and to prepare a statement which forms part of the Annual Accounts. This statement covers the period from 1 April 2024 to the date the accounts are signed.

TfGM follows the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* which defines governance as comprising 'the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.' It further states that 'To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.'

This Annual Governance Statement describes how effective TfGM's governance systems and processes are, and where further improvement activity is planned.

Scope of responsibility

TfGM is a body established by the South East Lancashire and North East Cheshire Passenger Transport Area (Designation) Order 1969 (SELNEC Order) that was made under the Transport Act 1968. It is:

- a Passenger Transport Executive under the Transport Act 1968;
- an executive body of the Greater Manchester Combined Authority (GMCA) for the purposes of the strategic functions referred to in Article 9(2) of the Greater Manchester Combined Authority Order 2011 (the GMCA Order); and
- to be treated as an officer of the GMCA for the discharge of functions delegated to the GMCA by other Local Authorities.

In discharging its functions, TfGM is responsible for putting in place proper arrangements for the governance of its affairs; and facilitating the effective exercise of its functions.

TfGM has followed the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government: Framework (2016) in preparing this statement. This Statement explains how TfGM has complied with the Framework and also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015, which require TfGM to publish a statement on internal control.

The Combined Authority and the Mayor

Greater Manchester Combined Authority (GMCA) and the Greater Manchester Mayor are the public entities that are responsible for the co-ordination of transport, regeneration and economic development functions for the Greater Manchester region. The creation of the Combined Authority in April 2011 saw a transfer of powers from central government to Greater Manchester. In November 2014 central Government and GMCA agreed plans for the further devolution of specific powers to Greater Manchester, including on a number of transport matters, and work has been carried out since, and will continue on implementing this Agreement. In May 2017 the Greater Manchester Mayor was elected pursuant to the GMCA (Election of Mayor with Police and Crime Commissioner Functions) Order 2016. The current Greater Manchester Mayor is Andy Burnham. He was first elected in 2017 and was subsequently re-elected in 2021 and 2024 with his current term due to end in 2028.

Greater Manchester has new responsibilities over transport as part of the city-region's most significant devolution deal with Government. The Trailblazer Deal announced in March 2023 included more influence on regional rail services to deliver a London-style integrated public transport system - the Bee Network - by 2030.

different Government departments, including the Department for Transport, and gives Greater Manchester more freedom and flexibility to fund local services and invest in its priorities. GMCA and TfGM governance frameworks are being reviewed in light of this significant change.

The following GMCA functions are reserved to the GM Mayor, provided that any exercise of the Mayor of these functions requires a vote in favour by at least eight members of the GMCA:

- developing policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within Greater Manchester under s108(1)(a) of the Transport Act 2000;
- the adoption, approval, amendment, modification, revision, variation, withdrawal or revocation of a local transport plan (LTP) under s108(3) of the Transport Act 2000; and
- the duty to keep the local transport plan under review and alter it if considered appropriate to do so including replacing the plan under s109(1) or (2) of the Transport Act 2000.

GMCA and the constituent councils are party to joint arrangements under Section 101(5) of the Local Government Act 1972, Section 20 of the Local Government Act 2000 and Regulations 4, 11 and 12 of the Local Authorities (Arrangements for Discharge of Functions) (England) Regulations 2000 for the discharge of specified transport functions. This includes through a joint committee which until 4 April 2019 was the Transport for Greater Manchester Committee (TfGMC). On 4 April 2019 the GMCA (Functions and Amendment) Order 2019 (Order 3) came into force. It dissolved TfGMC and made provision for the establishment of a joint committee of the GMCA, the constituent councils, and the GM Mayor. This committee is the Bee Network Committee (BNC). The majority of the functions that were delegated to the TfGMC from the GMCA and the Mayor have been delegated to BNC, with some being directly delegated to TfGM.

Order 3 also provided for the transfer of certain functions from TfGM to the GMCA and the GM Mayor. These functions are primarily related to TfGM's duties to contract with and reimburse public transport operators to provide subsidised services and concessionary travel; and is intended to align with the Bus Services Act 2017. The GMCA and the Mayor have delegated back to TfGM those functions that TfGM previously exercised.

Over the last few years TfGM has led on implementing bus reform on behalf of the GMCA, which has been carried out in accordance with The Transport Act 2000 (as amended by the Bus Services Act 2017). In March 2021 the GM Mayor made a decision to introduce bus franchising in Greater Manchester. The first franchised services commenced operation in September 2023, the second tranche went live in March 2024, and the final tranche commenced operation in January 2025.

TfGM's Governance Framework

TfGM's Governance Framework comprises the systems and processes, and the culture and values, by which TfGM is directed and controlled, and the activities through which it is made accountable to, engages with, and supports the community. The Governance Framework enables TfGM to monitor the achievement of its corporate objectives, as set out in the TfGM Business Plan, and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the Governance Framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assurance and not absolute assurance of effectiveness. Internal control is an ongoing process, designed to identify and prioritise the risks to the achievement of TfGM's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The internal control environment includes TfGM's policies, procedures and operations that are in place to:

- establish and monitor the achievement of TfGM's objectives;
- identify, assess and manage risks to achieving these objectives;

- facilitate policy and decision making;
- ensure value for money;
- ensure compliance with established policies (including ethical expectations), procedures, laws and regulations;
- safeguard its assets and interests from losses such as those arising from fraud, irregularity or corruption; and
- ensure the integrity and reliability of information, accounts and data including internal and external reporting and accountability processes.

The Governance Framework forms part of TfGM's Constitution, which is reviewed and updated regularly. The latest review was undertaken in late 2024 and is in the process of being implemented, with a target to fully implement the review recommendations by the end of 2025. The review recommended changes in response to:

- TfGM's expanding role and remit, including the significant growth in the scale of TfGM's operations following the implementation of bus franchising and as a result of the ongoing capital programme;
- Greater Manchester's Integrated Settlement which will provide greater funding flexibility, allowing for a more integrated approach to policy development and delivery with a focus on delivering agreed outcomes;
- Changes to GM's Group arrangements to improve engagement and alignment between TfGM and the Mayor, the GM Transport Commissioners, GM Local Authorities, GMCA, and the wider GM Group; and
- The acute financial pressure being faced by Local Authorities, and the increase in TfGM's financial risk and exposure following its expanded role and remit.

The leadership and decision-making functions within TfGM are exercised by the Executive Board, which is the ultimate decision-making body within TfGM and is responsible for determining strategic issues and policy on the exercise of its powers and the conduct of its business.

In July 2024, the GMCA made new appointments to TfGM's Executive Board to ensure that TfGM remains, and becomes more, accountable and responsive to the GMCA and GM Local Authorities. The new appointments were the GM Transport Commissioner, the GM Active Travel Commissioner and a GM Local Authority Chief Executive, currently Tom Stannard the Chief Executive of Manchester City Council. The Executive Board now consists of nine Statutory Directors appointed in accordance with s9(2) Transport Act 1968, including the Group Chief Executive, who is the Director General of the Executive, the TfGM Managing Director the Chief Network Director and three independent Non-Executive Directors.

The Executive Board as a whole is collectively responsible for the success of TfGM. The Board's role is to:

- contribute to strategic planning and structured decision-making;
- set challenging goals and objectives for the organisation;
- monitor the performance of the Executive in meeting its strategic objectives; and
- offer constructive criticism and challenge to the Executive Directors.

The Executive Board has appointed a number of sub-committees to support the Board in discharging its responsibilities, namely an Audit, Risk and Assurance Committee and a People Committee which are long standing. Establishment of a new Major Projects Committee has recently been approved and consideration is being given to a new Health, Safety and Environment Committee, both of which will aid the Board in overseeing two priority areas identified by the Board.

Executive level decision making is support by a governance framework including the Chief Executive Leadership Team, the Performance Board, and the Infrastructure Pipeline Board. The responsibilities of these bodies are set out in TfGM's Governance Framework and Constitution. Further changes to the framework are currently being considered in line with

A review of the effectiveness of the Executive Board is undertaken annually, with the most recent review undertaken as part of the recent governance review.

The CIPFA/SOLACE Framework

The overall aim of the CIPFA/SOLACE Framework ('the Framework') is to ensure that resources are directed in accordance with agreed policy and according to priorities; that there is sound and inclusive decision making; and that there is clear accountability for the use of resources in order to achieve desired outcomes for service users and communities. The Framework positions the attainment of sustainable economic, societal and environmental outcomes as a key focus of governance processes and structures.

Defining the Core Principles and Sub-Principles of Good Governance

The fundamental function of good governance in the public sector is to ensure that public bodies achieve their intended outcomes while acting in the public interest at all times. The CIPFA/SOLACE Framework defines seven core principles of good governance in the public sector and how they relate to each other.

Acting in the public interest requires a commitment to and effective arrangements for:

A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

B: Ensuring openness and comprehensive stakeholder engagement.

Achieving good governance in the public sector also requires effective arrangements for:

C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.

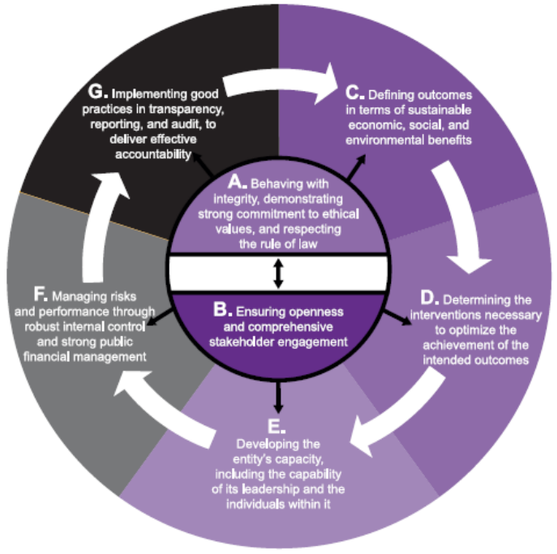
D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.

F: Managing risks and performance through robust internal control and strong public financial management.

G: Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

The Framework illustrates the principles using the diagram below, taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework').



The International Framework notes that 'Principles A and B permeate implementation of principles C to G'. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.

TfGM's alignment with the CIPFA/Solace Principles

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

TfGM has the power to implement the decisions of the GMCA and the Bee Network Committee, and the Mayor; and is particularly responsible for implementing the transport and traffic functions of the Combined Authority.

In fulfilling this role, TfGM is responsible for ensuring that its activities are conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Sub-Principle: Behaving with integrity

The Executive Board is fully committed, through its policies and actions, to maintaining high standards of conduct and behaviour and to promoting a culture in which these can be openly practised. This is supported by a set of Values which are reviewed regularly including through engagement with staff. The latest review took place during 2022/23 and an updated set of Values was published in the Business Plan for 2024/25.

The updated Values are 'Deliver'; 'Adapt' and 'Care' and these new Values support an updated Vision, Purpose and Mission for TfGM; all of these are described in the Narrative Report within this set of Accounts.

In order to maintain awareness, the Values are re-iterated in key corporate documents, and they underpin the performance management and business planning processes. The Values are an integral part of the induction process for all new staff. TfGM has implemented a Code of Conduct which consolidates a number of existing policies and procedures into a single Code and which underpins the Values.

TfGM has adopted the Guidance entitled "Openness and transparency on personal interests" as published by DCLG. All staff with responsibility for specification, evaluation or procurement, and those who attend and contribute to decision making at the Executive Board meetings, or any meetings of its delegated Boards or Committees, are required to declare their interests in a centrally held register, which is reviewed annually or updated as required on any notifiable changes in interests.

In addition, attendees at each meeting of a decision-making Board or Committee are asked to confirm their registered declarations of interest and declare in addition any interest in any contract or matter to be discussed at the meeting.

TfGM takes fraud, corruption and maladministration very seriously. The following Policies and Procedures are in place:

- a Whistleblowing Policy;
- A Counter Fraud and Corruption Policy;
- Fraud Response Procedures;
- An Anti-Bribery Policy;
- An Anti-Money Laundering Policy and Procedure.

All of these policies are reviewed, and where appropriate updated, in line with an agreed review cycle where appropriate and in line with an agreed review cycle. Whilst the above policies and procedures last underwent a comprehensive review during 2021, and are overdue for review, they are considered to be fit for purpose. There is also a Counter Fraud Strategy and supporting work programme to direct counter fraud activities and any necessary improvements to the design or operation of the counter-fraud framework.

Staff awareness and understanding of the policies is supported by a mandatory e-learning programme and periodic communications and exercises in relation to online threats. Every two years TfGM participates in the National Fraud Initiative programme which is carried out by the Cabinet Office.

Sub-Principle: Demonstrating strong commitment to ethical values

TfGM has robust policies and procedures for ensuring integrity and compliance with ethical standards, both by TfGM staff and external providers of goods and services.

TfGM's Constitution includes the Financial Regulations and Procurement Rules which are binding on all staff.

Major procurements require suppliers to submit information regarding their organisations (or where appropriate, their Directors') including :

- confirming non-participation in criminal organisations, corruption, fraud, terrorist or related activities, money laundering, child labour or trafficking in human beings;
- compliance with the Modern Slavery Act 2015;
- the health and safety performance of the organisation and their supply chain;
- compliance with equality legislation;
- compliance with environmental legislation;
- Payment of Real Living Wage; and
- where applicable, contracts include a commitment to the economic and social regeneration of Greater Manchester as part of our social value commitments against applicable regulations and the National Procurement Policy Statement (NPPS). in a reasonable and proportionate manner.

Work has been undertaken, and will continue, to strengthen TfGM's identification and mitigation of the risks of modern slavery and human trafficking in the supply chain, including developing strengthened clauses and wording in all relevant documents. TfGM's Modern Slavery policy has been published on the TfGM web site.

As an anchor institution within Greater Manchester, TfGM also places emphasis on suppliers' social value as part of its commitment to social and ethical values within procurement, in line with the National Procurement Policy Statement released by Cabinet Office in 2021. As part of this, where applicable, supplier commitment to the Greater Manchester Good Employment Charter is gathered, along with their commitments against the Greater Manchester Social Value Framework themes to promote a cleaner, greener, and more prosperous Greater Manchester.

TfGM has embedded the new Procurement Act 2023. The Procurement Act intends to increase transparency across public procurement, to ensure that public bodies 'act, and are seen to act, with integrity'. Training has been undertaken by all members of the Procurement Department on the Act, and, to support our existing and potential supply chains, guidance on the Act and its implications for suppliers has been provided, to all existing suppliers, and on TFGM.com.

Finally, the TFGM Procurement Department has launched 'Procurement Self-Serve' for lower value requirements, which includes procurement guidance and templates for the organisation that explain the importance of ethical sourcing and social value.

Sub-Principle: Respecting the rule of law

TfGM's Constitution sets out the statutory framework of TfGM and documents procedures including financial regulations and procurement rules. This is compliant with the duties and responsibilities of TfGM provided under the Transport Acts 1968, 1983, 1985 and 2000, the Local Government Act 1972, the Transport Works Act 1992, the Greater Manchester Combined Authority Order 2011.

Officers in exercise of delegated powers under the Scheme of Delegation must ensure decisions are taken in accordance with legal requirements; the provisions of the Constitution; capital and revenue budgets; and established policies, plans and procedures. These have been communicated to all staff.

TfGM is not subject to legislation requiring the discharge of the statutory duties of a Monitoring Officer, however, the Head of Legal Services carries out the equivalent duties, where appropriate, with overall responsibility for legal issues.

Principle B: Ensuring openness and comprehensive stakeholder engagement

The Executive Board is the ultimate decision-making body within TfGM and is responsible in particular for determining strategic issues consistent with GMCA policies.

TfGM carries out a range of engagement and consultation activities with wide ranging stakeholders throughout the year.

TfGM's Partnerships, Engagement and Inclusion team aims to build and maintain effective strategic partnerships to ensure that the organisation understands, listens to and influences appropriately across all aspects of transport and end-to-end journeys. This includes engagement with businesses, employers, community groups, education, voluntary sector, residents, councils and those with protected characteristics. The team also designs and delivers statutory and non-statutory consultations and surveys, working closely with functions across the organisation to embed equalities considerations into planning and decision-making, whilst co-designing any activity with stakeholders where appropriate.

Key activity during 24/25 has included consultation and engagement on new strategies for Rapid Transit and School Travel, a Vision Zero Strategy to reduce the number of deaths and serious injuries on GM roads, reviews of the bus network, piloting new 24hr bus services, the future integration of rail services into the Bee Network, and allowing bikes on the tram network.

TfGM also continues to support local authorities in the development and delivery of their cycling and walking consultation activity. Additionally, TfGM has acted on behalf of the ten Greater Manchester local authorities to undertake consultation activity on a number of new/upgraded crossings and junction improvements to enable more walking and cycling by

Sub-Principle: Openness

TfGM is committed to open governance and to meeting its legal responsibilities under the Freedom of Information Act 2000.

The Local Government Transparency Code (2015) applies to all Local Authorities, including Integrated Transport Authorities and Combined Authorities, but does not apply to Passenger Transport Executives. However, TfGM is committed to transparency and as such voluntarily complies with the Transparency Code, publishing as much information as possible and practicable.

TfGM publishes a substantial amount of public information through the GMCA and the Bee Network Committee. This includes regular financial updates, and updates on the status of the capital programme delivery and the performance of the modes of transport. All decisions which require the approval of the GMCA or the Bee Network Committee are put before a public meeting prior to a resolution being reached, with the exception of those decisions that under section 100 (A) (4) of the Local Government Act 1972 would involve the likely disclosure of exempt information.

All decisions that TfGM requests of the GMCA, the Bee Network Committee or the Mayor, which are considered to be a Key Decision under The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 are published on the GMCA's Key Decision Register a minimum of 30 days in advance of the decision being taken. This gives notice to the public and GMCA's Overview and Scrutiny Committees of forthcoming decisions which are over £500,000 in value, or that are significant in terms of its effects on persons living or working in an area comprising two or more wards or electoral divisions in the area of the Combined Authority.

Sub-Principle: Engaging comprehensively with institutional stakeholders

Greater Manchester has a long tradition of working in partnership to achieve its objectives. The partners in the 'GM Family' include the GM Mayor, ten Local Authorities and their Leaders, and the Greater Manchester Business Board, reflecting the voice of local businesses. The 'GM Family' work closely together to ensure the provision of joined-up, coordinated services that provide value for money for local residents and businesses and realise the shared vision for the area.

The Mayor's Transport Board brings together decision makers from key agencies involved in the operation of, and strategic planning for, GM's transport network. Its objective is to drive continuous customer-focused improvement across the GM transport system; promote integrated and efficient service delivery; and establish a forum for integrated strategic planning for, and investment in, GM's transport network. TfGM continues to participate in the forum, providing regular transport performance reports.

Supporting the Mayor is the Transport Commissioner, Vernon Everitt, who was appointed in April 2022 to play a leading role in the delivery of the Bee Network. In addition the Mayor is supported by an Active Travel Commissioner, Dame Sarah Storey, Dame Sarah will advise the Mayor on the delivery of the Bee Network active travel vision.

The Memorandum of Understanding signed with Highways England continues to facilitate working in partnership towards a long-term vision for motorways and key roads across Greater Manchester.

The process of developing the Transport Delivery Plan (described in detail under Principle D below) involved: district planning and transport officers; Highways England; TfGM and other partners.

Sub-Principle: Engaging with individual citizens and service users effectively

The functions of the Executive Board reflect TfGM's key responsibilities, which includes providing a high-quality customer service to people using the Greater Manchester transport networks.

Putting the customer experience at the heart of how we design and deliver services is a key priority for TfGM as we make progress towards implementing the Bee Network.

In response to listening to customers, we have adopted a collaborative approach across all our frontline operations to reassure people in using the public transport network. This has been in partnership with our Travelsafe initiative that has undertaken targeted operations to reduce anti-social behaviour and fare evasion at key hotspots across the network.

We recognise that providing an integrated ticketing and information customer proposition is going to be fundamental in our future success. Over the last 12 months we have continued to make progress across our ticketing and information services. This has included the continuation of single, daily and weekly capped fares on bus across Greater Manchester. A new integrated ticketing and information Mobile Application has also been developed and was launched in September 2023 that allows customers to plan and pay for their travel. Also, on bus Electronic Ticket Machines and an Automated Vehicle Location capability was introduced to support Bus Performance and Real time tracking was launched to support go live of Bus Franchising. This laid the ground for PayGo Capping (Bus and Tram) which launched in March 2025. In addition to the key retail channels, the wider ticket estate was also uplifted to present the new brand and to make available the simplified product set to all travelling across Greater Manchester

Principle C: Determining outcomes in terms of sustainable economic, social, and environmental benefits

Our Local Transport Plan (LTP) is a statutory document that sets out our long-term ambitions for transport. Greater Manchester's current LTP is the Greater Manchester Transport Strategy 2040 (GMTS 2040) and was prepared in collaboration with the ten Greater Manchester (GM) Local Authorities.

GMTS 2040 was adopted in 2017, with a light refresh undertaken in 2021. The LTP guides future investment and strategic policy decisions for transport across GM by demonstrating a clear rationale for intervention, high-level government funding and local investment for transport.

It was agreed that an approach would be taken to develop a new Greater Manchester transport strategy, comprising two key statutory LTP documents, rather than a single LTP document. These will cover different priorities and time horizons in a more integrated, multi-modal way, enabling a greater degree of flexibility and focus, and allowing documents to be reviewed and updated on a more regular basis in response to significant changes in context.

The main statutory documents comprising Greater Manchester's current LTP are:

- **Greater Manchester Transport Strategy 2040** - a document setting out our strategy giving details of policies, interventions and schemes to support delivery of a vision for transport in 2040. This was published in 2017 and updated in 2021. A link to the latest version of the 2040 Strategy is included **here**; and

- **Our Five-Year Transport Delivery Plan** 2021-2026 – setting out more detailed delivery proposals, a spending plan and monitoring of the performance of transport delivery programmes for 2021-26. This was published in January 2021 and a link to the document is included **here**

These documents are supported by an Integrated Assessment (covering environmental, health and equalities issues) and a travel and transport Evidence Digest that is refreshed on a regular basis to provide an up-to-date evidence base and to support the ongoing development and review of the Transport Strategy.

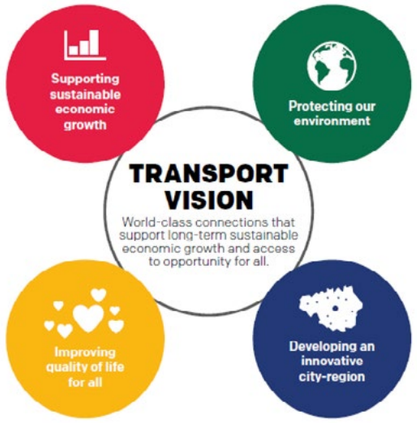
Sub-Principle: Defining Outcomes

The Five Year Transport Delivery Plan was published in January 2021 and forms part of the Greater Manchester Transport Strategy 2040. The plan is structured around five themes:

The Transport Strategy Vision is for Greater Manchester to have **"World class connections that support long-term, sustainable economic growth and access to opportunity for all"**.

Greater Manchester's transport system needs to help the local economy to prosper. It needs to allow residents to more fully contribute to and benefit from that prosperity. It also needs to play a part in creating better places and a better natural environment, and in improving people's quality of life. The role of technology and innovation will be even more important in the period up to 2040, enabling GM to improve transport performance and quality of life, to reduce costs and resource consumption, and to provide tailored information and pricing to transport users, providing a much better customer experience.

The four key elements of GM's Transport Strategy Vision are:



Sub-Principle: Sustainable economic, social and environmental benefits

To support sustainable economic growth and tackle congestion we need to: support the Greater Manchester Strategy, Places for Everyone Joint Development Plan and the refreshed Local Industrial Strategy; develop an increasingly

enable the efficient and effective movement of people and goods; and ensure transport contributes to high-quality, liveable and healthy neighbourhoods, town and city centres.

To improve quality of life we need to: create an inclusive and accessible transport network that enables access to opportunities; improve the connectivity, reliability and affordability of our networks for all; and encourage and support greater levels of walking and cycling.

To protect our environment and improve air quality we need to: reduce the impact of transport on the environment – particularly in terms of clean air and carbon reduction; and increase the use of sustainable transport to reduce the negative impacts of car use.

To capitalise on new technology and innovation we need to: embrace and champion innovation in the transport sector; and pilot new transport and travel technologies that support our 2040 priorities in line with the Local Industrial Strategy.

All appropriate schemes that are proposed, developed and delivered by TfGM are subject to an Equalities Impact Assessment to ensure fair access to services.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

TfGM and Greater Manchester have a strong track record for delivery, built on a clear sense of direction and a strong system of governance that allows for development and refinement of priorities over time in support of the Greater Manchester Strategy. TfGM will ensure that there are robust delivery arrangements for investment schemes and programmes as they are confirmed. This will include collaborative working between TfGM, local authorities, national transport agencies and private sector partners wherever required.

The specific schemes to be delivered are, and will be, set out in a series of five-year Delivery Plans. In January 2021 the Joint GMCA/AGMA Executive Board approved the latest Five Year Transport Delivery Plan, running from 2021-2026. It sets out the planned interventions to deliver the Greater Manchester Transport Strategy 2040 and the Greater Manchester Strategy, and to enable a coordinated approach to transport investment. It contains the schemes and interventions necessary to begin to address the existing reliability and capacity issues on our transport network, to deliver a more sustainable and integrated transport system, and to deliver housing and employment growth.

The Five Year Transport Delivery Plan (2021-2026) was prepared in alignment with the Places for Everyone Joint Development Plan and along with GMTS 2040. are critical parts of the evidence base underpinning the Plan. All strategically significant infrastructure is included in Five Year Transport Delivery Plan.

Sub-Principle: Determining interventions

The GMTS 2040 focuses on creating an integrated, sustainable, and well co-ordinated transport system which supports a wide range of different travel needs. The GM Transport Strategy 2040 sets out key principles that will be applied consistently across the networks over the period to 2040 to ensure that the entire transport system is more customer-focused and able to respond effectively to the challenges that lie ahead.

Customers are at the heart of the 2040 Transport Strategy, including residents, businesses and visitors to Greater Manchester. GM is also mindful of the different needs of passengers and freight as it plans and delivers the transport system. GM has therefore established seven core principles, set out below, together with the ambition for each, which will be applied across the transport network.

On an on-going basis TfGM assesses many areas and routes across Greater Manchester where improvements to transport provision may be required. This may be for many reasons. Typical examples are:

- an increase in population or growth in local economic activity leading to congestion and overcrowding on existing infrastructure, or a forecast that the capacity of existing infrastructure will soon be overwhelmed by the travel and transport needs of the people and businesses of an area;
- new housing, commercial or industrial developments requiring new infrastructure;
- a change to essential services, such as hospital provision, which can significantly change the direction in which many thousands of people need to travel, and goods and services need to be delivered;
- ageing infrastructure in need of replacement as it reaches the end of its economic life; or
- an increase in the understanding of the negative impacts of transport on local people, such as pollution, or conversely the impacts of isolation, requiring a reconsideration of transport policy nationally and transport provision locally.

When a need is identified, TfGM carries out studies, looking at local and strategic impacts, to investigate which mix of interventions is likely to provide the greatest benefits for customers and return best value for money for taxpayers, considering whole life cost.

TfGM aims to act as quickly as possible to improve services for its customers. Where major expenditure is needed, TfGM seeks to demonstrate a good balance of sustainable economic and social benefits at an appropriate cost. This facilitates the prioritisation of existing resources and bids for funding from government.

TfGM has been commissioned by GMCA to refresh the GMTS 2040 and develop the next Five Year Transport Delivery Plan. Preparing a refreshed LTP will be a collaborative exercise. TfGM will lead its development, but the plan will need to

be formally adopted by each Local Authority, and input is required from partners and stakeholders to ensure our next LTP captures our Greater Manchester's ambitions to be a fairer, greener and more prosperous city region.

Sub-Principle: Planning interventions

The functions of the Executive Board reflect TfGM's key responsibilities, which include leading the development of transport strategy for Greater Manchester, shaping and influencing policy.

The Executive Board approves detailed revenue and capital budgets each year following determination by the GMCA of the Levy and other funding available to TfGM. TfGM undertakes a detailed 'bottom up' annual budget setting process whereby all budget holders are required to provide detailed budgets for all cost and income headings within their control.

TfGM's budgeting and business planning processes are integrated and aligned with the medium term financial strategy.

As has been noted in previous Annual Reports, TfGM's revenues and operating costs have been significantly impacted by a combination of factors including the pandemic and certain supply side shocks due to geo-political factors including the war in Ukraine. TfGM has been further developing its Financial Sustainability Plan and this has been a key part of the budget process for 2025/26.

Whilst patronage is now recovering strongly, reflecting the region's population growth and our marketing campaigns to offer affordable alternatives to car travel, the recurrent impacts of the pandemic and the subsequent exceptional inflationary pressures means that the public transport network continues to face financial challenges in 2025/26 and beyond. TfGM continues to consider options, for subsequent consideration by GMCA, for longer term financial sustainability. TfGM have also continued a dialogue with DfT officials with a view to securing a continuation of financial support for the Metrolink and Bus networks.

The oversight of day-to-day performance against the budget and business plan is delegated to the Performance Board, which receives detailed monthly performance reports.

Following approval of the budget, progress against targets is monitored on a regular basis including the preparation of monthly management accounts which includes a review of key variances to agreed budgets. Budget monitoring reports are presented monthly to the TfGM Executive Board and quarterly to GMCA.

The Executive Board has delegated to the Infrastructure Pipeline Board the authority to:

- approve funding for capital and revenue schemes not already included within an approved budget, subject to appropriate approvals from GMCA;
- approve the release of funding from budgeted contingency allowances;
- scrutinise investment decisions which are not the responsibility of any other part of the organisation under the terms of the Constitution;
- monitor the progress of capital programmes and associated projects with respect to funding and schedule parameters and reviewing performance indicator data;
- ensure that projects and programmes are managed to budget, time and quality and are focused on the successful delivery of identified benefits; and
- review proposals for new programmes and constituent projects where funding is not yet identified and subsequently make recommendations to the Executive Board / GMCA for approval.

TfGM has a well-developed Procurement Strategy and approach which ensures that it complies with all legal and regulatory requirements as well as achieving best value in procurement processes. A Procurement Policy is in place which is available to all staff via the Intranet.

Sub-Principle: Optimising achievement of intended outcomes

TfGM has a strong history of successfully securing funding and delivering major transport schemes, including the Metrolink expansion, the first guided busway in the North West and the recently opened new transport interchange and mixed use development in Stockport. TfGM is fully committed to building on its successes to date and ensuring the delivery of the Greater Manchester Transport Strategy.

TfGM has put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources and regularly reviews the adequacy and effectiveness of those arrangements. As noted above TfGM is currently re-reviewing its medium to long term financial strategy in the context of the recovery for the Covid-19 pandemic and current cost inflationary challenges and the significant impacts these are having on revenues and costs.

A risk-based assurance approach is enhanced through the use of a risk complexity tool to assess risk and complexity early in the project lifecycle. The "CIFTER" toolset forms part of the Global Alliance for Project Performance Standards (GAPPS) which enables an organisation to categorise and evaluate projects in terms of risk and complexity against seven key factors and align that complexity to the Project Manager competence level as defined by the International Project Management Association (IPMA). The use of the CIFTER toll is strengthening the assurance approach, to help focus on deployment of the right resources to support successful delivery.

The Gateway Review Process continues to provide independent review of higher risk and major projects, at key stages in the project and programme lifecycle. These processes have operated successfully during the period.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Whilst TfGM does not have a statutory duty under the Local Government Act 1999, it is nevertheless committed to achieving continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness, with particular emphasis placed on achieving value for money. The organisation continues to ensure that its governance and processes are fit for purpose to reflect delivery and service quality priorities and to meet the challenges of the operating environment.

Sub-Principle: Developing the entity's capacity

Effective local government relies on public confidence in organisations and their officers. Good governance strengthens credibility and confidence in public services. Public Bodies need people with the right skills to direct and control them effectively. Governance roles and responsibilities are challenging and demanding and TfGM needs people with the right skills to direct and control them effectively. In addition, governance is strengthened by the participation of people with many different types of knowledge.

Recent changes in the accounting requirements arising from the implementation of IFRS 16 (Leases) have increased the level of technical expertise required to ensure the accurate recognition and recording of lease arrangements within TfGM. This has had a signficant impact on the level of resource and effort required to support the external audit process. Capacity constraints in this area have been identified, and plans are in place to address these in future years to ensure the standard continues to be applied effectively and in full compliance with relevant accounting guidance.

TfGM's People Strategy sets out a number of strategic priorities including Leadership and Performance, Building Capability, Productivity and Cost-Effectiveness and a Values-Driven Organisational Culture.

Sub-Principle: Developing the capability of the entity's leadership and other individuals

There is a corporate induction programme for all new starters. In conjunction with a local induction delivered by the individual's line manager or supervisor, the induction process includes an eLearning module which provides an introductory overview of the structure of the transport networks across Greater Manchester and background information explaining TfGM's activities. The eLearning module also introduces new starters to key policies, procedures and processes.

During 2024/25 TfGM has been reviewing its processes whereby employees are set objectives. Regular 1-2-1s take place with line managers, along with regular health and wellbeing 'check-ins'. A performance review process 'My Impact' is in place which aligns with the business plan and to strategic and functional objectives.

In addition, the Learning and Development team at TfGM has established Learning Champions across the organisation to facilitate the collation, consolidation and prioritisation of training requirements across departments. Training solutions

are provided by a combination of in-house, online and external resources. All staff have role profiles which clearly set out their roles and responsibilities. Role profiles are prepared in advance of the recruitment and selection process and assist TfGM in ensuring that all staff possess the necessary skills to undertake their roles.

TfGM has a Scheme of Delegation, as part of its Constitution, which is reviewed regularly. TfGM's Scheme of Delegation sets out details on levels of authority to approve expenditure. These have been communicated to all staff. In determining a Scheme of Delegation, TfGM has reserved powers within its Constitution in respect of those matters reserved for collective decision making. The Scheme of Delegation sets out the authorities of individuals and the authorities delegated to the committees of the Board. TfGM are currently undertaking a review and update of the scheme of delegation which will be implemented in 2025/26.

These governance processes give focus to decision making and make a clear distinction between the duties delegated for the day to day management of TfGM and those with respect to decisions on future activities or new ways of delivering its activities.

During the year TfGM again took part in the Best Companies survey, an independent research organisation that compiles and publishes the Sunday Times' 'Top Employers to Work For' staff survey. The latest full survey took place in April 2024 and TfGM is currently ranked as a 'one to watch' organisation[1]. A Pulse survey was undertaken in April / May 25 for just over two weeks, with a 70% response rate. TfGM has increased back to a One Star Organisation.

The People Committee of the Executive Board, composed of Non-Executive Directors has delegated responsibility from the Board to oversee remuneration policies and the remuneration of senior managers.

TfGM's emphasis on Wellbeing has continued with the roll out of an updated Wellbeing Plan

TfGM is a member of the Greater Manchester Good Employment Charter.

Principle F: Managing risks and performance through robust internal control and strong public financial management

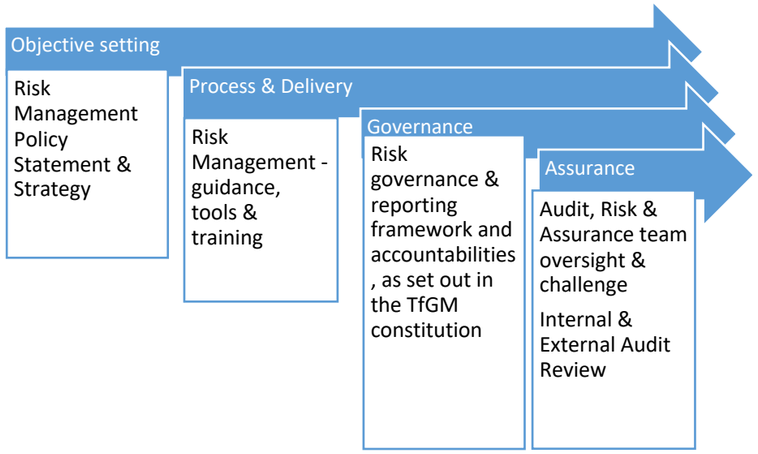
Sub-Principle: Managing risk

TfGM's Risk Management Strategy sets out best practice drawing principally on guidance and standards in the International Standard in Risk Management – ISO 31000: 2018, The Orange Book, Management of Risk, and Management of Risk: Guidance for Practitioners issued by HM Treasury. TfGM's risk management arrangements are compliant with the UK Corporate Governance Code (2018), as applicable for a non-listed organisation.

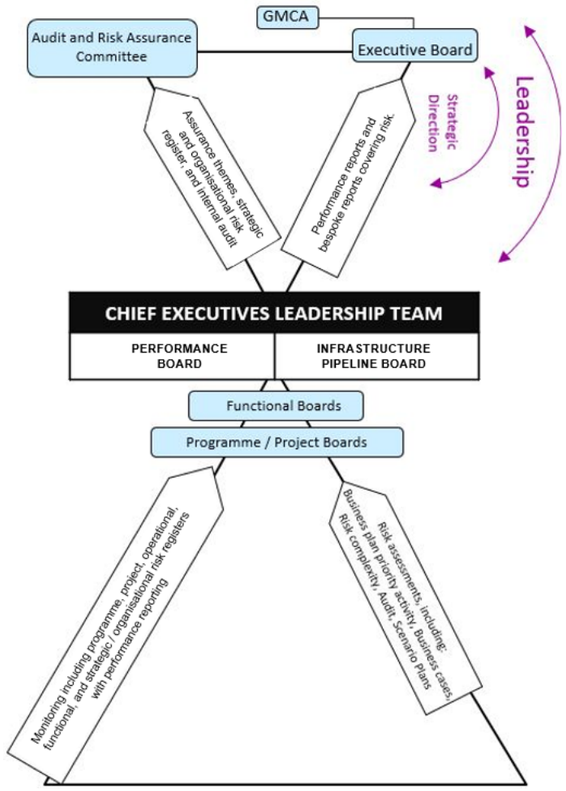
As part of TfGM's corporate governance framework, the Executive Board has overall responsibility for the risk management framework and the Audit and Risk Assurance Committee has the responsibility for providing the Board with assurance that the risk management process in place is effective. The Audit and Risk Assurance Committee ensures quarterly oversight and review of the framework. Progress updates on risk management activities and any changes to the strategic risk profile are presented to each meeting of the Audit and Risk Assurance Committee.

Continued overview and oversight of the risk management framework is also provided across the organisation by the Audit, Risk and Assurance team, working with Functional Risk Champions and senior management, as shown in the diagram below. The framework ensures that risk at all levels of the organisation are appropriately and effectively managed.

[1] "One to watch" refers to a designation given by the "Best Companies" organisation to companies that demonstrate promising levels of employee engagement, signifying they are on the right track to becoming a top workplace, but haven't yet reached the level to receive a full star accreditation (like a 1-star or 2-star rating) based on their employee feedback scores



TfGM's risk management framework incorporates both a 'bottom up' and 'top down' approach, as set out in the diagram below.



The Functional Boards, Infrastructure Pipeline Board, and Performance Board are actively involved in the management and ownership of risk, in accordance with TfGM's Risk Management Strategy, in line with their terms of reference.

TfGM has a project risk management system and a corporate SharePoint site where all risk information is held and maintained centrally. A risk management system also provides the functionality to run quantitative risk analysis.

Robust and established risk processes are in place to ensure that risks at all levels (Strategic & organisational, functional, operational, project and programme) are well managed. Each risk is assigned an owner and actions designed to mitigate each risk are also assigned owners. Risks are regularly reviewed and reported in line with the TfGM Risk Management Strategy. This includes monthly reporting to Functional Boards and the Performance and Executive Boards. With reporting to the Audit and Risk Assurance Committee. In addition, risk is considered in all reports presented to the Executive Board, Performance Board, and Infrastructure Pipeline Board. Arrangements for the management of project and programme risks are also embedded in project and programme procedures.

The Audit and Risk Assurance Committee, the Executive Board and the GMCA provide strategic direction and leadership, including determining TfGM's risk appetite.

During 2024/25, as part of regular updates, quarterly reviews of the strategic and organisational risk register were undertaken with the Chief Executives Leadership Team throughout the year.

The continuous improvement work during 2024/25 year focussed on:-

- mapping (and reporting progress of) strategic and organisational risks to strategic objectives and Business Plan activity;
- continued monitoring of performance against 12 Risk Appetite Statements and their target levels as laid out in the Risk Management Strategy to help the organisation and staff members to make better risk informed decisions; and
- continuing to strengthen key supplier contract management arrangements, including enhanced reporting.

TfGM will continue to review and improve its risk management arrangements.

Resilience

TfGM maintains robust organisational Resilience arrangements; the Resilience Management System (RMS) sets out our approach to Incident Management & Response and Business Continuity. A Resilience Steering Group oversees an annual work programme of activity to ensure our contingency plans remain up to date, are tested regularly and we are considering new and emerging hazard and threats to the business. Learning is collated from each exercise and incident which then feeds into plan reviews to ensure the continuous improvement of TfGM's Resilience.

TfGM is a Category 2 Responder under the Civil Contingencies Act 2004, and so participates in the Greater Manchester Forum to support and contribute to GM multi-agency preparedness and major incident response.

TfGM also falls within scope of increasing Counter Terrorism Security Regulation including the National Railways Security Programme, Light Rail Security Programme and the Terrorism (Protection of Premises) Bill (aka Martyn's Law). Organisational compliance to these are coordinated by the Resilience Team reporting into the Director Responsible for Security (Chief Network Officer).

Sub-Principle: Managing performance

Co-ordination of TfGM's business planning and performance management processes are delegated to the Performance Board, including:

- monitoring key performance indicators and the priority tasks being undertaken and reporting key performance indicators and the priority tasks to the Executive Board; and

- monitoring the performance of transport networks and transport providers and ensuring the integration of activities, including events planning and incident management, across the modal networks;

Effective scrutiny of decisions and business performance is provided in a number of ways. Minutes of the business of the Performance Board and Infrastructure Pipeline Board are considered by the Executive Board. The Executive Board membership includes Non-Executive Directors to provide independent challenge and scrutinise both proposed decisions and the performance of TfGM Directorates and functions.

In support of the activities of the Performance Board and Infrastructure Pipeline Board, a number of Functional Boards meet at least monthly to review the Functional performance and progress in relation to implementation of programmes and projects. The number and terms of reference of such Boards are determined by the Performance Board.

Performance updates are reported to the Executive Board monthly. Regular performance updates are also presented to the GMCA, the Bee Network Committee and the Mayor's Transport Board.

Sub-Principle: Robust internal control

TfGM is responsible for conducting, on a regular basis, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is a responsibility administered by the Audit and Risk Assurance Committee and informed by the work of the Audit, Risk and Assurance team and also by comments made by the external auditors and other assurance providers.

TfGM is compliant with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

Sub-Principle: Managing data

TfGM is committed to safeguarding of all data including any personal data it holds and complies with current Data Protection legislation. The Assistant Director of Information and Data Governance holds the role of Statutory Data Protection Officer. The Head of Legal Services holds the role of the Senior Information Risk Owner (SIRO). There is an IG Change programme underway overseen by the Information and Data Governance Board and biannually Information & Governance reports are submitted to the Audit and Risk Assurance Committee.

The UK General Data Protection Regulation (GDPR) came into effect on 25 May 2018. This, along with the Data Protection Act 2018 which gives effect to the EU Law Enforcement Directive and derogations to the UK GDPR, changed the UK data protection legislation.

TfGM has been focusing on UK GDPR compliance since the Regulation came into effect. An implementation plan for TfGM was developed and continues to be implemented. In particular, significant work has been undertaken to ensure that working practices meet the requirements regarding transparency and accountability under the Data Protection Act 2018. This has included development of TfGM's Information Asset Management Register and assurances that have been developed through the establishment of Information Asset Owners (IAOs) and Information Asset Administrators (IAA). This work will be further enriched through an information and Records Management project.

Systems (internal or external) that are used to process card payments for TfGM operate to the Payment Card Industry Data Security Standard (PCI DSS). TfGM's PCI Accreditation is audited annually. All staff must complete a PCI DSS online training course as part of their induction process.

Sub-Principle: Strong public financial management

The functions of the Executive Board reflect TfGM's key responsibilities, which includes:

- stewardship of Greater Manchester's transport assets, including the maintenance and renewal of assets, and identifying and delivering enhancements; and

- ensuring effectiveness and efficiency in the discharge of TfGM business, securing value for money for the Greater Manchester public purse.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. In particular, the system includes:

- comprehensive budgeting and forecasting systems;

- regular reviews of periodic and annual financial reports which compare financial performance against the budget and forecasts;

- setting targets to measure financial and other performance;
- clearly-defined capital expenditure guidelines; and
- formal programme and project management disciplines.

The proceedings of the Executive Board, Investment Pipeline Board and Performance Board and the decisions taken are formally minuted. The minutes of the Executive Board are signed by the Chief Executive Officer and approved by the Executive Board. Mechanisms are in place to ensure that any conflicts of interest are declared and recorded.

Principle G: Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

TfGM has a requirement under the Transport Act 1968 to seek the authorisation of the GMCA, or the Transport Committee where delegated, of specified decisions that TfGM may take while discharging its duties or exercising its powers. Where TfGM is acting on behalf of the GM Mayor or the GMCA, decisions to be taken are made by the Mayor or the GMCA, as appropriate.

Pursuant to the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017, TfGM provides the GMCA with timely and suitable information regarding the decisions that TfGM will ask the Mayor, the GMCA or the Transport Committee to authorise or take. The information is provided at least 30 days in advance and published on the GMCA's website within its 'Key Decisions Register'.

Sub-Principle: Implementing good practice in transparency

TfGM published the Greater Manchester Transport Vision and Strategy, and each year publishes its Annual Accounts on its website. In addition, TfGM produces status reports, reports consulting on decisions, and performance reports to the GMCA and the LEP and also provides reports to meetings of the Transport Committee, which is a public committee focused on providing political oversight of TfGM's activities.

TfGM also provides reports and information to the GMCA's Overview and Scrutiny Committees to support understanding of GMCA's policy development, decisions, and activities in relation to transport.

Sub-Principle: Implementing good practices in reporting

TfGM is committed to reporting on its activities in a manner which is accessible to the intended audience. Reports are prepared such that they are easily understood and provide appropriate and timely information. TfGM's Annual Accounts are reported in compliance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. Reporting to TfGM's Executive Board complies with the UK Corporate Governance Code.

Sub-Principle: Assurance and effective accountability

TfGM has an Audit and Risk Assurance Committee, which meets quarterly, chaired by an independent Non-Executive Director of the Executive Board, to support the Board in discharging its responsibilities with regard to risk, control and governance and associated assurance. In particular, the Audit and Risk Assurance Committee advises the TfGM Board on:

- the overall adequacy and effectiveness of the strategic processes for risk management, internal control and the Annual Governance Statement;
- the robustness of financial controls, including the financial reporting process, accounting policies, and the Annual Report and Accounts of TfGM, to ensure that published financial information has integrity, is well balanced, and transparent; and also, the extent to which assets are safeguarded against fraud and irregularity;
- the adequacy of management responses to recommendations made by the internal and external auditors in their reports;
- progress against planned activity and results of both internal and external audit work; and
- the assurances obtained regarding the adequacy and effectiveness of TfGM's arrangements to satisfy the requirements of the CIPFA/SOLACE framework of corporate governance.

The governance arrangements for TfGM's Audit and Risk Assurance Committee reflect best practice guidance for corporate governance, adapted for TfGM's specific circumstances, including the CIPFA's Audit Committees: Practical Guidance for Local Authorities and Police (2013) and the Financial Reporting Council's Guidance on Audit Committees (which is intended for limited companies).

The Audit and Risk Assurance Committee's membership comprises three Members, who are independent Non-Executive Directors of TfGM's Board, and a fourth Member who is the Treasurer of the GMCA, bringing significant experience from both the public and private sector. The Executive Directors, Head of Audit and Assurance and other managers also attend, as required, at the invitation of the Chair.

The Audit and Risk Assurance Committee is responsible for reviewing the activity of internal and external audit in providing assurance over the effectiveness of internal controls. The Committee also meets at least annually in private with both the external auditors and the Head of Internal Audit, without the presence of executive management.

A review of the Committee's effectiveness is underway as part of the Executive Board effectiveness review. Previous ARAC effectiveness reviews found that the Committee was functioning effectively and had fulfilled its role.

Audit, Risk and Assurance

The Audit, Risk and Assurance team provide a fully integrated approach to the provision of line 2 and line 3 assurance to TfGM. The team is structured with separate teams reporting independently to the Head of Audit, Risk and Assurance, with clear separation between line 2 & 3 activities.

The Head of Audit, Risk and Assurance reports quarterly to the Audit and Risk Assurance Committee, providing updates on Internal Audit, assurance and risk management activities.

The Risk and Assurance team provide an assurance service to SROs and the Executive across projects and programmes. This includes undertaking Gateway Reviews and 'Health Checks' at key stages in project and programme lifecycles and the subsequent reporting of recommendations to the relevant Boards.

The team are also responsible for leading on the implementation of the Risk Management framework, including providing challenge on the effectiveness of risk management controls across the organisation.

Internal audit

The Internal Audit service that objectively examines, evaluates, and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

The function operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The work of internal audit is primarily informed by the Internal Audit Strategy which is a three-year strategy based on the assessment of risk faced by TfGM. The risk assessment is kept under regular review and is refreshed in line with changes in the internal or external risk landscape. An annual internal audit plan is then developed based on the three-year strategy. Both the Strategy and the Internal Audit Plan are approved by the Audit and Risk Assurance Committee. Regular progress updates are provided to management and the Audit and Risk Assurance Committee.

The Head of Audit, Risk and Assurance has access to all Executive Officers, Non-Executive Directors and Members and also meets privately with the Audit and Risk Assurance Committee at least annually.

The Head of Audit, Risk and Assurance is required to provide an annual Head of Internal Audit opinion on the effectiveness of the arrangements in place for governance, risk management and internal control. The opinion is based upon and limited to the work performed during the financial year, as well as consideration of other sources of assurance. For 2024/25 a "reasonable level of assurance" opinion was given.

Basis of preparation of Statement of Accounts

This Statement of Accounts includes the individual financial statements for TfGM only. Due to the size of its subsidiary entities, it is considered that they are not material in the context of TfGM and therefore group accounts have not been presented.

There are no changes in accounting standards which are to have a material impact on the financial statements for TfGM.

The Statement of Accounts is prepared under an accounting regime adopting the International Financial Reporting Standards (IFRS). TfGM implements IFRS by adopting the IFRS-based 'Code of Practice on Local Authority Accounting' ('the Code'), which is the 'version' of IFRS adopted by local authorities.

Steve Warrener
SG WARRENER
Director
23 February 2026

David Bull
DM BULL
Director

Independent auditor's report to the members of transport for Greater Manchester's executive board

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of Transport for Greater Manchester ('the Authority') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Authority to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2025, by 27 February 2026 ('the backstop date').

The backstop date introduced by the Amendment Regulations has impeded our ability to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements as there has been insufficient time to perform all necessary audit procedures.

Responsibilities of the Director of Finance, Commercial and Corporate Services for the financial statements

As explained more fully in the Statement of the Director of Finance, Commercial and Corporate Service's Responsibilities, the Director of Finance, Commercial and Corporate Services is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Director of Finance, Commercial and Corporate Services is also responsible for such internal control as the Director of Finance, Commercial and Corporate Services determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Finance, Commercial and Corporate Services is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. The Director of Finance, Commercial and Corporate Services is responsible for assessing each year whether or not it is appropriate for the Authority to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Authority's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Report on the Transport for Greater Manchester's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weakness in the Authority's arrangements for the year ended 31 March 2025:

Significant weakness in arrangements	Recommendation
Governance – how TFGM ensures effective processes and systems are in place to support statutory financial reporting requirements Transport for Greater Manchester (TfGM) was unable to publish its draft Statement of Accounts for the year ending 31 March 2025 by the statutory deadline of 30th June due to work in relation to the implementation of the accounting standard 'IFRS16 – leases' not being complete. Management is responsible for ensuring appropriate systems and processes are in place to support timely and accurate statutory financial reporting. We have concluded that this is evidence of a significant weakness in TfGM's arrangements for governance, specifically to ensure processes and systems support statutory financial reporting requirements within statutory deadlines.	We recommend TFGM reviews: 1. the capacity and capability of the finance team to ensure it can meet the statutory reporting timetable; and 2. the account closedown plan to ensure project milestones are identified to help meet the statutory deadline, including the provision of high quality supporting working papers to the draft financial statements.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency, and effectiveness in the use of resources
We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice
We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.
We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

Use of the audit report
This report is made solely to the members of Transport for Greater Manchester, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Certificate
We certify that we have completed the audit of Transport for Greater Manchester in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Karen Murray

Karen Murray
Key Audit Partner
For and on behalf of Forvis Mazars LLP (Local Auditor)

One, St Peter's Square
Manchester
M2 3DE

23 February 2026

Comprehensive Income and Expenditure Statement for the year ended 31 March 2025

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from revenue grants (or other income). TfGM receives funding from the ten local authorities in Greater Manchester and the Mayoral Budget to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The cost of providing these services is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Restated 2023/24					2024/25		
Gross Expend-iture £000	Gross Income £000	Net Expend-iture £000		Notes	Gross Expend-iture £000	Gross Income £000	Net Expend-iture £000
(54,449)	-	(54,449)	Concessionary fare schemes (non-franchised services)		(28,171)	-	(28,171)
(38,533)	38,533	-	Capped Fares Scheme (non-franchised services)		(21,760)	27,875	6,115
(56,409)	14,169	(42,240)	Supported bus services (non-franchised services)		(18,430)	3,052	(15,378)
(178,095)	93,788	(84,307)	Metrolink		(183,840)	83,891	(99,949)
(61,770)	29,503	(32,267)	Bus Franchised Services		(284,172)	167,505	(116,667)
(3,487)	-	(3,487)	Accessible transport		(3,529)	-	(3,529)
(9,680)	10,378	698	Management of traffic signals		(10,567)	11,153	586
(9,700)	10,696	996	Road safety activities		(10,864)	11,578	714
(31,576)	31,576	-	Provision of third-party passenger transport facilities	6	(19,452)	19,452	-
(143,591)	41,278	(102,313)	Operational and other costs		(203,614)	104,122	(99,492)
(587,290)	269,921	(317,369)	**Cost of services**		(784,399)	428,628	(355,771)
(1,694)	-	(1,694)	Other operating expenditure	10d	(8,020)	869	(7,151)
(2,426)	452	(1,974)	Financing and investment income and expenditure	8	(4,695)	875	(3,820)
-	376,713	376,713	Taxation and non-specific grant income and	9	-	485,615	485,615
(591,410)	647,086	55,676	**Surplus/(deficit) on provision of services**	5	(797,114)	915,987	118,873
			Surplus on the revaluation of non-current assets				4,938
		(697)	Remeasurement of the net defined benefit liability	21			(906)
		(697)	**Other comprehensive income and expenditure**				4,032
		54,979	**Total comprehensive income and expenditure**				122,905

*An adjustment has been made due to a prior period error see note 19.

All amounts relate to continuing operations. The notes from page 84 onwards form part of these accounts.

A statement is provided in the Financial Performance section of the Narrative Report by way of explanation of the total comprehensive income and expenditure reported under the Code of Practice on Local Authority Accounts and the actual revenue surplus retained / deficit incurred by the organisation.

Movement in Reserves Statement for the year ended 31 March 2025

The Movement in Reserves Statements show the movement in the year on the different reserves held by TfGM, analysed into 'usable reserves' (i.e. those reserves that TfGM may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use) and 'unusable reserves', which include reserves that hold unrealised gains and losses; and reserves that hold timing differences (for example the Capital Adjustment Account).

	Revenue Reserves £000	Unapplied Capital Grants and Contributions Account £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
At 31 March 2023	**47,565**	**570**	**48,135**	**1,925,778**	**1,973,913**
Total comprehensive income and expenditure	55,676	-	55,676	(697)	54,979
Adjustments between accounting basis and funding basis under regulations	(54,953)	1,812	(53,141)	53,141	-
Transfer between reserves	(2,891)	-	(2,891)	2,891	-
Increase / (decrease) in 2023/24	(2,168)	1,812	(356)	55,335	54,979
At 31 March 2024	**45,397**	**2,382**	**47,779**	**1,981,113**	**2,028,892**
Total comprehensive income and expenditure	118,873	-	118,873	4,032	122,905
Adjustments between accounting basis and funding basis under regulations	(120,555)	(2,035)	(122,590)	122,590	-
Transfer between reserves	(2,751)	-	(2,751)	2,751	-
Increase / (decrease) in 2024/25	(4,433)	(2,035)	(6,468)	129,373	122,905
At 31 March 2025	**40,964**	**347**	**41,311**	**2,110,486**	**2,151,797**

See note 23 for further analysis of the movement in reserves statement.

The notes from page 84 onwards form part of these accounts.

Balance Sheet at 31 March 2025

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by TfGM. The net assets of TfGM (assets less liabilities) are matched by the reserves held by TfGM. Reserves are reported in two categories – usable and unusable. Usable are those reserves that TfGM may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable reserves are those that TfGM is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.'

	Notes	31 March 2025 £000	31 March 2024 £000
ASSETS			
Long term assets			
Property, plant & equipment	10	2,018,726	2,010,276
Right of use assets	11	210,017	-
Investment property	12	18,084	17,963
Long term investments	13	5,319	4,450
Intangible assets	14	31,325	26,065
		2,283,471	2,058,754
Current Assets			
Short term debtors	15	99,700	117,183
Inventories	16	5,430	225
Cash and cash equivalents	17	1,877	5,993
		107,007	123,401
TOTAL ASSETS		**2,390,478**	**2,182,155**
LIABILITIES			
Current Liabilities			
Short term creditors	18	(106,448)	(100,460)
Provisions	18, 19	(2,810)	(3,814)
Current lease liabilities	11	(35,869)	-
Short term borrowing	20	(165)	(10,911)
		(145,292)	(115,185)
Long term liabilities			
Provisions	19	(1,431)	(1,122)
Non current lease liabilities	11	(70,568)	-
Net pension liabilities	22	(12,959)	(14,487)
Long term borrowings	20	(8,431)	(22,469)
		(93,389)	(38,078)
TOTAL LIABILITIES		**(238,681)**	**(153,263)**
NET ASSETS		**2,151,797**	**2,028,892**
FINANCED AS FOLLOWS:			
Reserves as follows:			
Usable reserves	23	41,311	47,779
Unusable reserves	23	2,110,486	1,981,113
		2,151,797	**2,028,892**

The notes from page 84 onwards form part of these accounts.

Steve Warrener

SG WARRENER
Director
23 February 2026

David Bull

DM BULL
Director

Cash Flow Statement for the year ended 31 March 2025

The Cash Flow Statement shows the changes in cash and cash equivalents during the reporting period. The statement shows how TfGM generates and uses cash and cash equivalents and classifies cash flows into operating, investing, and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations are funded by way of grant income or from the recipients of services provided by TfGM. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to future service delivery. Cash flows arising from financing activities are a useful indicator in predicting claims on future cash flows by providers of capital (i.e. borrowing) to TfGM.

	Note	2024/25 £000	2023/24 £000
Net (deficit)/surplus on provision of services		118,873	55,676
Adjustments to reconcile income to net cash flows:			
Adjustments for items included in the net surplus on the provision of services that are investing and financing activities			
Grants received for capital works		(140,108)	(144,098)
Finance cost	8	722	1,791
Interest paid		(1,143)	(2,065)
Adjustments for other non- cash movements			
Depreciation and amortisation	10, 11,14	124,105	88,487
Loss / (gain) on disposal of non-current assets	10	8,020	1,694
Loss / (gain) on revaluation of short and long term investments	13	(869)	-
Loss / (gain) on revaluation of property, plant and equipment	10	6,452	-
IAS19 pension finance interest	21	623	635
IAS19 pension costs	21	(3,057)	(409)
(Increase)/decrease in debtors		(113)	(15,005)
Decrease/ (increase) in inventories		(5,206)	(27)
(Decrease) / increase in creditors and provisions		3,988	12,215
IFRS16 gain on peppercorn leases		(99,794)	-
IFRS16 interest charge		3,349	-
Net cash flows from operating activities		**15,842**	**(1,106)**
Investing Activities			
Purchase of property, plant and equipment and intangible assets		(139,767)	(162,096)
Grants received for capital works		158,035	141,151
Proceeds from sale of property, land, and equipment		224	970
Net cash flows from investing activities		**18,492**	**(19,975)**
Financing Activities			
Repayment of short and long term borrowings	20	(24,363)	(13,531)
IFRS16 lease liability charge in the year	11	(14,089)	-
Net cash flows from financing activities		**(38,452)**	**(13,531)**
Net increase/(decrease) in cash and cash equivalents		(4,117)	(34,612)
Cash and cash equivalents as at 1 April	17	5,994	40,605
Cash and cash equivalents as at 31 March	17	**1,877**	**5,993**

The notes from page 84 onwards form part of these accounts.

Notes to the Accounts

1 Introduction

TfGM is required to prepare an annual Statement of Accounts in accordance with the Accounts and Audit Regulations 2015. These Regulations require Accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS).

2 Basis of Preparation

The accounts have been prepared on a historical cost basis, except for certain land and building assets and financial instruments that are measured at either current value or fair value, in accordance with the Code.

The financial statements have been prepared on a going concern basis as it is considered by the Board that TfGM will continue to operate for the foreseeable future and will be able to continue to meet its liabilities as they fall due for payment.

TfGM carries out transport functions that are essential to Greater Manchester. If TfGM were therefore in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for local authority financial statements to be provided on anything other than a going concern basis.

Statement of Compliance with IFRS

The following accounting standards have been issued but not yet adopted by the Code:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible noninvestment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

The accounting standards not yet adopted have been assessed and are not considered to have a significant impact on the Statement of Accounts.

TfGM has adopted all aspects of the Code other than as follows:

- Deregulation Reserve: IFRS 5 would treat the deregulation of bus services in 1986 as a discontinued operation, leading to the write off of any costs connected with deregulation. However, the Transport Act of 1985 allowed any costs incurred on deregulation to be transferred to a specific reserve, called the 'Deregulation Reserve'. TfGM has adopted a policy of amortising the Deregulation Reserve over 30 years. Refer to note 19 for further details.

3 Summary of Significant Accounting Policies

3.1 Property, Plant and Equipment and Assets Under Construction

Items of property, plant and equipment are measured at current value except for infrastructure assets which are carried at cost less accumulated depreciation. TfGM's policy is to write off the carrying value of all assets, other than freehold land, on a straight-line basis over their estimated remaining useful lives.

The range of estimated useful lives for each class of assets is as follows:

Freehold buildings	10 to 50 years
Infrastructure assets (see note * below)	3 to 50 years
Plant and equipment (see note** below)	Up to 40 years
Vehicles: Motor vehicles	3 to 5 years
Vehicles: Buses	Up to 15 years

* Infrastructure assets includes a number of categories of assets relating to the Metrolink network, Interchanges and Bus Stations, the Leigh to Ellenbrook Guided busway and cycle hubs.

Further details of the asset lives within this category are given below:

Civil structures	25 to 50 years
Stations and stop infrastructure	10 to 30 years
Track and track bed	20 to 30 years
Ticket machines and information points	5 to 20 years
Overhead power lines	20 to 30 years
Signalling/telecoms	15 to 30 years
Metrolink trams	30 years
Metrolink plant and equipment	3 to 35 years
Guided Busway and infrastructure	5 to 50 years
Park and Ride and infrastructure	5 to 40 years
Bus infrastructure (including internal fittings)	5 to 40 years
Bike hire assets and cycle hubs	10 years

**Plant and Equipment assets include a number of categories of assets, further details of the asset lives included within this category are below:

Electric vehicle rapid charging points	10 to 15 years
Bus depot electrification infrastructure	5 to 40 years
CCTV	5 to 15 years
Radios (Bus and Metrolink)	10 years
Audio Visual Announcement (AVA) system	10 years

The de minimis level for capitalising assets is £25,000 unless these form part of a larger asset when there is no de minimis level.

The cost of Metrolink includes the costs of acquiring the land required for the system to be constructed. In accordance with standard accounting practice this land is not being depreciated.

Depreciation of assets commences with effect from the month following capitalisation. Capitalisation of assets is carried out as soon as practicable following its acquisition or completion.

Annual reviews are undertaken of the estimated remaining life and current carrying amount of assets; ensuring that significant assets are reviewed annually, and other assets are reviewed at least every three years. Adjustments to the carrying amount, or remaining useful life, are made where necessary.

An item of property, plant and equipment is derecognised upon disposal, replacement or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount) is included in the Comprehensive Income and Expenditure Statement in the year the item is derecognised, offset by the write-back of any grant funding that has been received and which has not been released to the Revenue Reserve.

Where a capitalisation is replacing an existing asset, in whole or in part, the cost, depreciation and net book value, and the associated grant, are written out of the property plant and equipment note such that only the appropriate gross values of the 'new' assets remain after the replacement.

Where only part of an existing asset is being replaced, the amount to be disposed is calculated with reference to supporting evidence. For example, where an element of track is replaced, the percentage of replacement is calculated using length being disposed over the total length covered by the component. This ensures that only the remaining cost, depreciation and net book value of the operational asset remains. This calculation in relation to track is subject to a 'de minimis' being applied of 1.5% of the gross value of the track, which is being replaced, below which assets are not written off.

For the ongoing measurement of property, plant and equipment, TfGM adopts the Code, which requires the current value method to be applied to non-infrastructure operational assets and surplus assets. Assets classified as infrastructure include all Metrolink assets, bus stations, interchanges, turning points, bus depots, bus shelters and other route equipment and works.

As permitted by the Code, the carrying value of property, plant, and equipment in existence on the transition date to IFRS of 1 April 2010 has been treated as deemed cost at the transition date.

Assets under construction relate to expenditure incurred in respect of assets which are incomplete as at the reporting date. The assets are transferred to the appropriate heading and depreciated when they become available for use.

3.2 Fair Value measurement

TfGM measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

TfGM measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, TfGM takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

TfGM uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in TfGM's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for the asset or liability.

3.3 Investment properties

Investment properties are initially recognised at cost, including direct transaction costs. They are subsequently revalued annually in accordance with the fair value model, reflecting market conditions at the balance sheet date. Any surplus or deficit arising from any change in fair value is recognised in the Comprehensive Income and Expenditure Statement in the period in which it arises.

Investment properties are not depreciated. They are de-recognised when disposed of, or when no future economic use is expected. The difference between net proceeds and carrying value is recognised in the Comprehensive Income and Expenditure Statement in the period of de-recognition.

3.4 Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by TfGM as a result of past events (e.g. software development costs and software licences) are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to TfGM.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and TfGM will be able to generate future economic benefits or deliver service potential by being able to use or sell the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised). Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise TfGM's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by TfGM can be determined by reference to an active market. In practice, no intangible asset held by TfGM meets this criterion, and they are therefore carried at amortised cost. The intangible asset is amortised over its useful life to operational costs in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the operating expenditure line in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

3.5 Capital and revenue grants and contributions

Capital and revenue grants receivable and contributions are recognised immediately in the Comprehensive Income and Expenditure Statement except where the grant or contribution has a condition that has not yet been met. These amounts are recognised in the Balance Sheet within capital and revenue grants received in advance until such time as the conditions are met whereupon they are transferred to the Comprehensive Income and Expenditure Statement.

With respect to capital grants or contributions, if the expenditure to be financed from the grant or contribution has been incurred at the balance sheet date, the grant or contribution is transferred from the Revenue Reserve to the Capital Adjustment Account via the Movement in Reserves Statement. If the expenditure has not been incurred at the balance sheet date, the grant or contribution is transferred to the Capital Grants Unapplied Account via the Movement in Reserves Statement.

With respect to revenue grants or contributions, if the expenditure has not been incurred at the balance sheet date, the grant or contribution is transferred to the Revenue Grants Unapplied Account via the Movement in Reserves Statement.

In the cases where a capital or revenue grant is received which is subject to a stipulation that it be returned to the transferor if a specified future event does not occur, a return obligation does not arise until such time as it is expected that the stipulation will be breached; and a liability is not recognised until the recognition criteria have been satisfied.

3.6 Inventories

Inventories are carried at the lower of cost (including costs incurred in bringing the inventory to its present location, such as freight) and net realisable value, determined on a first in first out basis.

3.7 Financial Assets

Financial assets have the following categories: financial assets measured at fair value through profit or loss, financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income, in accordance with IFRS 9. Assets held at amortised cost are initially recognised at fair value and subsequently measured at amortised cost. Whereas assets held at fair value are revalued in accordance with fair value measurement set out in paragraph 3.2. TfGM's financial assets include the long term investments, cash, short-term deposits, trade, and other receivables.

Subsequent measurement depends on their classification as follows:

Long term investments: investments are reviewed to determine which category they should be classified as. The current investments have been deemed to fall within the fair value through other comprehensive income category.

Fair value through other comprehensive income assets is initially measured and carried at fair value in line with fair value measurement set out in note 3.2. There are two key criteria for election as a fair value through other comprehensive income asset, these are the asset must be an equity instrument and the asset must not be held for trading.

Comprehensive Income and Expenditure Statement treatment: movements in amortised cost debited/credited to the Surplus or Deficit on the Provision of Services, but movements in fair value debited/credited to Other Comprehensive Income and Expenditure:

- Interest credited to Surplus or Deficit on the Provision of Services using the effective interest rate method.
- Movements in impairment loss allowances debited/ credited to Surplus or Deficit on the Provision of Services (with a compensating credit/debit not against the carrying amount of the asset but to Other Comprehensive Income and Expenditure to offset movements against gains/losses on fair value).
- Changes in fair value posted to Other Comprehensive Income and Expenditure.
- Cumulative gains/losses on fair value are posted to the Surplus or Deficit on the Provision of Services on derecognition.

Cash and cash equivalents: funds placed with banks and other financial institutions by GMCA with a maturity of three months or less. In additional a small amount of cash is held in Travelshop floats. For the purpose of the cash flow statement, cash and cash equivalents are as defined above, net of any outstanding bank overdrafts. These are held at amortised cost.

Loans and deposits: non-derivative financial assets with fixed or determinable payments not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Any gains and losses are recognised in the Comprehensive Income and Expenditure Statement when the assets are amortised, de-recognised or impaired.

Trade and other receivables: recognised and carried at invoice or contract value less an allowance for any amounts which may not be collectable. These are held at amortised cost. The impairment loss allowance has been calculated on life-time expected credit losses (simplified approach) for trade and receivables An expected credit loss provision has been created to allow for any credit losses on trade debtors where TfGM have concerns around recoverability. Should an amount become uncollectable, it is written off to the Comprehensive Income and Expenditure Statement in the period in which the write off is recognised if this was not provided for.

3.8 Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when TfGM becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that TfGM has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

For Lender Option Borrower Option (LOBO) loans, the effective interest rate has been calculated over the life of the loan. Due to the change in interest rate during the life of the loan the interest rate used is an average rate and differs from the amounts actually paid in the year. The difference between the calculated average interest charge and the interest paid has been adjusted in the carrying amount of the loan. The amount charged in the Comprehensive Income and Expenditure Statement is the effective (average) interest rate for the life of the loan rather than the amount paid in the year as per the loan agreement and current interest rate.

TfGM has not designated any financial liabilities or assets as at fair value through other Comprehensive Income. TfGM's financial liabilities include bank overdraft, trade creditors, loans, and other payables.

3.9 Offsetting of Financial Instruments

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet, if, and only if, there is an enforceable legal right to offset, and there is an intention to settle on a net basis in order to realise the assets and discharge the liabilities simultaneously.

3.10 Impairment of non-financial assets

TfGM assesses each year whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, TfGM estimates the asset's recoverable amount, which is the higher of its fair value less costs to sell, and its value in use. This is determined for an individual asset unless it does not generate cash flows independently from other assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is impaired down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted at a rate reflecting TfGM's current assessment of its average borrowing rates. In determining fair value less costs to sell, an appropriate valuation model is used. The calculations are reviewed where possible against other available indicators.

Impairment losses are recognised in the Comprehensive Income and Expenditure Statement in those expense categories consistent with the function of the asset, except for property previously re-valued where the revaluation was taken to reserves. In this case the impairment is also recognised in reserves up to the amount of any previous revaluation.

An assessment is also made each year as to whether there is any indication that previously recognised impairment losses may no longer exist; or may have decreased. If this is the case, TfGM estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited such that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been previously recognised. Such reversal is recognised in the Comprehensive Income and Expenditure Statement unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase.

3.11 Provisions, Contingent liabilities, and Contingent assets

Provisions

Provisions are made where an event has taken place that gives TfGM a legal or constructive obligation that "probably" requires settlement by a transfer of economic benefits or service potential, and, where a reliable estimate can be made of the amount of the obligation.

Provisions are charged either as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement or within project costs included within property, plant and equipment in the year that TfGM becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the amount of the provision no longer required is reversed and credited back to the relevant service or project cost.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income in the relevant service line if it is virtually certain that reimbursement will be received if TfGM settles the obligation.

Contingent liabilities

A contingent liability arises where an event has taken place that gives TfGM a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of TfGM.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but are instead disclosed in a note to the accounts.

Contingent assets

A contingent asset arises where an event has taken place that gives TfGM a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly with the control of TfGM.

Contingent assets are not recognised in the Balance Sheet but are instead disclosed in a note to the accounts where it is possible that there will be an inflow of economic benefits or service potential.

3.12 Passenger Transport Facilities

As part of its statutory duties, TfGM is responsible for meeting the costs of upgrading public passenger transport facilities in the Greater Manchester area, including railway and highways infrastructure. The expenditure incurred is offset by equivalent grants received from GMCA and other parties.

Once completed, ownership of these assets vests in Network Rail, rail operating companies, Highways England, GMCA or the Local Authority as appropriate.

Both the costs and the grant income are recognised within the Comprehensive Income and Expenditure Statement.

3.13 Turnover

Revenue is a sub-set of income and is defined as the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net worth.

Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where revenue has been recognised but cash has not been received or paid, a debtor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Turnover, which all arises within the United Kingdom and is stated net of value added tax, represents income arising from Metrolink and bus fare revenues, services provided, rental income, and advertising revenues, including estimates in respect of services provided but not invoiced at the year end.

3.14 TfGM as lessee

TfGM classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options. TfGM initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the TfGM's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that TfGM is reasonably certain to exercise
- lease payments in an optional renewal period if TfGM is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless TfGM is reasonably certain not to terminate early

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

TfGM considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties taking into account the lease term.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- TfGM changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that TfGM is reasonably certain to exercise and any termination options that TfGM is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

3.15 TfGM as a lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

Operating leases

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.]

3.16 Employee benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (eg cycle-to-work scheme) for current employees and are recognised as an expense for services in the year in which employees render service to TfGM. An accrual is made for the cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services.

Termination benefits

Termination benefits are amounts payable as a result of a decision by TfGM to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis at the earlier of when TfGM can no longer withdraw the offer of those benefits or when TfGM recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserves balance to be charged with the amount payable by the authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

3.17 Post -employment benefits

The Local Government Pension scheme

Unless they choose to opt out of the scheme, Employees of TfGM are members of the Local Government Pension Scheme administered by Greater Manchester Pension Fund (GMPF).

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for TfGM.

The Scheme is accounted for as a defined benefits scheme:

- The liabilities of the GMPF attributable to TfGM are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 5.8% (2024: 4.8%).
- The assets of GMPF attributable to TfGM are included in the Balance Sheet at their fair value based on the bid values of the assets.
- The change in the net pensions liability is analysed into seven components:
    - Current service cost – the increase in liabilities as a result of years of service earned this year are allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
    - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – is debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
    - Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
    - Expected return on assets – the annual investment return on the fund assets attributable to TfGM, based on an average of the expected long-term return - is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
    - Gains or losses on settlements and curtailments – the result of actions to relieve TfGM of liabilities or events that reduce the expected future service or accrual of benefits of employees – are debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
    - Remeasurement of the net defined benefit liability – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – are credited or debited to the Pensions Reserve; and
    - Contributions paid to the GMPF – cash paid as employer's contributions to the pension fund in settlement of liabilities; are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Revenue Reserve balance to be charged with the amount payable by TfGM to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The balance on the Pensions Reserve therefore reflects the cumulative impact on the Revenue Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

3.18 Accrual of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

3.19 Reserves

TfGM holds specific amounts as reserves for future policy purposes or to cover contingencies. Reserves held are shown in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

Certain reserves are kept to manage the accounting processes for non-current assets, capital grants, retirement and employee benefits and do not represent usable resources for TfGM. These reserves are explained in note 23.

3.20 Events after the balance sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events;
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

3.21 Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

3.22 Agency Services

Transactions are excluded from TfGM's financial statements for all agency relationships. As stipulated by the Code TfGM is acting as an agent in situations when TfGM do not have exposure to the significant risks and rewards in providing the goods or services. TfGM review all services provided to determine who has exposure to the significant risks and rewards and when this is not deemed to be TfGM the transactions have been excluded from the financial statements. There are two significant on-going agency relationship; they are in relation to the payments of the Bus Services Operator Grant to bus operators on behalf of GMCA, and Clean Air. See note 24.

In addition to the above agency arrangements there are also a number of agency transactions as part of the work undertaken on capital projects for assets that TfGM do not own. These are mainly in relation to capital schemes that TfGM pass funding onto third parties but have no risks and rewards of the contracted spend.

4 Significant accounting judgements, estimates and assumptions

The preparation of TfGM's accounts requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

The items in TfGM's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows.

4.1 Pension benefits

The cost of defined benefit pension plans is determined using an independent actuarial valuation, involving the use of assumptions about discount rates, returns on assets, future salary increases, mortality rates and future pension increases. Such assumptions are reviewed at each period end and determined jointly between the pension fund management and the actuaries. The carrying value in the accounts and sensitivities are disclosed in note 22.

4.2 Carrying value of property, plant, and equipment

For assets held at historical cost the carrying value is the initial cost of the asset less accumulated depreciation. Depreciation is calculated using the expected useful life for each component of an asset. The useful life is a best estimate of the life of the asset and is provided by an expert in the relevant area. It is assumed that general repairs and maintenance are made during the life of each asset and where this does not meet the criteria for additional capital expenditure this is charged to the surplus or deficit on the provision of services.

Each year end an annual review is performed to ensure the remaining useful life and carrying value of the asset are appropriate. For assets held at valuation, a full valuation is performed as a minimum every 5 years by an independent external valuer; an impairment review is undertaken by management for all other years and if material would be adjusted in the financial statements. If the useful life is adjusted by one year, this would result in an estimated impact of £11.1 million (2023/24 £8.9 million). The carrying value in the accounts and further information is disclosed in note 10.

5 Expenditure and Funding Analysis statement

Re-stated 2023/24*				2024/25		
Net expenditure chargeable to the revenue reserve	Adjustments between the Funding and Accounting Basis	Net expenditure in the Comprehensive Income and Expenditure Statement		Net expenditure chargeable to the revenue reserve	Adjustments between the Funding and Accounting Basis	Net expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
(54,449)	-	(54,449)	Concessionary fare scheme (non-franchised services)	(28,171)	-	(28,171)
(42,240)	-	(42,240)	Supported bus services (non-franchised services)	(15,378)	-	(15,378)
(29,819)	(2,448)	(32,267)	Bus Franchised Services	(107,457)	(9,210)	(116,667)
(12,660)	(71,647)	(84,307)	Metrolink	(27,391)	(72,558)	(99,949)
-	-	-	Capped fares (non-franchised services)	6,115	-	6,115
(3,487)	-	(3,487)	Accessible transport	(3,529)	-	(3,529)
698	-	698	Management of traffic signals	586	-	586
989	7	996	Road safety activities	660	54	714
(90,464)	(11,849)	(102,313)	Operational and other costs	(88,195)	(11,297)	(99,492)
(231,432)	**(85,937)**	**(317,369)**	**Net cost of Services**	**(262,760)**	**(93,011)**	**(355,771)**
232,155	140,890	373,045	Other income and expenditure	261,078	213,566	474,644
723	**54,953**	**55,676**	Surplus or Deficit	**(1,682)**	**120,555**	**118,873**
47,565			Opening revenue reserves balance	45,397		
723			Less / Plus surplus or (deficit) on revenue balance in Year	(1,682)		
(2,891)			Transfer between reserves	(2,751)		
45,397			Closing revenue reserve at 31 March	**40,964**		

*The 2023/24 EFA statement has been restated due to a prior period error, see note 29.

(a) Note to the expenditure and funding analysis

	Re-stated Adjustments between Funding and Accounting Basis* 2023/24			
Adjustments between the Funding and Accounting Basis	Adjustments for capital purposes (Note 1)	Net change for the Pensions adjustment (Note 2)	Net change for the gain on non-commercial leases	Total Adjustments
	£'000	£'000		£'000
Bus Franchised Services	(2,448)	-	-	(2,448)
Metrolink	(71,658)	11	-	(71,647)
Road safety activities	-	7	-	7
Operational and other costs	(12,239)	390	-	(11,849)
Net cost of Services	**(86,345)**	**408**	**-**	**(85,937)**
			-	
Other income and expenditure	141,524	(634)	-	140,890
Difference between revenue reserve surplus and Comprehensive Income and Expenditure Statement surplus on the Provision of Services	55,179	(226)	-	54,953

*The 2023/24 EFA statement has been restated due to a prior period error, see note 29.

	Adjustments between Funding and Accounting Basis 2024/25			
Adjustments between the Funding and Accounting Basis	Adjustments for capital purposes (Note 1)	Net change for the Pensions adjustment (Note 2)	Net change for the gain on non-commercial leases	Total Adjustments
	£'000	£'000	£'000	£'000
Bus Franchised Services	(9,384)	174	-	(9,210)
Metrolink	(72,636)	78	-	(72,558)
Road safety activities	-	54	-	54
Operational and other costs	(14,047)	2,750	-	(11,297)
Net cost of Services	**(96,067)**	**3,056**	**-**	**(93,011)**
Other income and expenditure	125,728	(623)	88,461	213,566
Difference between revenue reserve surplus and Comprehensive Income and Expenditure Statement surplus on the Provision of Services	29,661	2,433	88,461	120,555

Adjustments for capital purposes

1) Adjustments for capital purposes – this column adds in Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year. Depreciation is added as part of adjustments for capital purposes. This also includes the adjustment for any capital grants remaining on disposal of assets.

Net Change for the Pensions Adjustments

2) Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the authority as required by statute and the replacement with current service costs and past service costs.
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Net change for the gain on non commercial leases

3) This column recognises the gain on non-commercial leases following the implementation of IFRS16. The Taxation and Non-Specific Grant Income and Expenditure line is credited with the gain recognised on leases on non-commercial terms. These are mainly in relation to vehicle assets where the lease liability is lower than the fair value of the right of use asset due to the vehicle being either part or fully grant funded.

(b) Note to the expenditure and funding analysis

Expenditure/Income	2024/25 £'000	2023/24 £'000
Expenditure		
Employee benefits expenses*	61,217	59,364
Transport expenditure		
Metrolink	107,935	103,341
Concessionary fare schemes (non-franchised services)	28,171	54,449
Capped Fares scheme (non-franchised services)	21,760	38,533
Supported bus services (non-franchised services)	18,430	56,409
Bus Franchised Services	259,721	59,322
Accessible transport	3,529	3,487
Management of traffic signals	10,567	9,680
Road safety activities	9,539	8,491
Provision of passenger transport facilities	19,452	31,576
Other Transport Expenditure	44,012	38,939
Expenditure on bus purchases	75,962	35,214
Depreciation, amortisation, impairment	97,964	88,485
Right of use asset depreciation	26,141	-
Financing costs:		
Interest payable and similar charges	759	1,825
Adjustment for the equalisation of interest on a loan	(38)	(34)
Pensions interest cost and expected return on pensions assets	623	635
IFRS16 interest charge	3,350	
Loss on the disposal of assets	8,020	1,694
Total expenditure	**797,114**	**591,410**

	2024/25 £'000	2023/24 £'000
Income		
Fees, charges, and other service income		
Transport income		
Supported bus services (non-franchised services)	3,052	14,169
Capped Fares scheme (non-franchised services)	27,875	38,533
Metrolink	83,891	93,788
Bus Franchised Services	167,505	29,503
Management of traffic signals	11,153	10,378
Road safety activities	11,578	10,696
Provision of passenger transport facilities	19,452	31,576
Interest and investment income	943	452
Local government revenue grants and contributions	245,713	232,615
Local government capital grants and contributions	140,108	144,098
Gain on non-commercial leases	99,794	-
Investment revaluation	869	-
Bus station facility charges	1,012	2,473
Rail grant	1,900	1,900
Rents and service charges	1,522	1,186
Advertising revenue	430	436
Other highways income	4,442	4,466
Non grant income for sale of buses	75,732	-
Passenger information services, Travelshop, bus station ancillary charges, rail franchise, operators, and local authorities' recoveries.	19,084	30,817
Total income	**915,986**	**647,086**
Surplus / (deficit) on the Provision of Services	**118,873**	**55,676**

*Note this includes the IAS19 employer cost adjustments and removes staff time capitalised.

(c) Revenue from contracts with service recipients

Revenue generated from contracts with service recipients is £35.063 million for 2024/25 (2023/24: £29.172 million). The main source of revenue generated from service with recipients relates to Greater Manchester Urban Traffic Controls works undertaken during the year.

6 Passenger Transport Facilities

As part of its statutory duties, TfGM is responsible for meeting the costs of upgrading public passenger transport facilities in the Greater Manchester area, including certain railway and highways infrastructure. The expenditure incurred is offset by equivalent grants or funding, which for the year ended 31 March 2025 amounted to £19.5 million (2024: £31.6 million). The ownership of these assets normally vests in either Network Rail; train operating companies; GMCA; or the appropriate Local Authority. In certain circumstances, title in these assets may ultimately revert to TfGM. Costs and grants are written off as incurred / received. The spend in the year has included works on the Salford Central Rail station additional platform, Access for All schemes, Stockport Interchange and bus improvement works on the highways.

7 Surplus/(deficit) on provision of services for the year

(a) The operating surplus for the year has been stated after the following payments made to the external auditors:

	2024/25 £000	2023/24 £000
Fees payable to external auditors for:		
- audit services*	125	112
- other services	-	-

*Note this is the PSA agreed fee scale

(b) Senior employees remunerations

The Executive Board is composed of the Chief Executive Officer and the other Executive Directors' and Non-Executive Directors' who have been appointed by GMCA as members of the executive under s9(2) of the Transport Act 1968. The remuneration of the Executive Directors' and senior employees has been disclosed as follows:

		Salary £	Compensation for loss of office £	Employer pension contributions £	Total £
Managing Director	2024/25	203,596	-	42,246	245,842
SG Warrener (also Director of Finance & Corporate Services until 31 October 2024)	2023/24	197,576	-	41,297	238,873
Interim Chief Network Officer*	2024/25	168,996	-	34,475	203,471
DG Vaughan (appointed 1 May 2024)	2023/24	-	-	-	-
Director of Finance, Commercial and Corporate Services*	2024/25	59,675	-	12,174	71,849
DM Bull (appointed 1 November 2024)	2023/24	-	-	-	-
Chief Operating Officer	2024/25	-	-	-	-
RM Morris (left 31 December 2023)**	2023/24	184,400	219,858	31,282	435,540
Interim Chief Network Officer	2024/25	-	-	-	-
A Cropper (left 31 March 2024)**	2023/24	193,571	93,392	42,023	328,986
Group Chief Transformation Officer*	2024/25	163,680	-	33,391	197,071
A M Purcell (left 29 June 2025)	2023/24	-	-	-	-

		Salary	Compensation for loss of office	Employer pension contributions	Total
Contribution to the salary of the Chief Executive					
Group Chief Executive***	2024/25	94,300	-	26,646	120,946
C Simpson (appointed 25 June 2024)	2023/24	-	-	-	-
Chief Executive Officer** *	2024/25	26,671	-	-	26,671
EJ Boylan (left 23 June 2024)	2023/24	115,683	-	-	115,683

* The salaries have been disclosed in 2024/25 from the date of appointment in their current role.
** The roles of the Chief Operating Officer was dis-established in 2023/24 and has been replaced by a new role of Chief Network Officer which is held on an interim basis by DG Vaughan.
*** The costs for EJ Boylan and C Simpson relate to a recharge of 50% of the salary costs. The full salary costs are paid by GMCA and are disclosed in their financial statements.

(c) Staff costs (before IAS19 pension adjustments) and average number of employees

	2024/25 £000	2023/24 £000
Wages and salaries*	60,977	55,300
Social security costs	6,826	6,042
Pension costs	12,177	10,723
	79,980	**72,065**
The average number of employees during the year	**1,201**	**1,098**

* This does not include staff time that has been subsequently capitalised or recharged to specific capital projects.
The number of employees receiving more than £50,000 remuneration for the year (including severance payments but excluding employer's pension contributions) were as follows:

Remuneration range	2024/25 Number	2023/24 Number
£50,000 to £54,999	111	80
£55,000 to £59,999	71	60
£60,000 to £64,999	76	74
£65,000 to £69,999	54	36
£70,000 to £74,999	37	27
£75,000 to £79,999	49	35
£80,000 to £84,999	11	16
£85,000 to £89,999	19	13
£90,000 to £94,999	7	9
£95,000 to £99,999	25	21
£100,000 to £104,999	4	5
£105,000 to £109,999	5	3
£110,000 to £114,999	3	4
£115,000 to £119,999	-	1
£120,000 to £124,999	1	2
£125,000 to £129,999	2	2
£135,000 to £139,999	1	0
£140,000 to £144,999	-	1
£175,000 to £179,999	-	1
£180,000 to £185,000	-	1
£245,000 to £249,999	1	-

Note that the numbers above do not include the Directors salaries. See note 7b) above for the Directors remuneration.

The numbers and bandings above also reflect the impact of the Voluntary Severance scheme run by TfGM in a previous year which has been implemented in order to deliver ongoing operational cost savings. See note (d) below for further details.

(d) Staff exit packages

Details of the numbers of exit packages, with total cost per band and total cost of redundancies and other departures, are set out in the table below.

Exit package cost band	Number of voluntary redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25 £000	2023/24 £000
£0 - £20,000	-	-	4	5	4	5	22	12
£20,001 - £40,000	-	-	1	2	1	2	32	59
£40,001 - £60,000	-	1	-	-	-	1	-	49
£60,001-£80,000	-	-	-	-	-	-	-	-
£80,001-£100,000	-	2	-	1	-	3	-	261
£100,001-£150,000	-	-	-	-	-	-	-	-
£150,001-£200,000	1	-	-	-	1	-	187	-
£200,001-£250,000	-	-	-	1	-	1	-	220
	1	**3**	**5**	**9**	**6**	**12**	**241**	**601**

The reduction in exit packages is due to the voluntary severance scheme that was launched in the prior year. The cost of the exit in 2024/25 in the £200,001 to £250,000 bracket includes a pension strain cost of £163,000. The Local Government pension scheme provides protection to members who are aged over 55 should they be made redundant. These members are entitled to their retirement benefits early with no actuarial reduction. TfGM are therefore required to fund any shortfall on the value of the value of the benefits as a pension strain cost.

8 Financing and Investment Income and Expenditure

	2024/25 £000	2023/24 £000
Financing Costs		
Interest payable and similar charges	760	1,825
Adjustment on the equalisation of interest on a loan	(38)	(34)
IFRS16 interest charge	3,350	-
Pensions interest cost and expected return on pensions assets	623	635
	4,695	**2,426**

	2024/25 £000	2023/ 24 £000
Investment Income		
Received from Piccadilly Triangle Developments LLP – distribution of part of partnership profits	307	347
Interest income	19	105
Investment property income	549	-
	875	**452**

9 Taxation and non-specific grant income

	2024/25 £000	2023/24 £000
Revenue Grant income		
GMCA – Levy	152,022	146,021
GMCA – bus purchases	230	19,926
GMCA – Other	92,563	66,516
Other	898	152
Total Revenue Grants	**245,713**	**232,615**
Capital grant income		
GMCA capital grants*	142,048	141,595
Income in advance	(2,035)	1,812
Gain on non-commercial leases	99,793	-
Other	95	691
Total Capital Grants	**239,901**	**144,098**
Total grant income	**485,614**	**376,713**

*Note the capital grants received from GMCA fund a number of capital schemes. In 2025, these included bus depots and associated infrastructure, bus shelters and stops, new buses, the Metrolink Renewals and Enhancement Programme; and Bus Franchising new Information Systems and Ticketing solutions.

10 Property, Plant and Equipment

a) Capitalised assets available for use and assets under construction

Property, plant, and equipment is reported as either capitalised assets available for use or as assets under construction. An analysis of the movements within the gross and depreciated or impaired book value of property, plant and equipment by key category is contained in the tables below:

	Total £000	Infra-structure £000	Land & Building £000	Plant & Equipment £000	Vehicles £000	Surplus assets £000	Assets Under Construction £000
Cost or valuation:							
At 31 March 2023	**2,796,477**	**2,639,799**	**14,380**	**37,138**	**28,095**	**1,267**	**75,798**
Expenditure during the year*	115,452	27,191	11,854	32,347	-	16,485	27,575
Transfers from assets under* Construction	-	44,016	-	13,759	525	-	(58,299)
Disposals	(10,614)	(4,469)	-	(267)	(5,833)	(45)	-
At 31 March 2024 restated	**2,901,316**	**2,706,537**	**26,234**	**82,977**	**22,787**	**17,707**	**45,074**
Expenditure during the year	118,743	17,232	199	28,516	20,448	-	52,348
Transfers from assets under Construction	-	6,820	-	44,129	157	19	(51,125)
Reclassification	(5,174)	(5,014)	16,485	-	-	(16,645)	-
Derecognition on transfer to IFRS16	(2,063)	(133)	(1,930)	-	-	-	-
Revaluation of Assets	(4,324)	-	(4,324)	-	-	-	-
Disposals**	(38,942)	(14,056)	(1,034)	(6,400)	(17,452)	-	-
At 31 March 2025	**2,969,556**	**2,711,386**	**35,630**	**149,222**	**25,940**	**1,081**	**46,297**
Depreciation and impairment:							
At 31 March 2023	**814,155**	**769,883**	**623**	**27,408**	**16,241**	**-**	**-**
Depreciation provided during the period	84,835	79,353	652	2,888	1,939	3	-
Disposals	(7,950)	(3,325)	-	(267)	(4,358)	-	-
At 31 March 2024	**891,040**	**845,911**	**1,275**	**30,029**	**13,822**	**3**	**-**
Depreciation provided during the period	93,021	81,008	1,385	8,810	1,818	-	-
Reclassification	(9)	(9)	3	-	-	(3)	-
Revaluation of Assets	(2,088)	-	(2,088)	-	-	-	-
Disposals**	(31,134)	(11,227)	-	(6,260)	(13,647)	-	-
At 31 March 2025	**950,830**	**915,683**	**575**	**32,579**	**1,993**	**-**	**-**
Net Book Value:							
At 31 March 2025	**2,018,726**	**1,795,703**	**35,055**	**116,643**	**23,947**	**1,081**	**46,297**
At 31 March 2024	2,010,276	1,860,626	24,959	52,948	8,965	17,704	45,074

*The 2023/24 values for expenditure during the year and transfers from assets under construction have been restated due to a prior period error. The adjustment made is to move £77.07m from transfers from asset under construction to expenditure during the year to the relevant asset category. The total value of assets has not changed.
**During 2024/25 an exercise was undertaken to review all nil NBV assets, this resulted in disposals of assets with a gross value of £10.7m. Nil net impact on the accounts as these were all fully depreciated.

The transfer from assets under construction to infrastructure assets relates to a number of capital schemes that have been completed in the year. These include bus related assets such as bus depots, purchase of buses, bus stops and shelters along with renewals work on Metrolink.

b) Revaluation of property, plant, and equipment

TfGM carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The current values for these properties have been based on existing use values and these were re-valued as at 31 March 2025. There was a large increase in valuation for 2 Piccadilly Place of £4.2 million which has been adjusted in the accounts. For all other properties there have been small immaterial movements in value in the year and these have therefore not been updated in the financial statements.

The bus depots that were purchased in 2024/25 and 2023/24 have had a full revaluation in the year by Leslie Roberts & Co Limited. There was one material movement in the year which resulted in a downwards revaluation of a depot. The revaluation loss of £6.4m was posted to the bus franchising expenditure line in the CIES.

A number of surplus properties were identified in 2015/16 and in accordance with the code were revalued at fair value. The fair value for the properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

In estimating the fair value of TfGM's surplus properties, the highest and best use of the properties is their current use. These were revalued in 2024/25, however due to the value of the properties and the minimal movements the changes in valuations have not been updated in the financial statements.

All valuations were carried out by Leslie Roberts & Co Limited, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. TfGM's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

c) Assets under Construction

The value of assets under construction and the financial movements within this area are provided in Note 10a.

The main items of capital expenditure in the year related to amounts expended on the Metrolink Renewals and Enhancements Programme, the purchase and electrification of bus depots, bus shelters and 72 new buses. Other items of capital expenditure related to upgrading the existing Metrolink network; and a number of other schemes including rail station improvements.

Financing of the expenditure is from capital grants. Capital grants receivable in the year were receivable from the GMCA.

At 31 March 2025, the amount of grants received in advance of payments made in respect of expenditure on capital projects and held within the Unapplied Grants Account was £0.35 million (£2.38 million at 31 March 2024).

The value of grants held against assets under construction and as deferred grants held against fixed assets are reported within the Capital Adjustment Account. The Capital Adjustment Account is included with the Unusable reserves within the balance sheet.

d) Net gain / (loss) on disposal of property, plant, and equipment and intangible assets

The reported gain or loss on disposal of fixed assets is calculated with reference to both the carrying value of the assets themselves, and the write-back of any unamortised grant outstanding. In relation to the gain / (loss) made during the year, this can be analysed as follows:

	2024/25 £000	2023/24 £000
Net proceeds from sale of assets	224	979
Disposal costs written off	-	(9)
De-recognition of carrying values of assets	(8,241)	(2,664)
Gain / (loss) on disposal of property, plant and equipment per Comprehensive Income and Expenditure Statement	**(8,017)**	**(1,694)**
De-recognition of carrying values of associated grants	7,928	2,574
	(89)	**880**

11 Right of use assets

In 2024/2025, TfGM has applied IFRS 16 Leases as adopted by the CIPFA Code of Accounting Practice. The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as liability), a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/2025 and not by adjusting prior year figures. The details of the changes in accounting policies and transitional provisions are disclosed below.

Definition of a lease

On transition to IFRS 16, TfGM were required to apply the practical expedient not to reassess whether a contract is, or contains, a lease at 1 April 2024, except in relation to leases for nil consideration and housing tenancies. It has applied IFRS 16 only to contracts that were previously identified as leases under IAS 17 and IFRIC 4.

As a lessee

As a lessee, TfGM previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to TfGM. Under IFRS 16, TfGM recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

TfGM were required to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. TfGM recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

i. Leases classified as operating leases under IAS 17

TfGM used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by TfGM's incremental borrowing rate at that date
- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics
- The weighted average of the incremental borrowing rates used to discount liabilities was 4.82 %
- Right-of use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- All leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 balance sheet
- For right-of-use assets for peppercorn or nominal lease payments a right-of use asset has been recognised at fair value on 1 April 2024 with the difference between the fair value and the lease liability credited as a gain in the surplus/deficit on the provision of services.

Application of the Code's adaptation of IFRS16 has resulted in the following additions to the balance sheet at 1 April 2024:

- £79,780k Property, plant and equipment – land and buildings (right-of-use assets)
- £41,874k Non-current creditors (lease liabilities)
- £10,738k Current creditors (lease liabilities)

The newly recognised leases liabilities of £79,779k compare with the operating lease commitments of £56.4* million at 31 March 2024 disclosed in the notes to the 31 March 2024 financial statements. When these are discounted to their present value of £56,612k (using the incremental borrowing rate at 1 April 2024), there is a difference of £23,167k from the newly recognised lease liabilities. This is explained by the fact that there have been significant new leases in the year for Tranche 3 buses and depots, along with further bus leases for Tranche 1 and 2.

*Note the prior period operating lease commitment has been adjusted due to a prior period error to reflect the estimated future payment of buses under the bus franchising contracts that have been treated as a right of use asset in the 2024/25 financial statements. In 2023/24 the future operating lease commitment was £10.7m and has now increased to £55.3m following the addition of the buses that were in operation at 31 March 2024.

ii. Leases classified as finance leases under IAS 17

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 April 2024 are determined at the carrying amount of the lease asset and lease liability under IAS 17 at 31 March 2024.

As a lessor

TfGM is not required to make any adjustment on transition to IFRS 16 for leases in which it acts as a lessor, except for authorities acting as an intermediate lessor (subletting an asset it has acquired under a lease), or where TfGM is party to a lease for nil consideration.

TfGM was not party to any sublease arrangements as lessor as at 1 April 2024

As at 1 April 2024 the Authority was not party to as lessor to lease for nil consideration "

Sale-and-leaseback

TfGM purchased a number of buses for the commencement of Tranche 3 on behalf of the operator to ensure these were available for day one (5 January 2025). These were then sold to the operators for price paid. These were sold at the market rate so no gain or loss and therefore no impact on TfGM's financial statements. No adjustments or modifications were made to the buses that would impact the value from what TfGM originally paid. The operators are responsible for the on-going maintenance of the buses under the franchising contract. TfGM have ensured the price paid under the contract as part of the lease back under the franchising contract reflects the market value of the buses for the length of the franchise agreement.

TfGM as Lessee

Right of Use Assets

The table below shows the change in the value of right-of-use assets held under leases by the authority:

	Land and buildings £000	Vehicles, plant and equipment £000	Total £000
Transfer from operating leases	8,453	71,327	79,780
Recognition on transfer to IFRS16	6,994	-	-
Balance at 1 April 2024	**15,397**	**71,327**	**86,724**
Additions*	22,046	126,671	148,717
Revaluations	720	-	720
Depreciation and Amortisation	(1,226)	(24,915)	(26,141)
Disposals	-	(3)	(3)
Balance at 31 March 2025	**36,937**	**173,080**	**210,017**

*Note the additions in the year include a number of buses purchased in the year by the operators at their fair value. There is however not a corresponding liability as the buses were either grant funded in part or in full. A gain has therefore been recognised by TfGM.

Transactions under leases

The authority incurred the following expenses and cash flows in relation to leases:

	31 March 2025 £000	31 March 2024 £000
Comprehensive income and expenditure statement		
Interest expense on lease liabilities	3,350	-
Expense relating to exempt leases of low-value items	10	-
Cash payments for interest portion of lease liabilities	3,350	-
Instalment lease liability	10,738	-
Total cashflow for leases	**14,088**	-

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected payments):

	31 March 2025 £000	31 March 2024 £000
Less than one year	15,942	-
One to five years	44,475	-
More than five years	25,754	-
Total undiscounted liabilities	86,171	**-**

Nature of the leasing activities

Vehicles, plant and equipment: These assets mainly relate to the permitted bus fleet as part of the large and small franchise contracts. TfGM have undertaken a detailed review of the bus franchising contracts and determined that they have the right of use of the asset and ultimately control the use of the buses. These have been brought onto the balance sheet at the estimated cost using the information that TfGM have available. Buses that are not expected to be in use for more than a year have been excluded from the note. In addition some buses have been partly or wholly funded by third party grants and payments are therefore based on the reduced value of the buses or nil. These have been treated as non commercial leases.

Land and buildings: these assets primarily relate to land leases for transport sites that TfGM have built transport assets such as bus stations, interchanges and park and rides. Often these are at peppercorn rent as TfGM have invested capital costs on transport infrastructure and there are strict terms and conditions around the use of the land. Most of these have therefore been valued at £1. There are also a number of commercial land and buildings leased e.g. bus depots . The asset value and lease liability have been calculated using the commercial arrangements in place.

TfGM as Lessor

TfGM leases out land and buildings under operating leases and receive the following income:

	31 March 2025 £000	31 March 2024 £000
Operating lease income	1,920	1,018
Total lease income	1,920	1,018

12 Investment Properties

The following items of income and expense have been accounted for in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

	31 March 2025 £000	31 March 2024 £000
Rental income from investment property	549	194
Direct operating expenses arising from investment property	(167)	(57)
Net Gain/(Loss)	**382**	**137**

There are no restrictions on TfGM's ability to realise the value inherent in its investment property or on TfGM's right to the remittance of income and the proceeds of disposal. TfGM has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

	31 March 2025 £000	31 March 2024 £000
Balance at start of the year	17,963	1,470
Additions:		
Purchases*	(39)	16,493
Reclassification from surplus properties	160	
Net gains/losses from fair value adjustments	-	-
Balance at end of the year	**18,084**	**17,963**

*Note this is a negative transaction in the year due to a difference in the actual amount to the amount estimated in 2023/24.

Fair Value Hierarchy

Details of TfGM's investment properties and information about the fair value hierarchy as at 31 March 2025 and 2024 are as follows:

Recurring fair value using:	Other significant observable inputs (Level 2) £000s	Fair Value as at 31 March 2025 £000s
Residential (market rental) properties	1,255	1,255
Office units	-	-
Commercial units	16,829	16,669
Total	**18,084**	**17,924**

2023/24 Comparative Figures

Recurring fair value using:	Other significant observable inputs (Level 2) £000s	Fair Value as at 31 March 2024 £000s
Residential (market rental) properties	1,255	1,255
Office units	-	-
Commercial units	16,708	16,708
Total	**17,963**	**17,963**

Transfers between levels of the fair value hierarchy

There were no transfers between Levels 1 and 2 during the year.

Valuation techniques used to determine Level 2 fair values for investment properties

Significant observable inputs – Level 2:

The fair value for the residential properties (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Highest and best use of investment properties

In estimating the fair value of the authority's investment properties, the highest and best use of the properties is their current use.

Valuation techniques
There has been no change in the valuation techniques used during the year for investment properties

Valuation process for investment properties

The fair value of TfGM's investment property is usually measured annually at each reporting date. If the property has been purchased during the year at market rates these will initially be held at cost and revalued each year after. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. TfGM's valuation experts work closely with finance officers reporting on a regular basis regarding all valuation matters.

13 Investment Assets

Investments are reviewed to determine which category they should be classified as. The current investments have been deemed to fall within the fair value through other comprehensive income category. TfGM have made this irrevocable decision to account for fair value movements through other comprehensive income and expenditure. Fair value through other comprehensive income assets are initially measured and carried at fair value in line with fair value measurement set out in note 3.2.

Fair value of equity instruments designated at fair value through other comprehensive income include the following:

	31 March 2025 £000	31 March 2024 £000
Non-current assets		
Non-listed securities		
Mayfield Partnership Limited Partnership	2,994	2,125
TfGM Peel Wharfside 1 LLP	2,000	2,000
TfGM Peel Wharfside 2 LLP	325	325
	5,319	**4,450**

Note there has been an increase in valuation in Mayfield Partnerships of £0.869m in 2024/25 (2023/24: nil). There has been no other income, expenses, gains, or losses recognised in the provision of surpluses at 31 March 2025 and 31 March 2024 for any of the investments.

TfGM, Manchester City Council and London and Continental Railways Limited have formed the Mayfield Partnership Limited Partnership. The partnership is seeking to regenerate the former Mayfield Depot site near Piccadilly Station. Each party has pooled their existing land interests with a view to bringing forward significant development, employment, and business opportunities. Each party has contributed their existing land interests as set out in a Land Pooling Agreement dated 22 January 2015 which also sets out the equity participation, this is currently 10% for TfGM. This Partnership has then entered into a Limited Partnership, the Mayfield Development Partnership LP with the private sector development partner U And I Group Plc (a subsidiary of LandSec Plc). The Public Sector partners share of the scheme is 50% so TfGM 's interest is 5%, represented by a £2.1 million investment which includes TfGM's forecast future share in the investment return from the overall development.

In 2019/20 TfGM entered into an arrangement with Peel Group to form two joint venture vehicles; TfGM Peel Wharfside 1 LLP and TfGM Peel Wharfside 2 LLP. Each of TfGM and Peel Property (Partnerships) Limited (a company within the Peel group) hold membership interests in each of these limited liability partnerships. TfGM Peel Wharfside 1 LLP has been granted a long lease of the former 'Communisis' site, and TfGM Peel Wharfside 2 LLP has been granted a long lease of the site known as 'Wharfside' (each site is adjacent to the Metrolink Trafford Park Line). The manner in which these sites will be dealt with is being progressed between TfGM and Peel, in accordance with the agreed joint venture arrangements. The land was externally valued at fair value when entering into the joint venture arrangement. There has been no change in the use of the land or in local market values and therefore not deemed necessary to obtain an updated external valuation.

Fair values of financial assets
Some of the authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	31 March 2025 £000	31 March 2024 £000
Non-current assets				
Non-listed securities				
Mayfield Partnership Limited Partnership	Level 3	Discounted cash flow	2,994	2,125
TfGM Peel Wharfside 1 LLP	Level 2	Market value	2,000	2,000
TfGM Peel Wharfside 2 LLP	Level 2	Market value	325	325
			5,319	**4,450**

Equity shareholding in Mayfield Partnership Limited Partnership
TfGM's share in Mayfield Partnership LLP – the shares in this company are not traded in an active market and fair value of £2.9 million has been based on valuation techniques that are not based on observable current market transactions or available market data. The valuation has been prepared in accordance with the current UK national supplement (the RICS Red Book) published by the Royal Institution of Chartered Surveyors on the basis of the IFRS 13 definition of Fair Value. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation has been made based on an analysis of the Gross Development Value, cost inputs and timing assumptions has produced the estimated Market Value of the scheme.

14 Intangible Assets

TfGM accounts for certain items of software as intangible assets, to the extent that the software is not an integral part of a particular IT system and is therefore accounted for as part of the hardware item of property, plant, and equipment. The intangible assets include both purchased licenses and internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the authority. The useful lives assigned to the major software suites used by the authority range between 4 and 5 years.

The movement on intangible asset balances during the year is as follows:

Restated note for 2023/24	Total £000	Internally Generated Assets £000	Other Assets £000	Assets under construction £'000
Balance as at 31 March 2023	**18,681**	**3,155**	**3**	**15,523**
Additions:				
Internal development	11,035	-	-	11,035
Transfer from assets under construction	-	17,379	-	(17,379)
Amortisation for the period	(3,651)	(3,651)	-	-
Net carrying amount as at 31 March 2024	**26,065**	**16,883**	**3**	**9,179**
Comprising:				
Gross carrying amounts	45,830	35,819	832	9,179
Accumulated amortisation	(19,765)	(18,936)	(829)	-
At 31 March 2024 restated*	**26,065**	**16,883**	**3**	**9,179**

***** Note the 2023/24 disclosure has been updated due to a prior period error. The adjustment is to separate out assets under construction balances from the other asset categories. There has been no change in the total gross carrying amounts and accumulated depreciation. The balance at 31 March 2024 for internally generated assets has decreased from £22.0m to £16.9m and other assets have reduced from £4.1m to £0.003m. The movement in balances has all been included in assets under construction for £9.2m

	Total £000	Internally Generated Assets £000	Other Assets £000	Assets under construction £'000
Balance as at 31 March 2024	**26,065**	**16,883**	**3**	**9,179**
Additions:				
Internal development	10,201	-	-	10,201
Transfer from assets under construction	-	13,498	-	(13,498)
Disposals	(3,756)	(3,756)	-	-
Amortisation for the period	(4,941)	(4,941)	-	-
Amortisation on disposals	3,756	3,756	-	-
Net carrying amount as at 31 March 2025	**31,325**	**25,440**	**3**	**5,882**

	Total £000	Internally Generated Assets £000	Other Assets £000	Assets under construction £'000
Comprising:				
Gross carrying amounts	52,275	45,561	832	5,882
Accumulated amortisation	(20,950)	(20,121)	(829)	-
At 31 March 2025	**31,325**	**25,440**	**3**	**5,882**

The internally generated assets for 2024/25 and 2023/24 mainly relate to expenditure on the Bus Franchising Programmes.

15 Debtors

Short term debtors: amounts falling due within one year:

	31 March 2025 £000	31 March 2024 £000
Trade debtors	5,814	9,476
Amounts receivable from GMCA	24,993	57,570
Amounts due from group undertakings	175	257
Other debtors	27,076	10,064
Prepayments and accrued income	41,642	39,816
	99,700	**117,183**

Analysed between the following classes of debtors:

Central government bodies	25,666	12,033
Other local authorities	26,310	59,147
Other entities and individuals	47,724	46,003
	99,700	**117,183**

Trade debtors are non-interest bearing; are generally on terms of 30 days or less; and are shown net of any expected credit loss for impairment.

At 31 March 2025, trade debtors at a nominal value of £695,000 (*2024: £757,000*) were impaired. Movements in the expected credit loss for impairment of receivables were as follows:

	31 March 2025 £000	31 March 2024 £000
Opening expected credit loss	757	719
Charge for the year	207	445
Amounts written off	(35)	-
Unused amounts reversed	(234)	(407)
Closing expected credit loss	**695**	**757**

As at 31 March 2025, the ageing analysis of trade debtors net of the expected credit loss was as follows:

	Total £000	Neither overdue nor impaired £000	Past due but not impaired 1-30 days £000	31-60 days £000	61-90 days £000	91-120 days £000	over 120 days £000
31 March 2025	5,814	1,738	1,030	254	2,434	356	2
31 March 2024	9,476	3,657	4,944	117	283	471	4

16 Inventories

	Purchase of vehicles		Maintenance materials		Total	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Balance outstanding at the start of year	-	-	225	199	225	199
Purchase	81,211	35,214	224	173	81,435	35,387
Recognised as an expense in the year	(75,962)	(35,214)	(268)	(147)	(76,230)	(35,361)
Balance outstanding at year end	**5,249**	**-**	**181**	**225**	**5,430**	**225**

17 Cash and cash equivalents

	31 March 2025 £000	31 March 2024 £000
Cash at bank and in hand	845	856
Short term deposits with GMCA	1,032	5,137
	1,877	**5,993**

Surplus cash funds available to TfGM were deposited with the GMCA depending on the immediate cash requirements of TfGM and GMCA. GMCA earns variable period rates of interest, none of which is receivable by TfGM. Such amounts are shown as 'Short term deposits with GMCA' above.

18 Current Liabilities

	31 March 2025 £000	31 March 2024 £000
Short term creditors		
Trade creditors	32,272	9,220
Taxation and social security	1,688	1,547
Accruals for expenditure recognised	53,176	61,625
Deferred income	8,792	6,987
Amounts due to GMCA	3,523	12,696
Other creditors	6,997	8,385
	106,448	100,460
Provisions (note 19)	2,810	3,814
Short term borrowings (note 20)	165	10,911
	109,423	**115,185**

Analysed between the following classes of creditors:

Central government bodies	1,688	1,737
Other local authorities	3,649	12,803
Other entities and individuals	104,086	100,645
	109,423	**115,185**

Trade creditors are non-interest bearing and are generally on terms of 30 days or less.
For terms and conditions pertaining to related parties, refer to note 25.

19 Provisions

Provisions are established to meet liabilities or losses which are likely or certain to be incurred, but the amounts or timings are uncertain. Provisions during the year may be analysed as follows:

	Total	Insurance Excess	Capital Works	Onerous Leases
	£000	£000	£000	£000
At 1 April 2023	8,177	175	7,808	194
Arising during the year	1,009	305	704	-
Utilised during the year	(3,394)	-	(3,393)	(1)
Unused amounts reversed	(856)	(15)	(841)	-
At 31 March 2024	**4,936**	**465**	**4,278**	**193**

	Total	Insurance Excess	Capital Works	Onerous Leases
	£000	£000	£000	£000
At 1 April 2024	4,936	465	4,278	193
Arising during the year	176	-	176	-
Utilised during the year	(595)	-	(594)	(1)
Unused amounts reversed	(276)	(55)	(221)	-
At 31 March 2025	**4,241**	**410**	**3,639**	**192**

Below is the aged expectation of the utilisation of the provisions.

	Total	Less than 12 months	Greater than 12 months
	£000	£000	£000
At 31 March 2024			
Insurance Excess	465	300	165
Capital Works	4,278	3,513	765
Onerous Lease	193	1	192
	4,936	**3,814**	**1,122**
At 31 March 2025			
Insurance Excess	410	50	360
Capital Works	3,639	2,759	880
Onerous Lease	192	1	191
	4,241	**2,810**	**1,431**

The amounts provided above at 31 March 2025 are described below:

- Insurance excesses: Excesses on Public Liability claims, arising from minor accidents to the public, and Employers Liability claims for work related illnesses that were potentially incurred prior to the transfer of TfGM's bus operations following the implementation of the Transport Act 1985.

- Capital Works: Costs for works arising for land acquired in the ordinary course of delivering TfGM's capital programme, where the amount of payment is uncertain and there are contractual / legal obligations.
- Onerous lease: Future lease costs of a property held on a long term lease by TfGM.

20 Financial Instruments

Set out below is a comparison by class of the carrying amounts of TfGM's financial assets and financial liabilities that are carried in the financial statements in line with the IFRS 9 accounting standard:

	Carrying Amount		Fair Value	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Financial Assets:				
Held at fair value through Other Comprehensive Income				
Long term investments	5,319	4,450	5,319	4,450
Held at amortised cost				
Trade receivables	5,814	9,476	5,814	9,476
Amounts receivable from GMCA	24,993	57,570	24,993	57,570
Amounts due from group undertakings	175	258	175	258
Other debtors	14,609	25,302	14,609	25,302
Cash and cash equivalents	1,877	5,993	1,877	5,993
Financial Liabilities:				
Held at amortised cost				
Trade creditors	(95,970)	(91,927)	(95,970)	(91,927)
Loans and receivables: Interest bearing loans and borrowings:				
Fixed rate borrowings - due within one year				
Accrued Interest	(165)	(586)	(165)	(586)
PWLB debt	-	(10,325)	-	(10,337)
Fixed rate borrowings - due after one year				
Market debt	(8,431)	(22,469)	(9,715)	(25,267)

Fair Values

Fair value in IFRS 13 is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Assets and liabilities are carried at amortised cost where part of their carrying amount (as per the balance sheet) will either be written down or written up via the Comprehensive Income and Expenditure Statement over the term of the financial instrument.

For the purposes of the notes to the accounts, all assets and liabilities are given a fair value, although this is only shown in the balance sheet for long term investments. For many financial instruments the fair value will be the same as the outstanding principal amount, but for others there could be a significant difference.

The fair values of the following classes of financial instruments approximate their carrying amounts due to the short term maturities of these instruments:

- Trade receivables;

- Trade payables and accruals for expenditure recognised;
- Cash and short term deposits;
- Receivables from, and deposits with, GMCA; and
- Amounts due from group undertakings

The valuation technique for long term investments is level 2 – significant observable inputs. There have been no changes in valuation technique during the financial year.

Long term receivables have been evaluated based on collectability risk.

Loans and Borrowings

- For non-PWLB loans payable, the fair value of the current and long term debt has been measured at £9.715 million (2023/24: £25.267 million) using premature repayment rates. These are the rates that would apply if the loan was to be repaid early and is deemed to be the principal market for the current debt. A supplementary measure of the fair value using current market rates is £8.195 million (2023/24: £22.662 million).
- All PWLB loans were repaid in 2024/25. The fair value of Public Works Loan Board (PWLB) loans in 2023/24 of £10.337 million measures the economic effect of the terms agreed with the PWLB based on premature repayment rates. This is deemed to be the principal market for the PWLB loan debt. The difference between the carrying amount and the fair value measures the reduced interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at premature repayment rates.
- However, TfGM has a continuing ability to borrow at concessionary rates from the PWLB via the GMCA rather than from the markets. A supplementary measure of the additional interest that TfGM will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of the loans held at 31 March 2024 of £10.325 million would be valued at £10.314million. But, if the authority were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid. The exit price for the PWLB loans would be £0.012 million. As above TfGM had no PWLB loans at 31 March 2025.
- The valuation techniques used for PWLB and non PWLB debt are at level 2 – significant observable inputs. There have been no changes in valuation technique during the financial year.
- The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value, which includes accrued interest as at the balance sheet date. TfGM has therefore included accrued interest in the fair value calculation.
- The discount rates used for the evaluation were obtained by GMCA from Link Asset Services (formally Capita). Link Asset Group is a leading and independent provider of capital financing, treasury advisory and strategic advisory consulting services to the public sector.
- Assumptions used, which do not have a material effect on the fair value evaluation are: interest is calculated using a 365 day basis; interest is paid on the maturity date; no adjustment is made to the interest value and date where a relevant date occurs on a non-working day.
- The repayment profile of loans and borrowings is taken into account during the TfGM's preparation and review of cash flow forecasts which are carried out on a regular basis.
- Public Works Loan Board loans were taken out to assist with the completion of Metrolink phase 2. The loans were taken out from 1997 to 2000 for a period of approximately 25 years and were repaid in full during and 2024. They are secured by Statute on all revenues.
- DePfa ACS bank loans were taken out in 2002 for 15 and 20 years. The loans taken out for 15 years have been fully repaid, whilst the loans taken out for 20 years were fully repaid in 2022. They were secured by Statute on all revenues.
- The remaining Dexia Credit loans was taken out in 2004 for 31 years and is repayable in full by 2035 and are secured by Statute on all revenues

	Effective Interest Rate %	Maturity	31 March 2025 £000	31 March 2024 £000
Current:				
Accrued interest on all loans			165	586
Public Works Loan Board re Metrolink phase 2 - b	4.75%	May 2024	-	1,208
Public Works Loan Board re Metrolink phase 2 - c	4.75%	May 2024	-	6,237
Public Works Loan Board re Metrolink phase 2 - d	5.00%	Nov 2024	-	2,880
			165	10,911

	Effective Interest Rate %	Maturity	31 March 2025 £000	31 March 2024 £000
Non-current:				
Dexia Credit Local - London Branch - a	4.75%	May 2032	-	7,000
Dexia Credit Local - London Branch - c	4.80%	May 2034	-	7,000
Dexia Credit Local - London Branch - d	5.95%	May 2035	8,000	8,000
Accrued interest for stepped LOBO loan - Dexia d	5.95%	2013-35	431	469
			8,431	22,469
Total Loans and borrowings			**8,596**	**33,380**
Instalments are payable as follows:				
Within 1 year or repayable on demand			165	10,911
Within 1 to 2 years			-	-
Within 2 to 5 years			-	-
Within 5 to 10 years			-	7,000
Longer than 10 years			8,431	15,469
			8,596	**33,380**

Risk Factors

TfGM's activities expose it to a variety of financial risks, the key risks are:

- Credit Risk – the possibility that other parties might fail to pay amounts due to TfGM;
- Liquidity Risk – the possibility that TfGM might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that TfGM might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- Market Risk – the possibility that financial loss might arise for TfGM as a result of changes in such measures as interest rates or stock market movements.

Management of TfGM's cash balances and funding requirements is undertaken by the daily assessment of available funds for short-term deposits; and the regular preparation of detailed treasury and cash flow forecasts which are reviewed by the Head of Finance and the Director of Finance and Corporate Services. Where necessary, mitigating actions are taken and agreement is sought from GMCA officers if further funding is required to cover, for example, short term cash flow requirements arising from the timing difference between expenditure and grant monies being applied for and received.

Currency risk is not a significant factor for TfGM, as it ensures that substantially all financial assets and liabilities are contracted for in sterling. The value of contracts denominated in Euros is not material.

Equity price risk is not a factor for TfGM since it holds no tradable investments.

Credit risk

GMCA undertake all new borrowings and placing of investments on behalf of TfGM, there is an element of inherent credit risk in respect of these. This is managed in accordance with the policies and procedures set out in the accounts of GMCA and they therefore manage the credit risk in relation to borrowings and investments.

TfGM's debtors primarily relate to GMCA, other Local Authorities and Bus and Metrolink operators. For other debtors TfGM carries out credit assessments of all new customers before contracting with them. A prudent view is taken in respect of impairment of trade debtors as referred to in note 15.

Liquidity risk

TfGM manages its liquidity risk through a comprehensive cashflow management system to ensure that cash is available as needed. As stated above GMCA invest all excess cash on behalf of TfGM and manage the cash flow across the group. Where required, short term funding for working capital is provided by GMCA at zero interest cost to TfGM. The approach to managing liquidity risk across the group is set out in the accounts of GMCA.

TfGM has £8.0m (2023/24: £22.0m) lender option borrower option (LOBO) loans. These have fixed rates of interest, but the lender may seek to increase interest rates at which point TfGM has the option to repay the loan. As there is no certainty as to whether these loans will be repaid early, TfGM has treated them as fixed loans which will run to maturity. In forming this judgement TfGM has taken account of its ability to refinance through PWLB.

Market Risk

TfGM is exposed to interest rate movements on its borrowings. Movements in interest rates are limited to fixed interest rates on its borrowings. For example a rise in interest rates will result in the fair value of the borrowing liability falling. Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Deficit / (Surplus) on the Provision of Services or Other Comprehensive Income and Expenditure.

21 Reconciliation of liabilities arising from financing activities

	2024/25 1 April	Financing cash flows	Changes which are not financing cashflows		2024/25 31 March
	£000	£000	Acquisition £000	Other non-financing cash flows £000	£000
Long-term borrowings	22,469	(14,000)		(38)	8,431
Short-term borrowings	10,911	(10,746)	-	-	165
Lease liabilities	-	-	68,479	-	68,479
Total liabilities from financing activities	**33,380**	**(24,746)**	**68,479**	**(38)**	**77,075**

	2024/25 1 April	Financing cash flows	Changes which are not financing cashflows		2024/25 31 March
	£000	£000	Acquisition £000	Other non-financing cash flows £000	£000
Long-term borrowings	39,328	(6,500)	-	(10,359)	22,469
Short-term borrowings	7,857	(7,271)		10,325	10,911
Lease liabilities	-	-	-	-	-
Total liabilities from financing activities	47,185	(13,771)	-	(34)	33,380

22 Employee Benefits - Pension Costs

The substantial majority of the employees of TfGM participate in the Local Government Pension Fund Scheme (LGPS) which is administered by Greater Manchester Pension Fund ('the Fund') whose administrating authority is Tameside Metropolitan Borough Council. The scheme is a defined benefit scheme. The fund was valued using the projected unit method. The purpose of the valuation was to determine the financial position of the fund and to recommend the contribution rate to be paid by TfGM and the other participating employers.

A full actuarial valuation was carried out at 31 March 2022 by a qualified independent actuary. The market value of the Fund's assets at 31 March 2022 amounted to £29,324 million. The funding level of the Fund as measured using the actuarial method of valuation was 104% as at 31 March 2022.

The principal long term assumptions used by the actuary at that date were:

Rate of increase in salaries	3.7% per annum
Discount rate	3.6% per annum
Inflation assumption	2.9% per annum

TfGM's share of pension fund assets are valued annually and recognised at fair value. The pension fund liabilities are rolled forward, by the actuary, from the latest formal valuation date. The roll forward amount is then adjusted for remeasurement gains and losses, contributions from participants and estimated benefits paid from the fund by TfGM and its employees. As such this estimate may differ significantly from the actual liabilities held by the Pension Fund at 31 March.

The valuation has projected the valuation results of the full valuation undertaken as at 31 March 2023 forward to 31 March 2025 using approximate methods. The roll-forward allows for changes in financial assumptions, additional benefit accrual and estimated cash flows over the period.

TfGM recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge TfGM are required to make against Usable Reserves is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the Revenue Reserve via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Usable Reserves balance via the Movement in Reserves Statement during the year:

The pension costs of TfGM, representing the contributions payable to the Fund in respect of current employees, are charged to the revenue account in the year in which they are incurred.

In June 2011, the International Accounting Standards Board (IASB) issued an updated version of IAS19. The key change is that the interest cost and expected return on assets components of profit are now combined into a net figure. In effect this means that the expected return has been replaced by a figure that would be applicable if the expected return on assets was equal to the discount rate.

This has involved removing some disclosure requirements but new requirements have been added. The information below complies with the new disclosure requirements.

	Local Government Pension Scheme	
	2024/25	2023/24
	£000	£000
Comprehensive Income and Expenditure statement		
Cost of Services:		
Service cost comprising:		
Current service cost	(8,369)	(8,747)
Past service costs	(1,150)	(2,171)
Financing and Investment Income and Expenditure		
Net interest (expense) / income	(623)	(635)
Total Post-employment Benefits charged to the Surplus on the provision of services	**(10,142)**	**(11,553)**
Remeasurement of the net defined (liability) / benefit comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(9,272)	6,735
Actuarial gains and losses arising on changes in demographic assumptions	606	2,287
Actuarial gains and losses arising on changes in financial assumptions	53,300	15,398
Other experience	3,508	(11,703)
Changes in the effect of the asset ceiling	(49,048)	(13,414)
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure statement	**(906)**	**(697)**
Movement in reserves statement		
Reversal of net charges made to the Surplus on the provision of services for post-employment benefits in accordance with the Code	10,142	11,553
Actual amount charged against the Usable Reserves Balance for pensions in the year:		
Employer's contributions payable to scheme	11,906	11,327
Retirement benefits payable to pensioners	(18,833)	(19,628)

Pension assets and liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from TfGM's obligation in respect of its defined benefit plans is as follows:

	Local Government Pension Scheme	
	31 March 2025	31 March 2024
	£000	£000
Present value of the defined benefit obligation	(302,388)	(348,838)
Fair value of plan assets	407,701	400,404
Asset ceiling adjustment	(118,272)	(66,053)
Net asset / (liability) arising from the defined benefit obligation	**(12,959)**	**(14,487)**

Reconciliation of the Movements in the Fair Value of the Scheme

	Local Government Pension Scheme	
	31 March 2025	31 March 2024
	£000	£000
Opening value of the scheme assets	400,404	380,570
Effect of settlements		
Interest income	19,158	17,963
Remeasurement loss:		
The return on plan assets, excluding the amount included in the net interest expense	(9,272)	6,735
Other experience gains/(losses)		
Contributions from employer	11,906	10,699
Contributions from employees into the scheme	4,338	4,065
Contributions in respect of unfunded benefits	-	-
Benefits paid	(18,833)	(19,628)
Closing value of scheme assets	**407,701**	**400,404**

Reconciliation of Present Value of the Scheme Liabilities

	Funded liabilities: Local Government Pension Scheme	
	31 March 2025 £000	31 March 2024 £000
Opening balance at 1 April	348,838	343,882
Effect of settlements	-	-
Current service cost*	8,369	8,747
Interest cost	16,610	16,211
Contributions from scheme participants	4,338	4,065
Remeasurement gains / (losses)		
Actuarial gains/losses arising from changes in financial assumptions	(53,300)	(15,398)
Actuarial gains/losses arising from changes in demographic assumptions	(606)	(2,287)
Other experience	(3,508)	11,703
Past service cost	1,150	2,171
Contributions for unfunded benefits	(670)	(628)
Benefits paid	(18,833)	(19,628)
Closing balance at 31 March**	**302,388**	**348,838**

*The current service cost includes an allowance for administration expenses of 0.3% (2024: 0.3%) of payroll.

** The closing liability includes £4.2 million of unfunded liabilities (2024: £4.8 million).

Impact of the Asset Ceiling Adjustment

Following the pensions valuation by TfGM's actuary, Hymans Robertson LLP, TfGM determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31 March 2025 resulting in a pension plan asset.
IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. TfGM's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions.

TfGM has therefore limited the Pension asset recognised in its balance sheet to the asset ceiling. The remaining represents the unfunded liabilities which are not included in the asset ceiling adjustment and an additional liability has arisen because of a requirement to make future positive secondary contributions in respect of past service cost. The adjustment has been recognised within other comprehensive income and expenditure of the CIES.

	Local Government Pension Scheme	
	31 March 2025 £000	31 March 2024 £000
Opening value of the asset ceiling adjustment	(66,053)	(50,252)
Interest on the effect of the asset ceiling	(3,171)	(2,387)
Changes in the effect of the asset ceiling	(49,048)	(13,414)
Closing position as at 31 March 2025	**(118,272)**	**(66,053)**

Local Government Pension Scheme assets comprised:

	Local Government Pension Scheme			
	Quoted prices in active markets 31 March 2025 £000	Quoted prices not in active markets 31 March 2025 £000	Quoted prices in active markets 31 March 2024 £000	Quoted prices not in active markets 31 March 2024 £000
Cash and cash equivalents	11,897	-	8,765	-
Equity instruments				
Consumer	16,881	-	17,477	-
Manufacturing	12,719	-	15,959	-
Energy and utilities	14,024	-	15,588	-
Financial institutions	21,410	-	24,502	-
Health and care	11,971	-	14,433	-
Information technology	14,224	-	15,056	-
Other	3,590	-	3,233	-
Sub-total equity	94,819	-	106,248	-
Bonds:				
By sector				
Corporate	120,263	-	100,156	-
Government	11,239	-	7,646	-
Other	10,086	-	9,010	-
Sub-total bonds	141,588	-	116,812	-
Property:				
UK property	-	13,575	-	11,689
Private equity	-	16,805	-	19,786
Investment funds and unit trusts				
Equities	11,413	-	13,498	-
Bonds	26,493	-	28,940	-
Infrastructure	-	22,059	-	24,479
Other	34,400	34,242	28,995	41,192
Sub-total other investment funds	72,306	56,301	71,433	65,671
Derivatives:				
Other	410	-	-	-
Total assets	**321,020**	**86,681**	**303,258**	**97,146**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, rates of inflation and discount rates.

The Local Government Pension Scheme liability has been estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Greater Manchester Pension Fund being based on the latest full valuation of the scheme as at 31 March 2022. The significant assumptions used by the actuary have been:

	Local Government Pension Scheme	
	31 March 2025	**31 March 2024**
Mortality assumptions		
Longevity at 65 for current pensioners		
Men	18.8 years	18.8 years
Women	21.9 years	22.0 years
Longevity at 65 for future pensioners		
Men	22.1 years	22.2 years
Women	25.1 years	25.2 years
Rate of inflation		
Rate of increase in salaries	3.60%	3.60%
Rate of increase in pensions	2.80%	2.80%
Rate for discounting scheme liabilities	5.80%	4.80%

The return on the Employers' portion of the main fund assets for the year to 31 March 2025 is 3.9% (2024: 7.2%).

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	Impact on the Defined Benefit Obligation in the scheme			
	2024/25		2023/24	
	Approximate % increase to Employer	**Approximate monetary amount £000**	**Approximate % increase to Employer**	**Approximate monetary amount £000**
Rate of increase in salaries (increase or decrease by 0.1%)	0%	165	2%	6,293
Rate of increase in pensions (increase or decrease by 0.1%)	2%	4,487	2%	5,360
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	2%	4,652	2%	5,916

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, it is estimated that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5% (2024: 3-5%). In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply to younger or older ages).

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. TfGM has agreed a strategy with the scheme's actuary to achieve a funding level of 100%. Funding levels are monitored on an annual basis. The last triennial valuation was completed as at 31 March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the previous Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

TfGM anticipates paying £11,621,000 (2024/25: £10,699,000) in expected contributions to the scheme in 2025/26.

The following table shows the weighted average duration of the key assumptions for Greater Manchester Pension Fund liabilities:

Weighted Average Duration

	Short 31 March 2025 % p.a.	**Medium 31 March 2025 % p.a.**	**Long 31 March 2025 % p.a.**
Pension increase rate	2.80%	2,75%	2.70%
Retail Price Inflation (RPI)	3.15%	3.05%	2.95%
Discount rate	5.80%	5.80%	5.85%

	Short 31 March 2024 % p.a.	**Medium 31 March 2024 % p.a.**	**Long 31 March 2024 % p.a.**
Pension increase rate	2.80%	2.75%	2.75%
Retail Price Inflation (RPI)	3.20%	3.10%	3.05%
Discount rate	4.80%	4.85%	4.85%

23 Reserves

Usable Reserves

The usable reserves relate to Revenue Reserves and the Unapplied Capital and Revenue Grants and Contributions Accounts.

Unusable Reserves

Unusable reserves comprise Corporate Capital Reserve, Revaluation Reserve, Pension Reserve, Deregulation Reserve and Deferred Capital Receipts Account.

Corporate Capital Reserve

This primarily relates to the reserves of the entities from which the Greater Manchester Passenger Transport Executive (GMPTE) was formed. On 1 April 2011 GMPTE was renamed Transport for Greater Manchester (TfGM).

Revaluation Reserve

The Revaluation Reserve contains the gains made by TfGM arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation, or;
- disposed of and the gains are realised.

Pension Reserve

This relates to the net pension liability at 31 March 2025 in accordance with the actuary's report. Further details are shown in Note 21.

Deregulation Reserve

The reserve represents the costs relating to the transfer of Greater Manchester Passenger Transport Executive's bus operations to Greater Manchester Buses Limited following the implementation of the Transport Act 1985. As required by the Act, and in accordance with the transfer scheme, which was approved by the Secretary of State for Transport, GMPTE transferred its bus operation activities and certain of its assets and liabilities to this new company. The Deregulation Reserve represents payments and losses incurred by GMPTE with respect to deregulation on 25 October 1986, which were not charged to profit and loss. On 1 April 2011, under a parliamentary order, Statutory Instrument 2011 number 908 The Greater Manchester Combined Authority Order 2011 article 9(2), GMPTE changed its name to TfGM.

Although there is no legal requirement to amortise this reserve, TfGM acknowledges the prudence of taking steps to reduce the levels of ongoing borrowing by which the deregulation was originally funded. To this end, TfGM commenced transferring the Deregulation Reserve to the Revenue Reserve from 2006 over a period of 30 years. The amount of capital being amortised will increase in future years as interest on the loans supporting the reserve reduces.

Capital Adjustment Account

The Capital Adjustment Account represents the value of capital grants received, which are not subject to conditions which may give rise to repayment thereof, less the amortisation of grants in line with the write off of equivalent depreciation on the value of assets that were supported by the grants.

Analysis of Movement in reserves:

2023/24	Usable Reserves				Unusable Reserves						Total Reserves
	Revenue Reserves £000	Unapplied Revenue Grants and Contributions Account £000	Unapplied Capital Grants and Contributions Account £000	Total Usable Reserves £000	Corporate Capital £000	Revaluation Reserve £000	Pension Reserve £000	De-regulation Reserve £000	Capital Adjustment Account £000	Total Unusable Reserves £000	£000
At 31 March 2023	**47,251**	**314**	**570**	**48,135**	**2,461**	**6,624**	**(13,564)**	**(37,263)**	**1,967,520**	**1,925,778**	**1,973,913**
Surplus on provision of services	55,676	-	-	55,676	-		-	-	-	-	55,676
Other comprehensive income and expenditure	-	-	-	-		-	(697)	-	-	(697)	(697)
Adjustments between accounting basis and funding basis under regulations											
Depreciation on assets funded by capital grants	86,345	-	-	86,345	-	-	-	-	(86,345)	(86,345)	-
Capital grants released (disposals)	2,574	-	-	2,574	-	-	-	-	(2,574)	(2,574)	-
Capital grants applied	(144,098)	-	1,812	(142,286)	-	-	-	-	142,286	142,286	-
Pension contributions by employer	(11,327)	-	-	(11,327)	-	-	11,327	-	-	11,327	-
Pension cost of service	10,918	-	-	10,918	-	-	(10,918)	-	-	(10,918)	-
Pension finance costs	635	-	-	635	-	-	(635)	-	-	(635)	-
	(54,953)	-	1,812	(53,141)	-	-	(226)	-	53,367	53,141	-
Net increase / (decrease) before transfers to earmarked reserves	723	-	1,812	2,535	-	-	(923)	-	53,367	52,444	54,979
Transfer from Revaluation Reserve	309	-	-	309	-	(309)	-	-	-	(309)	-
Transfer to Deregulation Reserve	(3,200)	-	-	(3,200)	-	-	-	3,200	-	3,200	-
Increase / (decrease) in 2023/24	(2,168)	-	1,812	(356)	-	(309)	(923)	3,200	53,367	55,335	54,979
At 31 March 2024	**45,083**	**314**	**2,382**	**47,779**	**2,461**	**6,315**	**(14,487)**	**(34,063)**	**2,020,887**	**1,981,113**	**2,028,892**

2024/25	Usable Reserves				Unusable Reserves						Total Reserves
	Revenue Reserves £000	Unapplied Revenue Grants and Contributions Account £000	Unapplied Capital Grants and Contributions Account £000	Total Usable Reserves £000	Corporate Capital £000	Revaluation Reserve £000	Pension Reserve £000	De-regulation Reserve £000	Capital Adjustment Account £000	Total Unusable Reserves £000	£000
At 31 March 2024	**45,083**	**314**	**2,382**	**47,779**	**2,461**	**6,315**	**(14,487)**	**(34,063)**	**2,020,887**	**1,981,113**	**2,028,892**
Surplus on provision of services	118,873	-	-	118,873	-	-	-	-	-	-	118,873
Other comprehensive income and expenditure	-	-	-	-	-	4,938	(906)	-	-	4,032	4,032
Comprehensive income and expenditure	118,873	-	-	118,873	-	4,938	(906)	-	-	4,032	122,905
Adjustments between accounting basis and funding basis under regulations											
Depreciation on assets funded by capital grants)	96,067	-	-	96,067	-	-	-	-	(96,067)	(96,067)	-
Capital grants released	7,928	-	-	7,928	-	-	-	-	(7,928)	(7,928)	-
Capital grants released	6,452	-	-	6,452	-	-	-	-	(6,452)	(6,452)	
Capital grants applied	(140,108)	-	(2,035)	(142,143)	-	-	-	-	142,143	142,143	-
Gain on non-commercial leases	(99,794)	-	-	(99,794)	-	-	-	-	99,794	99,794	-
Release of gain on non-commercial leases	11,334	-	-	11,334	-	-	-	-	(11,334)	(11,334)	-
Pension contributions by employer	(12,576)	-	-	(12,576)	-	-	12,576	-	-	12,576	-
Pension cost of service	9,519	-	-	9,519	-	-	(9,519)	-	-	(9,519)	-
Pension finance costs	623	-	-	623	-	-	(623)	-	-	(623)	-
	(120,555)	-	(2,035)	(122,590)	-	-	2,434	-	120,156	122,590	-
	(1,682)	-	(2,035)	(3,717)	-	4,938	1,528	-	120,156	126,622	122,905
Transfer from Revaluation	264	-	-	264	-	(264)	-	-	-	(264)	
Transfer to Deregulation Reserve	(3,015)	-	-	(3,015)	-	-	-	3,015	-	3,015	-
Increase / (decrease) in 2024/25	(4,433)	-	(2,035)	(6,468)	-	4,674	1,528	3,015	120,156	129,372	122,905
At 31 March 2025	**40,650**	**314**	**347**	**41,311**	**2,461**	**10,989**	**(12,959)**	**(31,048)**	**2,141,042**	**2, 110,486**	**2,151,797**

24 Agency Services

Bus Services Operator Grant

The Bus Services Operator Grant (BSOG) is a grant paid to operators of eligible bus services and community transport organisations to help them recover some fuel costs. The amount each bus operator receives is based on their annual fuel consumption. In 2017/18 the funding was devolved to TfGM via GMCA to reimburse Greater Manchester non franchised bus operators in line with the national scheme.

Clean Air

As Operating Body, TfGM is responsible for the implementation and management of the GM Clean Air Plan.

Although TfGM has discretion over how the service is managed, the outputs have been agreed with the 10 districts and the GMCA through the funding and Business Case mechanism, in addition to the Local Authorities authorising TfGM (via the delegation of executive functions of this kind by the 10 GM authorities governed by the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 (the 2012 Regulations)) to act in a coordinating and delivery role. As such, TfGM does not have any of the associated risks or rewards of the scheme.

Passenger transport facilities

TfGM receive grant funding for capital schemes with regards to assets they do not own. TfGM also do not have any risks and rewards of the contracted spend. The grant funding received and expenditure incurred are therefore treated as an agency transaction in the financial statements. The main expenditure in 2024/25 is in relation to funding of zero emissions buses. TfGM have passed on funding to operators to either fund part of or all of the purchase price of the new zero emission buses. The operators placed the order for the new zero emission buses and are also the legal owners.

25 Related party disclosures

a) Group companies

These financial statements include the financial statements of TfGM only. TfGM has the following interests in other companies but these have not been consolidated on the basis of materiality:

Name of Company	Equity Interest	Nature of business
Transport for Greater Manchester Limited	100%	Non-trading dormant company

TfGM and Manchester City Council are partners in Piccadilly Triangle Developments LLP (PTD LLP). TfGM has a 50% share of PTD LLP. This partnership is for the development of an area of land in Manchester, which commenced in May 2005. PTD LLP made a profit during the year of £680,000 (*2024* £660,000).

TfGM, Manchester City Council and London and Continental Railways Limited have formed the Mayfield Partnership Limited Partnership. The partnership is seeking to regenerate the former Mayfield Depot site situated near Piccadilly Station. Each party has pooled their existing land interests with a view to bringing forward significant development, employment, and business opportunities. Each party has contributed their existing land interests as set out in a Land Pooling Agreement dated 22 January 2015 which also sets out the equity participation, this is currently 10% for TfGM. This Partnership has then entered into a Limited Partnership, the Mayfield Development Partnership LP with the private sector development partner U And I Group Plc.

In 2019/20 TfGM entered into an arrangement with Peel Group to form two joint venture vehicles; TfGM Peel Wharfside 1 LLP and TfGM Peel Wharfside 2 LLP. Each of TfGM and Peel Property (Partnerships) Limited (a company within the Peel group) hold membership interests in each of these limited liability partnerships. TfGM Peel Wharfside 1 LLP has been granted a long lease of the former 'Communisis' site, and TfGM Peel Wharfside 2 LLP has been granted a long lease of the site known as 'Wharfside' (each site is adjacent to the Metrolink Trafford Park Line). The manner in which these sites will be dealt with is being progressed between TfGM and Peel, in accordance with the agreed joint venture arrangements.

In addition to the entities named above and PTD LLP, the directors regard GMCA as a related party.

b) Greater Manchester Combined Authority

Greater Manchester Combined Authority (GMCA) is the ultimate controlling party, by virtue of its ability to direct the financial and operating policies of TfGM. Additionally, the Chief Executive of GMCA is also the Chief Executive of TfGM and the Treasurer of GMCA is a Non Executive Director of TfGM. A summary of the transactions with GMCA has been provided below.

The following entities are consolidated within the GMCA group accounts; the Chief Constable of Greater Manchester, NW Evergreen Holdings Limited Partnership, Greater Manchester Evergreen 2 Limited Partnership and Greater Manchester Fund of Funds Limited Partnership. No transactions took place between TfGM and any of these entities. There are various other group entities within the GMCA group and the only transaction that took place in the year were with Greater Manchester Accessible Transport Limited (GMATL). These transactions have been included in the summary provided below.

c) Greater Manchester Pension Fund

In line with the definition of a related party in the code of practice, any entity that is a post-employment benefit plan for the benefit of employees of the reporting entity is to be disclosed. Under this basis, Greater Manchester Pension Fund are a related party. For more details of associated transactions please see note 19.

d) General

A summary of the transactions in the year, and the balances outstanding at the end of the year, in respect of related parties, is contained within the following table:

	Transactions during year		Balances at 31 March	
	Income from £000	Expenditure with £000	Receivable from £000	Payable to £000
GMCA – grant / sales related 2025 (notes 15 and 18)	493,789	1,690	24,993	3,524
GMCA – grant / sales related 2024 (notes 15 and 18)	492,050	1,448	57,570	12,696
GMCA - short term deposits 2024	-	-	1,032	-
GMCA - short term deposits 2024	-	-	5,137	-
GMATL 2025	27	3,489	17	-
GMATL 2024	28	3,442	8	-
Piccadilly Triangle Developments 2025	336	-	175	-
Piccadilly Triangle Developments 2024	347	-	258	-

Further details of TfGM's relationship with, and the grants received from GMCA are contained within the Directors' report. Outstanding balances as at 31 March are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received. No impairment of receivables has occurred during the year.

26 Commitments

	31 March 2025	31 March 2024
Capital commitments at balance sheet date	48,172	49,177

The key commitments for 2024/25 are in relation to the following projects:

- Metrolink Renewals / Enhancements £20.8m (2023/24: £16.2m). Renewals (£13.3m), Tram Enhancements (£5.1m), and Infrastructure improvements (£2.4m)
- Bus Franchising £6.7m (2023/24: £5.9m). Relates to hardware, installation and software for CCTV, Radio and Ticketing equipment across franchised bus services.
- Salford Central Station £5.8m (2023/24: £0.7m). Relates to station infrastructure improvement works at Salford Central Station
- Clean Air Plan £5.0m (2023/24: £3.2m).
- Zero-emission Buses and Electrification £2.9m (2023/24: £6.8m). Relates largely to the electric buses that have been ordered but not yet been delivered (£2.9m).

27 Contingent assets and liabilities

A contingent liability exists in relation to a claim received from a third party for damages. There are ongoing proceedings and liability is denied. Due to this, the final amount payable, if any, in relation to this claim is uncertain. The Directors consider that the provision of additional information could be prejudicial to its position in resolving this matter.

28 Post balance sheet events

On 16 June 2023, the High Court made a significant ruling in Virgin Media Ltd v NTL Pension Trustees II Ltd and others regarding the validity of amendments made to benefits in contracted-out pension schemes between 6 April 1997 and 6 April 2016. According to the judgement, any amendments to scheme benefits made during that period will be void unless the scheme actuary had confirmed at the time of the amendment that the pension scheme would continue to satisfy the statutory standard for contracted-out schemes. This is required by section 37 of the Pension Schemes Act 1993.

The High Court ruling was appealed but the Court of Appeal upheld the High Court's decision on 25 July 2024. This decision has raised uncertainty for pension schemes that were formerly contracted-out on a salary related basis between 1997 and 2016. However, on 5 June 2025 the Department for Work and Pensions announced that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

Therefore due to this and Government assurance that scheme obligations will otherwise be unaffected, no adjustments have been made to the financial statements for this year.

29 Prior period adjustment

A prior period adjustment has been made to the CIES. Depreciation was previously included in operational and other costs line within cost of services as this is how it is reported to management. Noting the majority is fully grant funded as shown in the EFA statement and notes. Depreciation has now been allocated to the relevant cost of service which has increased costs for Metrolink and Bus Franchised Services. Note there have been no chances to total expenditure and this is a re-classification only. See table below for movements as a result of the adjustment.

2023/24 restated				2023/24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
-178,095	93,788	-84,307	Metrolink	-105,534	93,788	-11,746
-61,770	29,503	-32,267	Bus Franchised Services	-59,322	29,503	-29,819
-143,591	41,278	-102,313	Operational and other costs	-218,600	41,278	-177,322
-383,456	**164,569**	**-218,887**	**Cost of services**	**-383,456**	**164,569**	**-218,887**

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