LONDON LEGACY DEVELOPMENT CORPORATION

ANNUAL REPORT AND ACCOUNTS

2023/24

STATEMENT OF UNAUDITED ACCOUNTS

Table of contents

Chair's foreword

The legacy left by the 2012 Olympic and Paralympic Games, and subsequently shaped by the dedicated team at London Legacy Development Corporation (LLDC), is universally regarded as the greatest ever seen.

It is a blueprint for future host cities and other regeneration projects around the world. In the last year alone LLDC has hosted fact-finding visits from Australia, France, Germany, India, Japan, Netherlands, Saudi Arabia, Singapore, South Korea and the USA. Three of these countries, France, USA and Australia, will host the Games over the next decade, and all have wanted to learn from London, and how what has happened here can shape their own legacy plans. The International Olympic Committee, too, remains heavily interested in our achievements, and it is no surprise given the many success stories there are.

Much has changed over the last twelve years, and now is the time for LLDC itself to undergo change. From 1 December 2024, LLDC will enter a new chapter when the planning powers return to the four Growth Boroughs of Newham, Hackney, Tower Hamlets and Waltham Forest, and the Mayoral Development Corporation area will reduce broadly in line with the boundary of Queen Elizabeth Olympic Park.

That will coincide with my own term ending in December after seven years. The next Chair will have the same privilege as me, to chair an exciting and vibrant project, and I am sure they will find it as rewarding as I have.

There are so many deeply fond memories I have of my time as LLDC Chair. From the opening of the London Blossom Garden, which was very poignant coming so close after Covid, to the celebration of the naming of Tessa Jowell Boulevard, where we recognised Tessa's life, and her unique and huge contribution to 2012.

Watching East Bank grow in physical size and stature and being able to visit the buildings as they have developed has been a highlight. Involvement in the major events on the Park has been wonderful; ABBA Voyage, the Rolling Stones at the London Stadium, and the British Swimming Championships at the London Aquatics Centre, where I recently had the privilege of handing out competition medals.

And, of course, every time I walk on the Park, I am reminded of being there at the Games in 2012, and how much has been done since. The achievements of LLDC and the people who have worked for, or continue to work for, the organisation are magnificent and very real.

The next milestone after 1 December this year will be in April 2025 when LLDC as we know it will evolve into a tighter organisation with a smaller budget but no less influential. It will continue to drive success for the Park as a Mayoral Development Corporation, and no less committed to delivering the legacy now than when the bid was won nearly 20 years ago.

Evidence of this is the progress at East Bank. UAL's London's London College of Fashion (LCF), and UCL East's Marshgate and One Pool Street buildings opened for the start of the 2023/24 academic year.

But East Bank goes far beyond bricks and mortar. The opportunities being created by the LLDC, and the East Bank partners will positively impact the lives of local people for many generations to come.

And it is for these local people why, essentially, LLDC exists. It is why the work of this organisation must continue in earnest. It is why people who work on this magnificent regeneration project hold it close to their hearts even when their own work comes to an end. People such as Dr Paul Brickell, who retired from his role as Executive Director of Regeneration and Community Partnerships in March 2024.

Paul joined LLDC in 2011, but his involvement with this part of the capital goes back to a young age as someone who calls Stratford his hometown. A staunch advocate for the Games and someone who championed London's bid from an early stage, Paul's energy and enthusiasm to continually push for progress was unmatched during his time here. He is responsible for helping get UCL, where he worked previously here on the Park – quite rightly a proud achievement of his. On behalf of the Board, I would like to thank Paul for all his hard work and for the legacy he has left behind.

I extend the Board's thanks to LLDC colleagues who continue to work tirelessly, delivering every day for this part of east London, and to personally thank our Chief Executive, Lyn Garner, for her dedication, skill and leadership. With East Bank built out, developments progressing, and the Park established as a top London destination, Lyn has met the challenge we gave her and so much more. With the organisation evolving, we are recruiting a new leader, but there is no doubt that Lyn has left us with a legacy which will be felt for many years to come.

I would also like to thank our Board whose commitment and experience helps to set the strategic direction and overall policy for the organisation, helping to drive growth, investment, and opportunities for local people.

LLDC may be reducing in size but the task at hand and the motivation to deliver is every bit as important as it ever has been.

Lord Peter Hendy
Chair
May 2024

Chief Executive's statement

This has been a highly challenging yet richly rewarding year as the LLDC has navigated a testing housing and development market while focusing on preparing the organisation for an exciting future.

A year in which significant progress was made at East Bank, with the Mayor of London, Sadiq Khan, visiting the UK's new global culture and education powerhouse to mark the official opening of UAL's London College of Fashion at Stratford Waterfront. Both the London College of Fashion and UCL East welcomed students attending courses for the first time, bringing with them added energy and life to Queen Elizabeth Olympic Park.

To use the Mayor's words, East Bank is 'roaring into life', and more is expected when Sadler's Wells East opens its doors followed by the V&A East Museum and BBC Music Studios. Tamsin Ace was appointed as the inaugural Director of East Bank Partnerships – an indication of our cultural and education partners proactively taking control as their buildings become operational.

LLDC is preparing to hand back its town planning powers to the four Growth Boroughs of Newham, Hackney, Tower Hamlets and Waltham Forest on 1 December 2024. At the same time LLDC's Mayoral Development Corporation area will reduce broadly in line with the boundary of the Park following the Mayor's approval in January 2024. Our planning professionals can look back with pride at the impact they have made in building a dynamic and beautiful part of the city.

LLDC will fully evolve as an organisation in April 2025 when it will move forward with its status as a Mayoral Development Corporation intact and continue as a functional body of the Greater London Authority, but with reduced functions and a reconstituted Board and governance structure.

It will mark the beginning of a new and exciting phase of LLDC, and it has long been our view, and plan, that fresh leadership should take the organisation forward – at both Chair and Chief Executive level.

There is plenty more left to do and achieve in this part of east London and if the last year has shown us anything it is that there remains a deep commitment to continuing to deliver one of the largest and most successful urban regeneration programmes in Europe.

The difficulties in the housing market have been felt nationwide and LLDC has not been immune to these. Despite those challenges, it has been an encouraging year, particularly for two sites: East Wick Phase 2 and Hackney Wick.

Following the completion of Phase 1 of East Wick, where homes are all sold and occupied, progress on Phase 2 has accelerated quickly. Once all complete, East Wick and Sweetwater will deliver 34% affordable housing.

At Hackney Wick, where LLDC is working in partnership with Notting Hill Genesis, there are 190 homes being built with 100% of them affordable.

In 2022, LLDC entered a joint venture partnership with Ballymore to deliver approximately 1,200 homes and ground-floor retail space across Bridgewater Triangle and Stratford Waterfront. Outline planning consent for Stratford Waterfront was granted in 2019 and Bridgewater Triangle in July 2023. Further progress was made on Stratford Waterfront, which will deliver about 700 homes, in early 2024 when a Reserved Matters Planning Application was submitted.

Outline planning permission for 948 homes at Pudding Mill Lane was approved in September 2023 and a development agreement for Rick Roberts Way is due to be signed later this year.

In the final year of having a planning function, LLDC's Planning Decisions Committee approved a major planning application from Newham for more than 2,000 homes at Carpenters Estate. It is part of a £1 billion masterplan for the estate and will transform the area, with more than 50% of homes earmarked for social rent.

One of the successes of how the legacy of the 2012 London Olympic and Paralympic Games has been delivered is the working relationship with the four Growth Boroughs that has been forged and strengthened. A product of that was a £12 million scheme, delivered by Newham and supported by LLDC, designed to improve the overall safety for all users of Westfield Avenue.

Due for completion in the summer of 2024, the improvements consisted of a dedicated two-way cycle highway, as well as a central reservation restored with landscaping and significant upgrades to the footpaths on both sides of the road.

A key moment for the relationship between LLDC and Newham, along with Transport for London (TfL) and Network Rail, was the submission of a Strategic Outline Business Case (SOBC) to government for the redevelopment of Stratford Station in the summer of 2023.

The need for redevelopment could not be clearer. Over the past 20 years, the station has played an increasingly important role both nationally and internationally. It is a vital transport hub for east Londoners who rely on it to travel across the capital as well as those commuting from the surrounding areas.

But such significant growth without a sizeable increase in the capacity of the station has and will continue to cause several problems unless addressed. Overcrowding on platforms and in the station, subways has led to the station being temporarily closed. Short-term measures have helped but long-term action is required to prevent more regular closures. The situation is only likely to get worse with TfL predicting that passenger numbers will increase by a further 60% by 2041.

This part of East London has seen a hugely successful transformation over the last decade – with a significant amount of it undertaken by LLDC – but if it is to continue to thrive it needs a station that is able to adequately serve it.

In November 2023, the Minister for Rail and HS2, Huw Merriman MP, visited the Park to learn about the redevelopment plans. In spring 2024, following a detailed procurement exercise, Arup, KPMG and Savills were appointed to assist with the next stages of work, including the enhanced business case which is expected to be submitted to government in summer 2025.

London Stadium enjoyed a packed summer schedule in 2023. Nigerian artist Burna Boy kicked off the activity at London Stadium in early June ahead of the return of Major League Baseball (MLB) for the first time since 2019 as part of a three-year deal. A two-night show by The Weeknd followed by Monster Jam and the summer line-up ended with UK Athletics Diamond League.

The economic impact of the return of MLB in 2023 – when St Louis Cardinals faced Chicago Cubs - was worth nearly £53.0m for the capital, according to sports marketing agency Two Circles. The agency's report also found that a further £7.7m benefited the wider country.

The Stadium hosted its first international football friendly when Spain and Colombia played each other in March 2024.

The 2023/24 football season saw UEFA's second-most prestigious club competition, the Europa League, return to London Stadium. West Ham United reached the quarter-finals of the competition before being beaten by German champions Bayer Leverkusen. Success in Europe and regular Premier League football meant London Stadium was regularly hosting capacity crowds of 62,500 throughout the season.

The 2024 summer schedule will see MLB retuning as part of the Mayor of London's three-year contract. New York Mets will take on Philadelphia Phillies over two days on 8 and 9 June. The MLB London Series returns for the last year of the contract in 2026.

Foo Fighters are planned to bring their *Everything or Nothing at All* UK tour to the Stadium before Burna Boy performs at the venue for the second consecutive year. The summer schedule will be rounded off by Monster Jam, and the London Athletics Meet at the former Olympic Stadium as part of the Wanda Diamond League series – a week before the Olympic Games starts in Paris.

On top of the elite level sport and high-profile events, the Stadium is a key aspect of the push to decarbonise the Park. Procurement for a solar membrane to be fitted on the Stadium roof has concluded and is in design and development phase with the expectation that once fitted the Stadium's energy usage will be cut by 10%.

Away from the Stadium, the London Aquatics Centre, Copper Box Arena and Lee Valley VeloPark all enjoyed busy years. The London Aquatics Centre hosted the British Swimming Championships in April 2024 - the event played a key role in the selection of both Team GB's Olympic and Paralympic pool swimming teams for Paris.

The Copper Box Arena cemented its reputation for being the UK's home of e-sports, hosting Apex Legends and the Rocket League. The Copper Box witnessed European basketball success when the London Lions women's team, who play their home matches at the venue, became the first British basketball team in history to win the EuroCup.

In November 2023, the VeloPark demonstrated once more its status as a major cycling venue as it hosted the UCI Track Champions League Grand Finale.

LLDC's flagship free community event, the Great Get Together, returned in July 2023, attracting more than 15,000 people to the Park, taking the total number of attendees since it was first hosted in 2014 to over 100,000.

ABBA Voyage, which opened in May 2022, has become a key attraction, bringing in an additional 1 million visitors since it started. A recent impact report showed that less than two years after opening, the show had generated £320m for London's economy – 42% of that benefit being felt in the Growth Boroughs.

All of that has contributed to a record footfall over the last year of 20 million visits and Time Out ranking the Park the 7th best attraction in London.

Driving a return on investment for the local area is critical, as is making sure each contract signed delivers as much as possible for the taxpayer. Over the past year, LLDC has re-let the operational contracts for venues and attractions, including the London Aquatics Centre, Copper Box Arena and ArcelorMittal Orbit.

I am deeply proud to have led such a dynamic and forward-thinking organisation since 2018. This is a place like no other. A place where you can enjoy simple pleasures that nature provides. Indeed, one of my fondest memories from my time here is seeing the Park's meadows when they are in bloom.

East Bank too holds a special place in my heart. As with any major project it has not been without its challenges, but it has been incredibly satisfying watching the buildings come out of the ground to the point now where they are becoming functional and serving east Londoners and beyond.

LLDC's aim has always been to enrich the lives of local people, using the Games as a catalyst for regeneration. It is why I can say with confidence that the motivation and commitment to doing just that remains the same as LLDC enters its next chapter. It has been a career highlight and a privilege to work alongside Lord Hendy and the Board, my committed colleagues, Park partners and local communities on a project that delivers for London and the UK.

Lyn Garner
Chief Executive
May 2024

Members of the London Legacy Development Corporation

The Members of the London Legacy Development Corporation during the financial year ending 31 March 2024 are set out below. This includes Members who joined and left the Board during the year.

Lord Hendy CBE (Chair)

Peter, Lord Hendy of Richmond Hill took up his role as Chair in July 2017. He is also Chair of Network Rail, and a Trustee of the Science Museum group and of the London Transport Museum.

He was Commissioner of Transport for London (TfL) from 2006 to 2015, having served as TfL's Managing Director of Surface Transport since 2001. He led, and played a key role in preparing for, the successful operation of London's transport for the 2012 Olympic and Paralympic Games. He was formerly Deputy Director UK Bus for FirstGroup and previously Managing Director of Centre West London Buses.

He started his career in 1975 as a London Transport graduate trainee. Sir Peter was President of the International Public Transport Association (UITP) from 2013 to 2015, and in 2019 International President of the Chartered Institute of Logistics and Transport; he is also a Fellow of the Chartered Institute of Highways and Transportation and of the Institute of Civil Engineers. He was knighted in the 2013 New Year's Honours List, having been made CBE in 2006. On 17 November 2022, he was created Baron Hendy of Richmond Hill, of Imber in the County of Wiltshire.

Simon Blanchflower CBE (Deputy Chair)

For the last 25 years Simon Blanchflower has been involved in leading the development and delivery of major infrastructure projects. Following the successful conclusion of his role as the Major Programme Director on the Thameslink Programme, which included the re-building of London Bridge station, he was appointed as the Chief Executive of East West Rail Co Ltd in 2018, a role he retired from at the end of March 2022. He now holds several non-executive directorships with companies such as National Highways, Ebbsfleet Development Corporation and the Global Centre for Rail Excellence and provides strategic advisory support to a range of organisations. He has experience of chairing the Boards of charitable companies and for the last 35 years has invested into his local community in North Kensington with particular interests in education and housing. He is a Fellow of the Institution of Civil Engineers.

Shanika Amarasekara MBE

Over the last 20 plus years Shanika has worked in financial services, impact investment and access to finance policy areas. Most recently the Chief Impact Officer at the British Business Bank. She joined as a founding member of the Bank when it was set up in 2014 to support access to finance for smaller businesses across the UK. Prior to this she was the General Counsel of an organisation set up by several central banks to promote financial stability and has previously held senior positions at RBS Global Banking & Markets and Allen & Overy.

Rokhsana Fiaz OBE, Mayor of Newham

Rokhsana Fiaz OBE has served as the Executive Mayor of Newham since May 2018 and was re-elected to serve a second 4-year term in May 2022 and deliver her Building a Fairer Newham plan.

She is the portfolio lead for Inclusive Economy and Strategic Housing Delivery, Climate Emergency; and Performance and Transformation. This includes inclusive growth, community wealth building, culture, place and economic regeneration, planning and development; as well as driving an ambitious social housing programme to deliver 1,500 homes people can afford.

She is also the London Council's Executive Member for Skills and Employment, co-chair of the Royal Docks Enterprise Zone and chair of the Growth and Recovery Board of the sub-regional body Local London. Previously she was the CEO of an international UNESCO supported charity promoting interfaith and global citizenship across the world. She has led large-scale capital projects for local authorities, the European Commission and the Council of Europe, and in 2009 was honoured with the Officer of the Order of the British Empire (OBE) for services to Black and Minority Communities in the UK.

Mayor Philip Glanville

Philip Glanville was elected Mayor of Hackney in September 2016. Previously a councillor in Hoxton West for 10 years, Philip spent 3 years as Cabinet Member for Housing and then a short period as Deputy Mayor. Following his resignation as Mayor of Hackney he ceased to be a member of the LLDC Board from 22 September 2023.

Sukhvinder Kaur-Stubbs

Sukhvinder Kaur-Stubbs chairs the Regeneration and Communities Committee for LLDC, supporting the boroughs in their efforts to build an inclusive economy. Sukhvinder has a track record in place-making, successfully integrating both economic and social development. Her previous experience includes board leadership at the Home Housing Group, the regional development agency Advantage West Midlands, and the Black Country Development Corporation. She also served on the Prime Minister's Taskforce on Deprived Neighbourhoods. At an early stage in her career, she pioneered the Community Investment Fund at English Partnerships, leading to effective engagement with residents in major redevelopments.

In other executive roles, she was CEO of both the philanthropy body the Cadbury Trust and the international policy think tank the Runnymede Trust. Sukhvinder has Chaired complex organisations including NHS Trusts.

Currently, Sukhvinder serves as a Board member of the Regulator for Social Housing and Chairs the independent Customer Challenge Group for Thames Water. Additionally, she is the Managing Director of Engage-us Ltd, providing consultancy support on board effectiveness, and managing projects for local authorities and businesses.

Jamie Kerr

Jamie Kerr is a Chartered Surveyor with more than 35 years' experience in property development and finance. He has particular knowledge around retail, transport related development, master planning and regeneration. He has worked for LCR and John Laing Plc as an Executive Director. He is also an Independent Director to Westminster City Council's Property Investment Panel, a Governor on the Board of University of Brighton and a Trustee of Safe Haven London, a homeless charity. He also provides strategic advice to combined and local authorities around development and inward investment.

Jules Pipe CBE

Jules Pipe is working on key priorities for the Mayor, including: implementation of the London Plan, major and community-led regeneration projects across the capital, building a skills system that properly addresses the needs of Londoners and the economy, and ensuring London's infrastructure supports good growth, meets the needs of London's communities and makes London a cleaner, greener and smarter City. Jules has unrivalled knowledge of London government, becoming the first directly elected mayor of Hackney in 2002 and serving as Chair of London Councils from 2010 until he joined the Mayor's team in 2016.

Geoff Thompson MBE

Geoff Thompson MBE FRSA DL QP JM was the world heavyweight champion and world team karate champion between 1982 and 1986 and won more than 50 national and international titles during a distinguished sporting career.

Following his retirement from competitive sport, he established himself as an influential sports politician and administrator, taking on numerous public and private sector appointments with the aim of promoting diversity, equity, and inclusion at all levels of society. Having experienced material deprivation and social and cultural exclusion while growing up in Hackney, Geoff is a lifelong advocate for the role that education, sport and culture can play in improving the lives of disadvantaged young people through the bidding, hosting, and legacy of major games.

He is the Founder and Chair of the Youth Charter, a UK-based international charity and United Nations Non-Governmental Organisation that uses the ethics of sport and artistic excellence to tackle the problems of educational non-attainment, health inequality, anti-social behaviour, and crime in some of Britain's most troubled communities.

Geoff is also an Advisory Board Member of the Muhammad Ali Centre, Louisville, Kentucky. His public and private sector appointments have included chairing Sport England's Advisory Group on Racial Equality in Sport and serving as a member of its Grant Assessment Panel, Director of the Sports Council Trust Company, board member of the New Opportunities fund, an honorary fellow of the former Institute of Leisure, Amenities and Management, fellow of the Royal Society of Arts and Independent Assessor for the Office of the Commissioner for Public Appointments. He was the Chair of the Board of Governors of the University of East London between 2017 - 2019 and was Deputy Chair of the highly successful Birmingham 2022 Commonwealth Games. Geoff also served as a commissioner for the Spirit of 2012 Games inquiry. Over the past 3 years he has served as an Independent Non Executive Director and Chair of the Operational Board of the Professional Footballers Association and is currently Chair of the London Youth Games.

In 1995, Geoff was appointed an MBE for his services to sport and in 2016, 2017 and 2018 he was included in the Top 100 BAME (Black and Minority Ethnic) Leaders in Business List, in association with the Sunday Times and was also named in the Evening Standard's top 1000 influencers in London. Geoff served as a Deputy Lieutenant for Greater Manchester and was awarded an honorary professorship of the International Business School at Xi'an Jiaotong-Liverpool University, Suzhou, China. Last year he was awarded the Queen's Jubilee Platinum Medal for his services to the community.

Cllr Grace Williams

Grace was elected Leader of Waltham Forest Council in 2021. Since then, she has spearheaded initiatives for a healthier, safer, and more sustainable borough, including the introduction of the Climate Action Plan and the new Corporate Strategy, Mission Waltham Forest which sets out the Council's plan for more equal borough by 2030. Highlighting the Council's commitment to welcoming those seeking a safe place to live, Grace has led the effort to achieve Borough of Sanctuary accreditation. She has also undertaken a role with London Councils as the Executive Lead for Refugees. Before becoming Leader, Grace was Cabinet Member for Children, Young People and Families for five years, leading Children's Services to a good Ofsted rating and outstanding for leadership and management judgement in 2019. Prior to her political career, she was a Civil Servant focused on child poverty and disability equality, followed by a career as a secondary teacher in London.

Gabrielle Appiah

Gabrielle Appiah is a former member of Legacy Youth Board from 2014-19 who went on to study Planning at undergraduate and Masters level. She is currently a Senior Stakeholder Engagement Consultant at AECOM, a community engagement consultancy which delivers inclusive programmes of engagement and capacity building with diverse communities. Gabrielle is Chair of Women in Planning London, and a contributor to the New London Architecture's Diversity Think Tank.

Gurpreet Dehal

Gurpreet Dehal is an experienced Non-Executive Director across several sectors - including Infrastructure, financial services, higher education, and trusteeship with multi-academy trusts. His executive career had a strong focus on risk, business, and operational leadership, working for large corporations including Merrill Lynch and Credit Suisse - where he held the role of Managing Director and Chief Operating Officer for Global Prime Services. He left Credit Suisse in 2014 to begin his portfolio career.

Phil Mead

Phil Mead is the former Managing Director for NEC Group Arenas and Ticket Factory, he has spent nearly 40 years in venues management, working at G-MEX, Cardiff Arena and Glasgow SECC, prior to joining the NEC Group in 2007. He was Chair of the 2022 NEC's Commonwealth Games Delivery Unit through to Games completion and the former Chair of NEC Group Arenas and Ticket Factory.

Helene Raynsford

Helene Raynsford has held several non-executive director and leadership roles in a variety of organisations mainly covering health and sport. Growing up, Helene had strived for a career in dance having attended both the Elmhurst Ballet School and Royal Ballet School. However, injury meant retirement from professional dance, and she pursued an undergraduate and postgraduate degrees in the sciences and worked within public health.

Helene became the first ever Paralympic Rowing Gold Medalist at the 2008 Beijing Games after becoming World Champion in 2006 as a single sculler. Prior to rowing she was part of the Great Britain Women's Wheelchair Basketball Team.

Helene has over 14 years' experience in the NHS and Local Authority as a trained Public Health Professional at local, regional, and national level. She took a secondment to LOCOG as part of the Sport Management Team for rowing across both Olympics and Paralympics and went on to Chair the 2012 Paralympics Legacy Programme 'Motivate East' from 2014-2016. Whilst working within public health Helene chose to use her professional skills and transfer them to working in sports both domestic and internationally. Helene is in her second term as Chair of Paralympic GBs Athletes' Commission where she is also a Non-Exec Director. She Chaired the 2016 Inclusion Summit at the Rio Games on behalf of the IPC and the World Academy of Sport. For Tokyo she had a number of roles behind the scenes linked to Paralympics GB and the IPC. Helene has great passion for increasing levels of physical activity within communities at grass roots level and has seen the wider outcomes for communities and individuals in everything from crime diversion, community cohesion as well as physical and mental health benefits.

As of January 2023, Helene became a non-executive director for Sport England and has been a member of the International Advisory Board for the world Academy of Sport since 2012 and has delivered on varied international programmes covering governance in sports around the world. She has interest in both high performance international sport but also the gains in global public health and wellbeing, especially in those countries where having a disability has even more challenges than within the UK and other developed countries.

Helene is interested in mental health, specifically suicide prevention. She was part of the NICE Committee, as an expert panel member, who wrote the national Suicide Prevention Guidelines. She is as an Ambassador for the British Inspiration Trust looking to increase inclusive physical activity opportunities for young people at university and college whilst raising money for charities who support student mental health. She is also a trustee for the National Disability Sports Development trust and is a patron for Dingley's Promise, a charity leading on special educational needs for under children under five years and their families. She is really interested in developing communities in and around the Queen Olympic Elizabeth Park and especially the legacy left behind in a culturally sensitive way for the community.

Mayor Lutfur Rahman

Lutfur Rahman has been the Executive Mayor of Tower Hamlets Council since May 2022. He was the first directly elected Mayor of Tower Hamlets from 2010 – 2015.

He is a solicitor by profession, specialising in family law, and was a member of the Law Society and Law Society Advanced Children's Law Panel. Lutfur grew up in Tower Hamlets, having moved to the Borough from Bangladesh at an early age. He attended Marner Primary School in Bow, the Lawdale Junior School in Bethnal Green, and Bow School. He studied Law at City University and was admitted as a member of the Law Society of England and Wales in 1997.

Lutfur Rahman was previously a Councillor for the Spitalfields and Banglatown ward of Tower Hamlets. He was appointed Chair of the Development Panel in May 2002 and was the Lead Member for Education and Youth Services, 2003-2005. He also served as the Lead Member for Culture. He was Leader of the Council from May 2008 to May 2010.

Lutfur was a founding member of the Phoenix Youth Project and the Bow Community School (1982-86), founding member and first treasurer (1990) of Keen Students School (KSS) and trustee of Tower Hamlets and Canary Wharf Education Trust (2003-05). He was also a member and general secretary of Community Alliance for Police Accountability (CAPA) in 1988 and a member and chairman of Tower Hamlets Law Centre from 1996-2001.

Lutfur Rahman was a Board member of the Poplar and Leaside Regeneration Project (SRB6) (2001-2002) and since 2001 has been a Non-Executive Director for the Board of Barts & The Royal London NHS Trust.

Cllr Guy Nicholson

Guy Nicholson is currently Deputy Mayor & Cabinet Member for Delivery, Inclusive Economy & Regeneration in the London Borough of Hackney. He was first elected as a Councillor in 1998 and alongside his role in Local Government he has several non-executive roles in the public, not for profit and commercial sectors.

The roles include as Chair of the Board of Newable Limited, a London Local Government owned business that created and holds a £78m investment in Newable Partnerships Ltd an employee-owned company that provides finance, advice, and workspace for SMEs in the UK. He is the Independent Chair of the cross boundary Local Government led Harlow and Gilston Garden Town working with 5 Councils to deliver 23,000 new homes in four Garden neighbourhoods integrated into the existing Harlow new town. He is a Deputy Chair for the UK Innovation Corridor that advocates for Local Government, business and the education sectors in a UK region that runs from London to Cambridge. He is a Local Government Association peer mentor advising Councillors and Councils around England on performance, policy, and delivery. He is a trustee for Autograph ABP which commissions and curates the work of artists who use photography and film to highlight issues of identity, representation, human rights and social justice and he is a trustee for the East End Community Foundation investing into the lives of local communities in east London.

Over the last twenty-five years he has led on the delivery of a number of local and regional urban regeneration and socio-economic initiatives. These include the Local Government led regeneration of Shoreditch, Hackney Central, Dalston, Hoxton, Hackney Wick and Woodberry Down; he was the Chair of the Board for the London City Fringe Partnership investing into small businesses based in London's City Fringe and the precursor to the Tech City initiative; he was a Board member for the Thames Gateway London Partnership, a Board member for the London Thames Gateway Development Corporation delivering urban regeneration in east London. From 2000 he was responsible for ensuring that Local Government contributed to and enabled the planning and delivery of the London 2012 Olympic and Paralympic Games and its legacy alongside ensuring the global event and the legacy was integrated with local communities and local Councils playing their part in working alongside the Mayor of London and partners to deliver a legacy from the Games.

Some of his previous roles have included as a Board member for the Barbican Arts Centre in the City of London, he has served as a London Region council member for Arts Council England, he was founder and Vice Chair of Create London commissioning artists in the visual arts to work with communities experiencing regeneration led change in their neighbourhoods in London and around the UK, he was Chair of Undercurrent an experimental theatre company that explored science through performance, a non-executive director for the London based inward investment agency Gateway to London and a Director for CIDA, the Creative Industries Development Agency.

He was appointed to the LLDC Board on 8 March 2024.

Changes to Board membership

Philip Glanville resigned as Mayor of the London Borough of Hackney from 22 September 2023 and as a result ceased to be a member of the Board. Cllr Guy Nicholson, from the London Borough of Hackney was appointed to the Board on 8 March 2024

Attendance at LLDC Board and Committee meetings during 2023/24

	Meetings of the Board attended	Meetings of the Audit Committee attended	Meetings of the Investment Committee attended	Meetings of the Regeneration and Communities Committee attended	Meetings of the People, Organisation and Culture Committee attended	Meetings of the Health, Safety and Security Committee attended	Meetings of the Planning Decisions Committee attended	Notes
Total number in the period	**7**	**4**	**5**	**3**	**3**	**4**	**7**	**See note 1**
Lord Peter Hendy	6/7	-	0/5	-	3/3	-	-	See note 2
Simon Blanchflower	7/7	-	5/5	-	3/3	4/4	-	
Shanika Amarasekara	7/7	4/4	3/5	-	-	-	-	
Gabrielle Appiah	6/7	-	-	-	-	-	7/7	
Gurpreet Dehal	7/7	4/4	-	2/3	-	-	6/7	See note 3
Mayor Rokhsana Fiaz	7/7	-	-	-	-	-	-	
Mayor Philip Glanville	2/4	-	-	-	-	-	-	See notes 2, 4 and 5
Sukhvinder Kaur-Stubbs	6/7	-	3/5	3/3	3/3	-	-	See note 2
Jamie Kerr	5/7	-	-	-	2/3	-	7/7	See note 2
Phil Mead	6/7	-	5/5	-	-	4/4	-	See note 2
Cllr Guy Nicholson	1/1	-	-	-	-	-	-	See notes 4 and 6
Jules Pipe	4/7	-	-	-	-	-	-	See note 2
Helene Raynsford	6/7	4/4	-	2/3	-	4/4	-	
Mayor Lutfur Rahman	0/7	-	-	-	-	-	-	See note 2 and 5
Geoff Thompson	5/7	3/4	4/5	3/3	-	-	-	
Cllr Grace Williams	4/7	-	-	-	-	-	-	See note 5)
Cllr Jessica Webb (LBH)	-	-	-	-	-	-	7/7	See note 9
Cllr James Beckles (LBN)	-	-	-	-	-	-	3/6	See note 7 and 8
Cllr Rachel Tripp (LBN)	-	-	-	-	-	-	4/7	See note 9
Cllr Mohammed Gani (LBN)	-	-	-	-	-	-	0/1	See note 7
Cllr Kabir Ahmed (LBTH)	-	-	-	-	-	-	0/7	See note 9
Cllr Marie Pye (LBWF)	-	-	-	-	-	-	7/7	See note 9
Piers Gough	-	-	-	-	-	-	7/7	
James Fennell	-	-	-	-	-	-	6/7	
Abdul Thahid	-	-	-	-	-	-	4/7	
Martha Grekos	-	-	-	-	-	-	3/7	

Notes:

A dash (-) indicates that an individual is not a Member of a Board or Committee

1. During the 2023/24 financial year, LLDC held in-person Board and Committee meetings, but some Advisory Panel proceedings were held under LLDC Remote Decision-Making Scheme due to travel disruption and/or last-minute circumstances which meant the meetings would not be quorate. Where in-person meetings were held, only those Members physically present counted towards the quorum and were able to vote. Some Members joined these in-person meetings remotely but were not counted in the quorum or did not vote. Advisory Panel proceedings were held as follows: Board in April 2023; Audit Committee in July and October 2023; Investment Committee in June 2023; People, Organisation and Culture Committee in December 2023; and Health, Safety and Security Committee in March 2024.

2. Could not attend an extra meeting arranged at short notice (April 2023 Board meeting)

3. Joined or left a Committee during the financial year (Gurpreet Dehal joined the Regeneration and Communities Committee on 19 September 2023)

4. Joined or left the Board during the financial year (Mayor Glanville left the Board on 22 September 2023; Cllr Guy Nicholson joined the Board on 8 March 2024).

5. Board meeting attended by an observer on Member's behalf: September 2023 (Cllr Nicholson for LB Hackney; Cllr Ashan Khan for LB Waltham Forest; Cllr Kabir Hussain for LB Tower Hamlets); January 2024 (Cllr Ashan Khan for LB Waltham Forest; Cllr Iqbal Hossain for LB Tower Hamlets)

6. Attended the September 2023, November 2023, and January 2024 Board meetings as an observer for LB Hackney

7. Cllr Mohamed Gani (LBN member) and Cllr Joshua Garfield (LBN substitute member) left the Planning Decisions Committee in June 2023. Cllr James Beckles (LBH member) and Cllr John Morris (LBN substitute member) were appointed to the Planning Decisions Committee on 21 July 2023.

8. Cllr John Morris attended the July 2023 and November 2023 meetings for Cllr Beckles.

9. Substitutes on the Planning Decisions Committee during 2023/24: Cllr Joseph Ogundemuren is the substitute member for Cllr Jessica Webb (LBH); Mayor Rokhsana Fiaz, Cllr Joshua Garfield (until June 2023) and Cllr John Morris (from 21 July 2023) are the substitute members for Cllr Rachel Tripp. Cllr Mohamed Gani (until June 2023) Cllr James Beckles (from 21 July 2023) (LBN); Cllr Jenny Gray is the substitute member for Cllr Marie Pye (LBWF); Cllr Mohammed Abdul Wahid Ali is the substitute member for Cllr Kabir Ahmed (LBTH).

Narrative Report

London Legacy Development Corporation

London Legacy Development Corporation (LLDC) was established as the first ever Mayoral Development Corporation (MDC) in 2012, to take forward commitments made in the original London 2012 bid in relation to the physical and socio-economic regeneration of Stratford and the surrounding area. The Mayor of London appoints the LLDC Board Members and allocates its capital and revenue funding through the annual Mayoral budget setting process. LLDC's responsibilities include the development of land in and around Queen Elizabeth Olympic Park, the management of the Park estate, the coordination of strategic investment to the area, and the delivery of socio-economic outcomes which ensure that local communities can benefit from that investment. LLDC's mission is:

> "*To use the opportunity of the London 2012 Games and the creation of Queen Elizabeth Olympic Park to change the lives of people in east London and drive growth and investment in London and the UK, by developing an inspiring and innovative place where people want to live, work and visit.*"

The Local Government Act 2003 section 21 empowers the Secretary of State to make provision about the accounting practices to be followed by a local authority and likewise issue guidance. Section 23 defines 'local authority' to include functional bodies of the GLA and therefore LLDC comes within the definition. Accordingly, LLDC prepares its Statement of Accounts in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

Regulation 31 of the Local Authorities (Capital Finance and Accounts (England)) Regulations 2000 directs that the appropriate accounting practices for local authorities are those in the Code. These Accounts are produced in accordance with this guidance and regulation. LLDC replaced the Olympic Park Legacy Company, a company limited by guarantee, established in 2009 to create a legacy from the London 2012 Games. As part of the statutory instrument creating LLDC, it took over the property, rights, and liabilities of the Olympic Park Legacy Company.

Financial review

Overview

In the penultimate financial year before it enters its most important period of change as an organisation, LLDC has again made significant progress in the delivery of its corporate aims and objectives.

As reported in the 2023/24 Quarter 4 Corporate Report[1], LLDC ended the financial year with a £12.4m net revenue underspend, made up of:

- **A net £1.6m positive variance on the London Stadium funding** – this net variance follows a successful year of activity, including two major concerts (Burna Boy and The Weeknd), Major League Baseball, Monster Jam, and athletics. There are also positive variances across other areas of the business, including utilities where lower unit price and consumption rates yielded savings against the budget. No Stadium Naming Rights income was secured in this financial year. This was provided for in LLDC's budget[2].
- **Net additional income/savings of £10.8m (excluding London Stadium)** – this gets rolled-forward into the following financial year to fund specific corporate priorities, including commercial strategy development, operations on the Park and committed socio-economic and community and business engagement activities, and corporate contingency (against which risks are held).

[1] Corporate Performance Report – March 2024 (see link here)

[2] the Stadium's delegated budget, which included £2.0m of Naming Rights income (net), was a loss of £14.7m vs the LLDC funding provision of £16.7m, against which an outturn of £15.1m was delivered, despite no Stadium Naming Rights income.

The operations of LLDC's **venues**, including the London Aquatics Centre and Copper Box Arena, continued successfully during the year, with nearly 993,000 and 364,000 visitors respectively. During that time LLDC also completed the procurements of key venue operational contracts, including awarding new contracts to Sports and Leisure Management (Everyone Active) for the London Aquatics Centre and to Greenwich Leisure Limited (GLL) for the Copper Box Arena, exceeding targeted savings. Sports and Leisure Management commenced operations on 29 February 2024 and GLL continued to operate the Copper Box Arena, with the new contract commencing 1 March 2024. The new contract for the Podium operator was awarded to Peppermint Events with their launch event subsequently held in May 2024. Procurement for the ArcelorMittal Orbit operator is well-progressed with a preferred bidder expected to be announced in June 2024. The contract for the Timber Lodge was awarded to Five Star Catering who took occupation in March 2024.

Notwithstanding, included in the full-year position is a net adverse outcome for Trading, largely relating to 3 Mills Studios, where the resuls were impacted by the Hollywood writers' strikes, the non-renewal of one of its major bookings and delays in the procurement of a subtenant for LLDC's long-term lease interest, and the ArcelorMittal Orbit for which LLDC is reflecting a bad debt provision relating to the previous operator.

The **London Stadium** hosted several successful events in 2023/24, including Burna Boy, who was the first African artist to headline a Stadium concert in the UK, and the return of Major League Baseball with St. Louis Cardinals and Chicago Cubs playing a two day series over a weekend, attracting more than 100,000 spectators in attendance, a global TV audience and international media coverage. The success of the baseball event was highlighted in research finding that London's economy received a boost worth £53m as a result of the matches.The Stadium then moved back into concert mode for The Weeknd's concerts in July; a crowd of more than 150,000 over two nights broke the record for the highest attendance at London Stadium. After this, the Stadium changed configuration again to welcome the Monster Jam monster trucks event and the return of Diamond League Athletics to the Stadium. The athletics event sold 50,000 tickets, making it the best attended one-day athletics event in the world in 2023. In 2024, in addition to Premier League and European football, the Stadium hosted its first ever international men's football friendly with Colombia beating Spain. This was a well attended fixture, including community ticket allocations, and was a great use of the Stadium during the Premier League's international break.

At **East Bank** – LLDC's flagship project to deliver a world-class cultural and education district on the Park – construction work on the Stratford Waterfront site continued, achieving some signficant milestones during the year, including the opening of the University of Arts London's London College of Fashion (LCF) building and the waterfront area of the public realm in September 2023. The V&A building was handed over to the V&A for fit out in November 2023 and was certified as complete in January 2024. This project is bringing together the Victoria and Albert Museum (V&A), Sadler's Wells Theatre and the BBC alongside LCF in the heart of the Park at Stratford Waterfront. The V&A Collection and Research Centre will be located at Here East. Together alongside UCL, these institutions form a new cultural and educational hub for east London, cementing the regeneration of the area, being a catalyst for job creation and economic growth, and strongly complementing the world-leading creative and technology sectors of east London. Work is ongoing for handover to the BBC, Sadler's Wells and the remainder of the public realm later in 2024/25.

As reported through LLDC's annual budgeting process and published quarterly corporate reports, the East Bank project is funded through a mixture of partner and private sector funding, philanthropic funding and public sector funding from the Mayor of London and Government. In total, this investment is anticipated to generate 2,500 new jobs, over £1.5 billion of economic benefit at net present values and deliver 100,000m^2 of cultural and education space. The 2024/25 budget submission (November 2023) was based on a construction Anticipated Final Cost (AFC) of £667.9m reflecting an increase of £50.0m[3] in construction costs from the previous year's budget submission. The £50.0m overspend, which required additional GLA funding, is driven by:

[3] £44.0m net of additional contributions from UAL

- new design issues;
- contractor performance (in particular regarding cladding and glazing which has delayed watertightness on Sadler's Wells and the BBC, and final completion on V&A, and MEP and fit out on Sadler's Wells and the BBC);
- settlements with key contractors in excess of AFC allowances; and
- substantial prolongation.

Although the project is reaching the final stages, significant risks remain, including:

- completion of design integration and significant design interface risks
- package interface management – ongoing through to completion
- supply volatility (material and labour) and contractor performance – ongoing through to completion
- commissioning and handover
- cost impact of further prolongation

Delivery of the project within the available funding is contingent upon:

- concluding deals with package contractors to settle change and prolongation claims and acceleration/improved productivity to deliver the forecast programme; and
- no significant new design risks materialising
- technical performance of the buildings

Given the continued programme slippage and cost escalation on the project, LLDC continue to monitor and challenge the project forecasts closely, and is working with its project management partner, Mace, to minimise further slippage and cost increases and is in discussion with the GLA regarding further required additional funding.

The joint venture with Ballymore to deliver the **Stratford Waterfront and Bridgewater Triangle** residential sites is operational. However, progress was impacted during the year by viability challenges caused primarily by adverse market and macroeconomic conditions and changes to the Government's statutory guidance on fire safety. The joint venture successfully submitted the Reserved Matters Applications for Stratford Waterfront in early 2024 with Bridgewater Triangle targeted for April 2025. Discussions on the commercial structure with Ballymore are now concluded with a deed of variation now being drafted. The 50/50 joint venture means that LLDC takes a proportionate share of both the risk and returns arising from the developments. The equity requirement and associated returns are reflected in LLDC's budgets.

Elsewhere on the Park, all phases of **Chobham Manor** have now completed and been sold or tenanted, main contractor works for Phase 2 of **East Wick and Sweetwater**, a joint venture between Balfour Beatty and Places for People, began in 2023/24 and are on programme. A new programme for Phase 3 is now agreed, with preliminary work to commence at the end of 2024 ahead of start on site in autumn 2025.

On LLDC's other key residential development sites:

- Notting Hill Genesis began construction of three strategic sites close to the recently refurbished Hackney Wick Overground Station, **Hackney Wick Neighbourhood Centre (Hackney Wick Central),** which is next to Queen Elizabeth Olympic Park. LLDC's Hackney Wick sites will deliver approximately 190 new homes. This will be 100% affordable housing in line with the London Plan and 4,500m² of commercial space, including flexible retail and community facilities.

- Plans for **Pudding Mill** include new homes to meet the needs of families, a new neighbourhood centre around Pudding Mill Lane Docklands Light Railway (DLR) station, the creation of new workspace and improving connections between the Park to Stratford High Street and beyond.

Pudding Mill's two sites: Pudding Mill Lane and Bridgewater Triangle , which together will deliver around 1,500 new homes and workspace for around 2,000 people. The Planning Application for Pudding Mill Lane was approved at Planning Decisions Committee in October 2022, with a now agreed Section 106 Agreement. The procurement for a joint venture partner procurement is now in the final stages with appointment of the partner expected later in 2024.

- For the **Rick Roberts Way** site, which forms the final part of LLDC's portfolio of sites (including Stratford Waterfront, Pudding Mill Lane and Bridgewater Triangle) that are to deliver 50% affordable housing across the portfolio, is expected to provide approximately 450 homes, procurement to select a developer was largely concluded last year with contract execution to be concluded shortly in 2024.

LLDC delivers a range of **socio-economic** activities including the Good Growth Hub (GGH), which remains a focal point for local people seeking careers in the cultural, creative and digital sectors and for employers including East Bank partners, looking to recruit diverse, local talent. It also supports local employees looking to upskill. During 2023/24, activities at the GGH included the launch of a new training series to provide additional support to GGH alumni seeking additional technical skills training. This 'Skill Up' training series covers a range of topics including project management, training in technical design software, and expert creative portfolio reviews. The curriculum was delivered in partnership with industry.

This year's EAST Education Careers Week was held in March 2024 with over 1,000 young people attending. The programme saw East Bank partners, ABBA Voyage and other key local institutions come together to deliver a week-long careers programme. The programme aligned with school Gatsby benchmarks introducing young people in Key Stage 3 to Key Stage 4 (11 to 18-year-olds) to creative/digital careers, creative skills, soft employability skills and to equip young people to navigate their future careers pathways. Plans have progressed for the East Education Teacher Development programme and forshared resources amongst the East Bank partners.

Good progress was made in the delivery of the SHIFT Inclusive Innovation District in 2023/24, including the successful launch of the membership scheme to actively recruit enterprises to join the community, with 145 enterprises onboarded during the year. The Future Industries Demonstrator (FID) programme, which will invest in and support 215 London-based small and medium-sized enterprises dedicated to tackling the climate crisis, was also launched. The funding round is an innovation challenge focusing on sustainability in construction and clean energy innovation. Successful bids win up to £25,000 funding along with access to support, expertise, networks, and dedicated workspace, on and around the Park. The first cohort received their final session on the Venture Creator Programme during the year and presented their testbed proposals. The cohort are currently testing their innovations within the Testbed Phase.

In response to the **climate emergency**, LLDC is contributing to the Mayor of London's target of net zero carbon (NZC) by 2030, aligned with a 1.5°C maximum global temperature increase above pre-industrial levels.

- Progress on decarbonisation projects:
  - Completion of the procurement process for the London Stadium solar membrane project, which is a significant investment funded through the GLA's Green Finance Fund.
  - Completion of the installation of grid power at Pudding Mill Lane. One of two grid power projects (the other at 3 Mills Studios), which eliminates the use of generators for events and film production at those locations.
  - Progressing LLDC's energy efficiency street lighting project.

LLDC's agreed 2024/25 budget included a climate budget to sit alongside the financial budget. The GLA climate budget set out actions being taken across the group, their impact and the resource allocated to reduce Scope 1 (direct emissions from owned or controlled sources) and Scope 2 emissions (indirect emissions from the generation of purchased electricity, heating and cooling). It is the GLA's intention to expand the scope of the climate budget in future years, to capture the wider actions across the city and take account of Scope 3 emissions from the consumption of goods and services (taking account the emissions from production, transportation and disposal of goods). Actual spend on these projects will be reflected in the LLDC's accounts as incurred.

Work has continued during the year on the planned **evolution** of the organisation in 2025. LLDC was established as the first ever Mayoral Development Corporation in 2012, to take forward commitments made in the original London 2012 bid in relation to the physical and socio-economic regeneration of Stratford and the surrounding area. There remains significant work to do to fulfill the commitments made in the original London 2012 bid with respect to the regeneration of east London. However, it is anticipated that the building blocks of LLDC's programme will be in place by 2025 for the delivery of development and ongoing functions and the long-term operation and oversight of the Park. Accordingly, the organisation is being restructured to oversee the long-term management of the estate, to realise the ongoing delivery of legacy, social and economic aims, to complete the build-out of its development sites and to coordinate future inward investment for the area. This year's accounts include a provision for the potential staff-related costs associated with the restructuring (redundancy and pension strain).

For the long-term financial sustainability of the restructured body, LLDC's objective[4] is that post-Transition, when developments on the Park are completed (early 2030s) and income from the Fixed Estate Charge has increased accordingly, the requirement for grant funding, excluding the London Stadium, will be eliminated. There is a substantial gap to bridge to achieve full financial sustainability and work is ongoing to review how this objective can be achieved. This includes reviewing the post-Transition cost base, realising savings from the procurement of new arrangements for operating the Park and venues, and focussing on increasing commercial income opportunities. There are no financial implications for the 2023/24 financial year.

Funding for LLDC's **capital programme** for the development of the Park is provided through loan financing from the GLA, to be repaid from capital receipts generated from the exploitation of LLDC's ownership of land/development platforms on and around the Park, grant funding and contributions from East Bank partners towards development costs. As detailed in LLDC's Treasury Management Strategy Statement 2023/24 (approved by the Board on 21 March 2023), LLDC's borrowing limit is currently set at £550m; the GLA directly grant fund part of the East Bank project, and provide grant funding to LLDC directly so that its borrowing limit is not breached.

In 2023/24, LLDC drew £74.2m in loan funding from the GLA. The total outstanding loan balance due to the GLA as at 31 March 2024 is therefore £516.5m (from £442.3m as at 31 March 2023). Additional funding during the year for LLDC's capital programme came from £28.9m of capital receipts (including contributions from East Bank partners towards the cost of their buildings[5]) and £89.0m of capital grants from the GLA.

Overall, as reported in LLDC's Quarter 4 2023/24 Corporate Performance Report, the net capital expenditure for the year was £54.0m (on an accruals basis), which was more than budgeted (£10.0m) largely due to slippage in expected capital receipts from the Stratford Waterfront/Bridgewater Triangle residential development, where the programme was impacted by macroeconomic and changes to Government statutory guidance on fire safety. This in-year shortfall was covered by additional GLA capital grant[6] provided as part of the November 2023 budget submission. LLDC's gross capital expenditure for the year was £172.0m against a budget of £215.0m reflecting mainly timing differences on capital projects, including a re-phasing of the planned equity payments to the Stratford Waterfront/Bridgewater Triangle residential development joint venture.

LLDC's **investment property portfolio** was revalued at 31 March 2024 in line with accounting policies. These assets are either being developed for capital appreciation and disposal, or held by LLDC for their ongoing income potential, and are therefore classified as investment properties. A number of valuation methodologies are applied, for example the investment method, where rental income is capitalised at appropriate yields, and the profits method, where earnings are multiplied by an appropriate factor; land that is to be developed for residential and commercial use (but where development has not yet

[4] set by the Mayor of London
[5] this includes £11.9m from UAL, which is funded by a loan facility from LLDC, repayments of which began in 2023/24.
[6] included in the £89.0m quoted earlier.

commenced) is valued based on what it is expected to be sold for (discounted using an appropriate rate to reflect the time value of money and risk). Also included in the valuation are parts of the East Bank project which are being delivered at a net cost to LLDC (and therefore has a negative valuation until fully built).

LLDC's investment property portfolio is now valued at £100.8m, a net decrease of £32.6m from the prior year. This is largely due to:

- Disposal of LLDC's land ownership at Hackney Wick, which forms part of the development agreement with Notting Hill Genesis, and Chobham Farm;
- Transfer of East Wick and Sweetwater Phase 2 from investment properties to inventories following its start on site during the year; and
- Reductions in the values of LLDC's remaining development plots, reflecting the challenging market conditions (in particular, high construction price inflation).

The following are classified in LLDC's accounts as inventories:

- LLDC's **residential development plots** from the 'commencement of development' (which LLDC defines as the start on site date); and
- The **East Bank buildings** (UAL, BBC, Sadler's Wells and V&A) until they are completed and handed over to the respective partner tenants.

The review also concluded that a provision should be established for LLDC's contributions towards the costs to complete the East Bank buildings (deemed to be 'grant'), against which costs are offset as incurred. These accounting treatments are continued in this year's accounts resulting in the following balances at 31 March 2024:

- Inventories of £160.8m,as set out in Note 16 (2022/23: £290.6m); and
- East Bank provision of £144.8m, as set out in Note 27 (2022/23: £244.3m).

A **deferred tax liability** is recognised within LLDC's accounts, which will crystallise as and when LLDC disposes of its property portfolio and the historic increase in the value of its portfolio is realised. The Local Authorities Capital Finance and Accounting Regulations permit Mayoral Development Corporations to use capital receipts to fund their Corporation Tax liabilities and, accordingly, the deferred tax charge is recognised in LLDC's Capital Adjustment Account in the financial statements.

LLDC provided funding to **E20 Stadium LLP** for its operational and capital requirements in the year amounting to £20.3m (on a cash basis). In light of the partnership's current long-term financial forecasts, LLDC currently holds its interest in the partnership at nil value. As a result, both LLDC's investment and the existing loan (for previous funding) are impaired within the 2023/24 accounts. Note 14, Investments in subsidiaries summarises the financial outturn of E20 Stadium LLP and its subsidiary London Stadium 185 as included in its own draft financial statements. Differences between these results and the funding provided above relate to interest and accruals.

E20 Stadium LLP's forecasts also impact upon the London Stadium's valuation as at 31 March 2024 in E20 Stadium LLP's accounts. The fair value of the Stadium is assessed on an annual basis by independent valuers and based largely upon E20 Stadium LLP's long-term forecasts. It is therefore subject to fluctuation each year, particularly as the commercial plans for the Stadium develop. As at 31 March 2024, the Stadium's fair value is assessed to be nil due to the level of costs included in E20 Stadium LLP's current long-term forecasts.

As in previous years, E20 Stadium LLP recognises a long-term provision for future losses arising from two onerous contracts; the accounting treatment for this methodology is reviewed each year and confirmed as part of the audited accounts The provision is calculated and disclosed in accordance with accounting standards, in particular International Accounting Standard 37 (Provisions, Contingent Liabilities and Contingent Assets). The methodology for calculating the provision uses:

- Only those revenues, costs and overheads that are directly attributable to the West Ham United Football Club and UK Athletics agreements. Revenues, costs and overheads not directly attributable to those agreements are not included in the calculation.

- Cashflows for the remaining 91-year term of the West Ham United Football Club concession agreement and the UK Athletics agreement up to its expiry in 39 years;
- A discount rate to reflect a risk-free rate (based on government gilt rates at the reporting date).

The approach has inherent volatility if the technical assumptions upon which the provision is based change – for example, the discount rate, which is now based on the prevailing government gilt rate. Annual changes in the provision are necessarily reflected in the partnership's income statement (and, therefore, the LLDC Group Comprehensive Income and Expenditure Statement); however, these are not reflective of any fundamental changes in the underlying performance of the partnership.

The E20 Stadium LLP Group is reporting an overall loss for the year to 31 March 2024 of £20.9m. this includes the movement on the onerous contracts provision, largely driven by the change in prevailing government guilt rate since last year, offset by a change in some of the underlying business forecast assumptions. It also includes financing costs of the outstanding loan between LLDC and E20 Stadium LLP.

Once these items, and others including capital investment in the Stadium, are excluded, the underlying operating position for the group is a loss of £14.1m (2022/23: £15.8m). This is shown in the following table:

2023/24	E20 Stadium LLP Group
	£'000
Total Group (profit)/loss per E20 Stadium LLP income statement	**20,872**
Remove:	
Depreciation and impairment	(1,041)
Purchases recharged within the Group	(3,872)
Exceptional income (net of exceptional costs)	(220)
Grant Received	152
Financing costs	(10,033)
Total net change in provisions	8,225
Underlying Group operating (profit)/loss	**14,083**

LLDC has regularly delivered significant **revenue savings** and a further £1.0m additional income/savings and efficiencies were incorporated into the approved budget for the 2023/24 financial year. Against this target, LLDC delivered total income/savings of £1.2m, which was £0.2m higher than the target largely from from events and programmes held on the Park, including photoshoot and film hires.

Land ownership

The majority of Queen Elizabeth Olympic Park land is owned by LLDC with further land in the north of the Park, leased from third parties, predominately the Lee Valley Regional Park Authority.

London Aquatics Centre and Copper Box Arena

The London Aquatics Centre contains a 50m competition pool, 25m competition diving pool and a 50m warm-up pool — as well as an 80-station gym, dry diving facilities, a café, crèche, and meeting rooms. It reopened at the start of March 2014 as a venue accessible to the public and capable of hosting elite sports. With 2,500 permanent spectator seats, the venue has hosted a range of local, national, and international competitions.

In 2023/24 the Aquatics Centre played host to the International Gay and Lesbian Aquatics (IGLA) Championships, the world LGBTQ+ aquatic championship and numerous national, regional, and local galas. The centre continues to have consistently high footfall with over 992,000 visits during the year.

The Copper Box Arena hosted handball, fencing and goalball during the London 2012 Olympic and Paralympic Games, and reopened as a multi-use arena in July 2013 with a seating capacity for up to 7,500 spectators. The venue also contains an 80-station gym.

In 2023/24 the arena hosted a wide range of events including successful seasons for the home teams London Lions (men's and women's basketball) and London Pulse (netball). London Lions women's team became the first British basketball team in history to win the EuroCup. The venue also hosted the Billie Jean King Cup tennis, Queensbury Boxing, UK Open Pool Championship, Japanese Pro-Wrestling, London Youth Games, Love Juice music festival and E-sports events such as Call of Duty, Riot Games League of Legends, and Apex Legends. There were just over 364,000 visits to the Arena in 2023/24.

LLDC retains the freehold of the London Aquatics Centre and the Copper Box Arena. Both venue operating contracts were tendered during 2023/24 with the aim of securing new long term operating arrangements, better services, strong commitments to the ongoing legacy and continuous improvements and value for money. Sports and Leisure Management (trading under the Everyone Active brand) were appointed to operate the London Aquatics Centre on an 8-year (with option to extend) service agreement which commenced in March 2024. Greenwich Leisure Limited (GLL) we appointed as the lessee for the Copper Box Arena on a 10-year contract (with option to extend). LLDC's contract with Equans to deliver Facilities Management services ended in February 2024 with both operators now taking on direct responsibility for operations and facilities management. Both venues traded without any closure period during a successful transition.

Stadium

The London Stadium is surrounded by water on three sides and the 'island' site, excluding bridges, is leased by LLDC to E20 Stadium LLP until 2115. The venue was transformed from its Olympic use into a multi-use world class stadium. Since reopening in 2016, the Stadium has played host to Premier League football as the home of West Ham United, as well as international athletics, the Rugby World Cup and domestic rugby, Major League Baseball and concerts featuring globally renowned bands and artists.

E20 Stadium LLP entered a 25-year service concession arrangement with London Stadium 185 Limited on 30 January 2015 which granted the operator sole and exclusive rights to promote, sell and manage events in the Stadium. In January 2019, E20 Stadium LLP acquired all the share capital of the operator from Vinci Stadium, bringing control of the Stadium operation under LLDC. The Stadium Island also houses the Bobby Moore Academy Secondary School and the London Marathon Community Track, a sporting facility that features a 400m track which is available for public use and community groups.

Here East

The buildings are leased to Innovation City (London) Limited (iCITY), trading as Here East for a period of 200 years to May 2214 with LLDC receiving a proportion of net rents. iCITY's vision is to provide an innovative new commercial space focused around established and start up technology companies.

During 2018/19 an option agreement was agreed and put in place between LLDC and iCITY, which allows iCITY to call for the grant of a new 999-year lease and disposal of LLDC's interest for a capital receipt, subject to conditions.

Here East consists of 1.2 million square feet of space and features three main buildings — a 300,000 square feet innovation centre, a 1,045-seat auditorium and an 850,000 square feet building housing educational space, broadcast studios and office space. Here East tenants included: Studio Wayne McGregor, Loughborough University in London, Plexal, Scope, V&A East, Ford Mobility, UCL, Esports Engine, Plykea, Sports Interactive and Trampery.

ArcelorMittal Orbit

The ArcelorMittal Orbit has been open to the public since 5 April 2014. At 114.5m high the ArcelorMittal Orbit is the UK's tallest sculpture incorporating two observation platforms at 76m and 80m which provide stunning views across London and Queen Elizabeth Olympic Park. Since its opening there have been 1,126,301 visits to the ArcelorMittal Orbit, with just under 63,000 visits in 2023/24. In January 2024, for the first time since its build, the attraction closed for essential lifecycle works with reopening scheduled for early 2025.

LLDC retains the freehold of the ArcelorMittal Orbit which was leased to Equans and on 26 August 2022 was sub-leased to Orbit Live Limited to manage and operate. The lease and sub-lease expired on 31 December 2023. LLDC has tendered the operating contract with the intention to appoint a new attraction operator in June 2024, who will deliver new investment and reopen publicly following the lifecycle works programme concluding in 2025.

Riverside East (Podium)

The Podium building adjacent to the ArcelorMittal Orbit contains a café and hospitality suite (previously branded as The Last Drop) and the Park public conveniences for the south of the Park. The facility has been leased to Equans since 5 December 2013, who subsequently sub-leased to Orbit Live Limited to manage and operate on 26 August 2022. The contract with Equans and Orbit Live Limited ran to December 2023. LLDC tendered the opportunity and awarded the new 7-year (with option to extend) lease to Peppermint Events Limited which commenced on 2 January 2024. Peppermint Events will pay LLDC a rent, estates and turnover share for the premises and will assume full operator maintain liabilities. The building was closed to completely refit the internal and external areas, relaunching to the public in March 2024 and rebranding the venue as a new destination within the Park called Riverside East.

Timber Lodge

The Timber Lodge is in the northern part of Queen Elizabeth Olympic Park. It is a single storey timber framed building providing a café and canteen, toilet facilities and two function rooms, which are available for hire. The building also houses the Park public conveniences for the north part of the Park. The land is leased by LLDC from Lee Valley Regional Park Authority. The lease expires in July 2053. The Timber Lodge underlease was with Change Please until February 2023. Change Please paid LLDC a rent, estates, and service charges for the premises, with a turnover share. The Timber lodge lease opportunity was tendered during 2023/24 and awarded to Five Star Catering Limited (‘Five Star’) commencing on 1 March 2024. Timber Lodge closed for March to enable Five Star to fit out, reopening to the public on 28 March 2024. Five Star pay LLDC a rent, estates and turnover share and fully maintain the premises.

Off Park properties

Several off-Park properties were transferred to LLDC from the former London Development Agency and former London Thames Gateway Development Corporation and located in the areas neighbouring the Park. Several of the previously tenanted properties in Hackney Wick are now being developed to provide housing by Notting Hill Genesis, currently under a building lease. Other properties within the portfolio are located south of Stratford High Street in Bromley-by-Bow. The portfolio is now managed by Glenny LLP on behalf of LLDC and is occupied on a variety of short-term leases.

3 Mills Studios

3 Mills Studios is a large film and TV studio offering sound stages, rehearsal rooms, production offices, prop stores, make up, costume, and green rooms. Acquired originally for LOCOG to be used for the 2012 Games ceremonies rehearsals., the site is on land owned by the Lee Valley Regional Park Authority with a long lease to LLDC until August 2103, and an option to extend for further 26 years.

The Clock Mill forms part of this site and is let to Harris Federation (formerly named East London Science School Trust). An extension has been confirmed until August 2026.

LLDC has managed 3 Mills Studios since 2011. LLDC’s appointed managing agent for the site is Knight Frank LLP who are contracted to up to March 2024, with a rolling contract in operation pending the outcome of an LLDC procurement during 2023/24 to secure a potential sublease disposal. Discussions are ongoing and aim to be concluded in summer 2024 with a new operator potentially commencing operations toward end of 2024.

LLDC successfully completed projects to reinstate the Grade 2 listed Customs House building, which was subsequently let to Harris Federation. Restoration of the heritage Gin Still building, incorporating two new floors into the space increasing creative workspaces, functionality and floor footprint completed and is now being let to productions on site. There were also renovations of the onsite screening room and convenience facilities. The projects were supported by the Government’s Getting Building Fund via a £3.0m grant allocated by the Mayor of London, and a further £1.9m funding through LLDC’s Community Infrastructure Fund. In total, inclusive of these grants, LLDC has invested nearly £6.0m into the renovation, infrastructure, and modernisation projects on the site since October 2020.

The works are creating new lettable spaces to support businesses from the creative industries aligned to TV and film production and makes greater use of the busy screen production campus which will help deliver a world-class cultural and creative production hub throughout the Thames Estuary Production Corridor.

Development platforms

LLDC owns various areas of land, which are intended for development:

East Wick and Sweetwater

LLDC entered a Development Management Agreement (DMA) with a joint venture between Places for People Homes and Balfour Beatty Investments in February 2015. The Deed of Variation to the DMA was signed in September 2022. Phase 1 is now complete with all units sold or let out. Early works for Phase 2 started on site in November 2022. Enabling works and piling works are now complete and the main works are progressing well. The Phase 2 sales process is due to start in May for the first units due to complete in 2025. Detailed design for Phase 3 has also commenced. The Reserved Matters Applications for Phases 2-5 and 7 were approved in 2021. In total East Wick Sweetwater will provide 1,859 new homes, including private rented and affordable homes. The homes will be accompanied by a mix of social infrastructure including nurseries, health centre and a library.

Stratford Waterfront

Located opposite the London Aquatics Centre in the south of the Park, this development platform forms part of the East Bank project and is home to UAL's London College of Fashion, Sadler's Wells, Victoria and Albert (V&A) Museum, and the BBC as well as residential[7], retail and public realm space. All partner institutions have binding Agreements for Lease with LLDC, with the lease durations ranging from 199 to 399 years. Construction is now reaching the final stages and the buildings have begun to open with UAL becoming operational in 2023. The V&A building was handed over in early 2024 and is now being fitted out by the tenant. The residential development will be delivered alongside Bridgewater Triangle under a 50/50 joint venture between LLDC and Ballymore. A reserved matters planning application was submitted in March 2024 for 700 homes. Construction is expected to commence in 2026.

LLDC has agreed with the GLA to apply a portfolio approach to deliver affordable housing on this site linked to the delivery of affordable homes at Stratford Waterfront, Pudding Mill Lane, and Rick Roberts Way. Overall, the combined sites will deliver 50% affordable housing.

Stratford Waterfront – Retail

LLDC has incorporated a dedicated company, Stratford Waterfront Retail Management Company Limited (Retail Co), which will take a lease for the retail units located at waterfront level close to the cultural and education buildings. The Retail Co will then enter into leases for each of the units with food and beverage operators. The Retail Co has entered into a binding Agreement for Lease with LLDC and is due to take its lease in the summer of 2024. Agents are appointed to help secure tenants for the units, and it is anticipated that they will start to become occupied from the middle of 2024 onwards.

Bridgewater Triangle

This site is part of LLDC's portfolio approach to deliver 50% affordable housing across the combined sites. LLDC secured outline planning permission for the Bridgewater Triangle site in April 2023, which replaced the previous outline planning consent under the Legacy Communities Scheme. The scheme will deliver c.575 homes, a new bridge and key infrastructure. The site will be delivered alongside Stratford Waterfront under the joint venture between LLDC and Ballymore.

UCL East

Also, part of the East Bank project, Phase 1 of this development platform comprises of approximately 50,000m² of new university campus, with academic and student residential accommodation. UCL's Reserved Matters Application was approved by the Planning Decisions Committee in March 2019, subject to conditions, and UCL subsequently appointed its contractors for their main academic buildings at

[7] not yet under construction

Marshgate and their mixed-use Pool Street West building. Pool Street West opened in 2022 and Marshgate was completed in 2023 and became operational for students for the 2023/24 academic year as planned. UCL has a 299-year lease for the Pool Street West site and a 15-year lease for the rest of the site became a long lease (299 years) following practical completion of the Marshgate academic facility.

Pudding Mill Lane

This site is part of LLDC's portfolio approach to deliver 50% affordable housing across the combined sites. LLDC submitted a revised outline planning application for the Pudding Mill Lane site in December 2021, which was unanimously approved by LLDC's Planning Committee in October 2022. This planning permission will replace the existing outline planning consent under the Legacy Communities. The scheme will deliver c.950 homes, employment space and a new local centre close to the Docklands Light Railway station. LLDC launched a procurement to select a joint venture partner in January 2023, which is expected to conclude mid 2024/25.

Rick Roberts Way

In September 2022 LLDC and London Borough of Newham completed a land swap to consolidate landholdings on the Rick Roberts Way site. LLDC now owns a developable parcel fronting Stratford High Street that will deliver a minimum of 450 homes. This site is also part of LLDC's portfolio approach to deliver 50% affordable housing across the combined sites. A procurement process to appoint a developer for the project is nearly concluded and contract execution anticipated imminently. Construction is anticipated to commence in early 2026.

Hackney Wick Central

LLDC has appointed Notting Hill Genesis (NHG) as development partner for the Hackney Wick Central LLDC sites to deliver approximately 190 affordable homes (100%), and over 4,000m^2 commercial space. The Development Agreement completed in July 2022 and the Reserved Matters Application was approved in 2022. All sites have now been handed over to NHG. John F Hunt have completed the enabling works and Ardmore started on site with the piling in March 2024 as main contractor. Construction is due to complete in 2026.

Comprehensive Income and Expenditure Statement

The following table reports the same underlying information as the Comprehensive Income and Expenditure Statement, but in the form of LLDC's management accounts.

2023/24	Actual £000	Budget £000	Variance £000
Total net revenue expenditure	34,571	46,961	(12,390)
Trading net (surplus) / deficit	*646*	*(12)*	*656*

LLDC recorded net revenue expenditure of £34.6m for the year, which was £12.4m lower than budget. This is mainly the result of:

- Higher income from LLDC's statutory planning function, with several major developments commencing during the financial year.
- Additional income recognised in Park Operations and Venues from the release of LLDC's share of the Healthy Living Fund, which was released when the London Acquatics Centre operator contract ended.
- A lower than budgeted outturn for LLDC's Trading activites, including relating to 3 Mills Studios where income was impacted by the Hollywood writers' strikes, the non-renewal of one of its major bookings and delays in the procurement of a subtenant for LLDC's long-term lease interest . The trading outturn also inluded a bad debt provision for the AMO and The Last Drop relating to Orbit Live Limited, the previous operator.
- A positive variance to budget for the London Stadium, reflecting:

- Successful year of events including two major concerts, Major League Baseball, Monster Jam and athletics;
- Lower fixed utility costs for 2023/24 yielding savings against the budget;
- The release of a risk provision for no Stadium Naming Rights income in 2023/24.

LLDC continually seeks to manage its cost base down and is efficient and effective in the use of its revenue resources.

The Expenditure and Funding Analysis (Note 3) provides a reconciliation between the figures reported within LLDC's management accounts (above) and its Net Cost of Services, as reported in the Comprehensive Income and Expenditure Statement.

Balance Sheet

The Balance Sheet as at 31 March 2024 is summarised in the following table.

	31 March 2024 £000	31 March 2023 £000
Long term assets	144,761	168,450
Cash and cash equivalents	83,444	66,755
Inventories	160,838	290,662
Net current assets/(liabilities)	(222,372)	(363,118)
Net pension liabilities	1,945	(2,044)
Other long term liabilities	(513,195)	(496,163)
Net assets	**(344,580)**	**(335,459)**
Represented by:		
Usable reserves	(33,262)	(19,449)
Unusable reserves	377,842	354,908
Total reserves	**344,580**	**335,459**

LLDC's long term assets relate primarily to investment properties, which include residential development plots that have not yet commenced on-site, such as Stratford Waterfront and Pudding Mill Lane, and inventories, which include residential developments that have commenced on site and the East Bank buildings under construction.

The investment property portfolio was valued as at 31 March 2024 by JLL who are external, independent property valuers and have appropriate recognised professional qualifications. The assets are being held by LLDC for their income generating potential or for capital appreciation (prior to disposal) and are therefore classified as investment property in accordance with IAS 40. Overall, the value of LLDC's investment property assets has decreased from £133.4m at the end of last year to £107.8m as at 31 March 2024, due to the sale of land and reductions in the value of developments sites reflecting the current market .

LLDC's inventory balance at 31 March 2024 is £160.8m, which has decreased by £129.9m since the prior year, largely due to the disposal of the UAL and V&A buildings, which reached practical completion during 2023/24 – see Note 16.

Cash and cash equivalents

LLDC's short-term cash balances, which relate to balances held to meet liabilities on LLDC's balance sheet in respect of its obligations under the Olympic Park Transport Environment Management Strategy (OPTEMS), Section 106 contributions and Community Infrastructure Levy (CIL). These were transitioned during the year from being invested through the GLA Group Investment Syndicate (GIS) to the London Treasury Liquidity Fund LP (LTLF, formally known as GLA Strategic Reserve LP). The LTLF is an Alternative Investment Fund (AIF) providing additional regulated oversight and assurance and replaces the GIS interests with equivalent interests in the new fund. The underlying investments and the investment strategy remain unchanged by the transition to LTLF. The participants' (GLA, LLDC, London

Fire Commissioner, the London Pensions Fund Authority and The Mayor's Office for Policing and Crime) key governance rights, such as changing the investment strategy, are maintained in the constitution of LTLF through the Limited Partners' Advisory Committee (LPAC), to the extent possible to also preserve limited partners' limited liability.

The establishment of LTLF will facilitate the participation of bodies outside the GLA family, growing the fund and passing resulting economies of scale back to its participants.

As at 31 March 2024 the value of LLDC's cash and cash equivalents was £83.4m (31 March 2023: £66.8m). The balance held with the London Treasury Liquidity Fund (LTLF) at 31 March 2024 is £49.6m (31 March 2023: £46.8m), with the balance of £33.8m (31 March 2023: £19.9m) being held within LLDC's bank accounts (see Note 15). As at 31 March, £69.1m (31 March 2023: £55.3m) of cash and cash equivalent balances related to OPTEMS, Section 106 liabilities and CIL liabilities.

LLDC does not otherwise hold significant cash balances for its operational need. Working capital is requested from the GLA on a weekly basis based on forecast requirements. Cash inflows are generated from other sources including trading operations, planning fees and events held on the Park. Consequently, LLDC usually has relatively low sensitivity to variations in cash flow during the year. In 2023/24, LLDC also received £1.9m in capital receipts from its inventories, which are forecast to grow further in the future, for example as disposals of residential properties increase. Future plans may be affected by a number of factors, including inflationary increases that affect LLDC's capital and revenue costs, housing market movements, planning assumptions and the level of affordable housing that are material to receipts from the disposal of development land.

Pension Scheme

LLDC is a member of the Local Government Pension Scheme, administered by the London Pensions Fund Authority. The net liability (the amount by which pension liabilities exceed assets) affects LLDC's net worth as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that LLDC's financial position in relation to its pension obligations remains healthy. The net pension liability has decreased from £2.0m (as at 31 March 2023) to £1.9m net asset position as at 31 March 2024, largely due to a change in the financial assumptions used by the actuary (in particular, the rate of inflation, which has decreased from 4.8% to 3.1%). The gross liability is £44.4m, which is offset by scheme assets of £46.4m.

A total of £6.2m (net) has been debited to the Comprehensive Income and Expenditure Statement in 2023/24 of which £4.3m is related to the re-measurement of the net defined benefit asset, service costs (£1.8m), and net interest charged on the deferred liability and administration expenses (£0.1m). The deficit on the Pension Scheme will be made good by increased contributions by LLDC over the employees' remaining working life, as assessed by the Scheme actuary.

Other assets and liabilities

LLDC has a rolling loan facility with the GLA to finance LLDC's capital expenditure. As at 31 March 2024, LLDC had drawn down loan funding to the value of £516.5m. This loan will be repaid from capital receipts generated from the exploitation of LLDC's ownership of development platforms on and around the Park and grant funding. Interest payable on the loan is based on a 50-year Public Works Loan Board rate and is funded by GLA revenue grant.

£69.1m of liabilities on LLDC's balance sheet relate to its obligations under the OPTEMS, Section 106 schemes and Community Infrastructure Levy. As noted previously, LLDC has ring-fenced the funds required to meet its obligations.

LLDC recognises its obligation to repay loan of £14.9m (principal £9.2m plus unpaid interest), which was used to part fund the construction of the ArcelorMittal Orbit and is repayable to ArcelorMittal Orbit Limited from future profits from the operation of the ArcelorMittal Orbit as and when they are generated (in the first instance against interest on the loan until wholly repaid then 50% against the principal thereafter). A discounted projected cash flow is used for calculation of the carrying amount. The projected cash flows result in the carrying value of the loan being set at nil. This position remains despite the surplus reported in prior years. In measuring the carrying value of the liability, the group has estimated the future cash payments through the expected life of the liability, based on the expected future cashflows of the ArcelorMittal Orbit and concluded that this results in a carrying value of nil.

Provisions and contingent liabilities

In 2021/22 an incident occurred at the London Aquatics Centre, which resulted in an investigation by the Health and Safety Executive (HSE). The HSE investigation is ongoing at the reporting date; the outcome, including whether it will give rise to any possible obligations for LLDC, is therefore unknown and not within the control of LLDC. Accordingly, a contingent liability is being disclosed.

For the East Bank project, LLDC has determined that it has constructive obligations under the agreements with the respective East Bank partners to contribute towards (or pay for entirely) the costs of their buildings. LLDC has concluded that these constructive obligations were created at the date the respective agreements for lease became unconditional. The balance on this provision as at 31 March 2024 is £144.9m – see Note 27.

LLDC is now recognising a provision for the potential staff-related costs resulting from the organisational restructure that is currently underway. These costs are likely to be incurred in 2024/25 and 2025/26 when the changes take effect. The provision is based on reasonable estimates by LLDC management at the reporting date as the statutory consultations with staff are still ongoing and the final organisational structure therefore unknown.

Reserves

LLDC's net revenue expenditure is fully funded by the GLA via a revenue grant. This grant is agreed annually on a four-year rolling basis via the GLA's statutory budgeting process and is drawn by LLDC throughout the year on a cash-basis. This arrangement gives rise to timing differences between net expenditure calculated on an accruals-basis and LLDC's net cash requirement. It also means that LLDC's ability to generate surpluses within its General Fund is restricted.

Changes to LLDC's reserves mirrors the movement of its net assets. Accordingly, at the end of the financial year, LLDC had usable reserves of £33.3m in the General Fund (2022/23: £19.4m). Considering LLDC's funding arrangements with the GLA, the level of usable reserves reported in the statutory accounts is considered adequate for LLDC to meet its current and future financial challenges.

Forecast net cash position

In line with LLDC's approved budget, as updated for the 2023/24 outturn, the net cash position of LLDC's activities in the coming three years is expected to be as follows:

Capital

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Capital expenditure	**172.0**	**123.1**	**73.9**	**41.6**	**410.7**
Funded by:					
- Capital receipts	(89.0)	(54.7)	(5.0)	(32.9)	**(181.7)**
- Other grants / funding	(8.8)	(42.2)	(61.6)	(18.9)	**(131.4)**
- Borrowing from GLA	(74.2)	(26.2)	(7.3)	10.1	**(97.6)**
Total funding	**(172.0)**	**(123.1)**	**(73.9)**	**(41.6)**	**(410.7)**

Revenue

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Revenue Income	(21.2)	(21.8)	(14.5)	(14.7)	**(72.3)**
Revenue Expenditure	55.8	68.3	43.0	42.3	**209.4**
Financing Cost	13.3	16.3	16.4	16.3	**62.3**
Net expenditure	**47.8**	**62.8**	**44.9**	**43.9**	**199.4**
Funded by:					
- GLA funding (core activities)	(29.7)	(34.9)	(27.7)	(27.2)	**(119.5)**
- GLA funding (financing)	(13.3)	(16.3)	(16.4)	(16.3)	**(62.3)**
- Reserves	(4.9)	(11.6)	(0.8)	(0.4)	**(17.6)**
Net revenue position	**-**	**-**	**-**	**-**	**-**

Changes to accounting policies

There are no changes to accounting policies in 2023/24.

Commentary on key projects

At Stratford Waterfront, construction work has continued during 2023/24 with completion of LLDC's work in two buildings and part of the public realm: University of Arts London's London College of Fashion building and the waterfront area of the public realm opened in September 2023; and the V&A building was handed over to the V&A for their fit out in November 2023 and certified as complete in January 2024. Work is ongoing on construction for the BBC and Sadler's Wells theatre buildings ahead of handover for fit out later in 2024, noting that there is an ongoing risk of delays on these two buildings.

Ballymore are LLDC's joint venture partner to develop the Stratford Waterfront residential land alongside the Bridgewater Triangle development site at Pudding Mill. The Reserved Matter Application for Stratford Waterfront was submitted in 2023/24 and vacant possession for the site is scheduled for 2024/25, following the completion of Stratford Waterfront East Bank construction.

UCL East's One Pool Street site opened to students in 2022 and UCL East's Marshgate site opened for the 2023/24 academic year. This completes work on Phase1 of the UCL East Campus with 40,000 sqm of academic space and 14,000 sqm of student accommodation. The campus will serve circa 4,000 students and academics when at full capacity. The East Bank costs are met through a mixture of partner and private sector funding, philanthropic funding and public-sector funding from the Mayor of London and Government. In total, this investment is anticipated to generate 2,500 new jobs, economic benefits of over £1.5 billion at net present values and deliver 100,000m^2 of cultural and educational space.

East Bank partners have played active roles in successful initiatives on the Park during 2023/24, including the Great Get Together community event, East Summer School, and East Careers Week. London College of Fashion continues to make links with local communities and use the public space in their building for free exhibitions and public artwork. A new oral history website, Voices of East Bank, was launched during the year, link here. It includes more than 100 audio recordings made in 2023 and captures a snapshot of the languages, dialects, and stories of east London's diverse heritage from the 20th century to the present day.

Chobham Manor development

The development now comprises of 880 new homes of which 75% are family homes with three or more bedrooms and 35% are affordable (up from 28%, following investment by LLDC). The affordable element comprises affordable rent, social rent, and intermediate housing. All phases have now completed, and all of the homes have either been sold (private and shared ownership) or tenanted.

East Wick and Sweetwater

East Wick and Sweetwater Projects Limited (a joint venture between Places for People and Balfour Beatty PLC) are appointed by LLDC to create new neighbourhoods on the Park in East Wick and Sweetwater.

The plans include building up to 1,500 new homes with up to 30% affordable and 500 homes to rent. East Wick and Sweetwater will create a vibrant new community on the west of the Park, linking to existing communities in Hackney Wick and Fish Island. Construction works on the development and related infrastructure works is underway: Phase 1 construction completed in 2021/22, delivering 302 homes, with all homes being sold or let. Reserved Matters Applications for all future phases were determined in 2021/22. Following the completion of enabling works and piling, Phase 2 main contractor works commenced in 2023/24 and are on programme. A new programme for Phase 3 is now agreed, with preliminary work to commence at the end of 2024 ahead of start on site in autumn 2025.

Phases 1 and 2 are recognised in LLDC's accounts as inventories up to the point the properties are sold. The remaining phases, which have not commenced development at the reporting date, are held as an investment property (as part of 'Queen Elizabeth Olympic Park' asset) in LLDC's accounts, see Note 12.

Hackney Wick Neighbourhood Centre

Spanning the boundary between the London Boroughs of Hackney and Tower Hamlets, the Hackney Wick Central development will provide a new neighbourhood centre around the recently improved Hackney Wick Station, building on the distinctive character and heritage of the area. The centre will include workspace, retail, and community facilities, as well as up to 200 new homes.

Notting Hill Genesis are appointed by LLDC under a Development Agreement to deliver the scheme, which will deliver 100% affordable housing (previously 50%). Construction for the development began during 2023/24 and is progressing well.

Operational contracts

LLDC completed the procurements of key venue operational contracts in 2023/24, including awarding new contracts to Sports and Leisure Management (Everyone Active) for the London Aquatics Centre and to Greenwich Leisure Limited (GLL) for the Copper Box Arena, exceeding targeted savings. Appointment for the final contract – ArcelorMittal Orbit – is scheduled for 2024/25.

Prospects and outlook

Looking forward, LLDC has several key milestones to achieve in 2024/25:

LLDC will continue to progress its residential projects to provide new homes for people who want to live in the area, including affordable and family homes. These projects, which include the residential development at Stratford Waterfront, will also continue to generate significant capital receipts for LLDC, supporting repayment of borrowings to the GLA, but are being delivered at a time when the UK housing market has softened and borrowing conditions are difficult; this could impact upon the level of receipts realised by LLDC.

New facilities created as part of the East Bank project will open and further strengthen the Park's offer for local, national, and international visitors and create a home for skilled artists, designers, academics, engineers, scientists, architects and craftspeople – and the global companies that need this talent. In 2024/25 construction work is due to complete on the remaining buildings, Sadler's Wells and BBC Studios, and the remainder of the public realm.

A programme of major events has been scheduled for the summer of 2024/25, including concerts, athletics, and Major League Baseball at the London Stadium, before the Stadium moves back into football mode for the start of the 2024/25 Premier League season. Work will also conclude on the installation of solar membrane panels to the roof of London Stadium, reducing energy costs and carbon emissions, while generating an estimated one million kWh of renewable energy each year.

The sublessee of LLDC's long leasehold interest in 3 Mills Studios will also be appointed and LLDC will continue to work towards improved financial sustainability for the London Stadium and the Park, including through commercial opportunities.

Evolution of LLDC

In spring 2023, LLDC completed a consultation on behalf of the Mayor of London on the proposal to reduce the LLDC Mayoral development area to the core area in which LLDC owns and/or manages or operates land. The consultation report, which recommends the reduction of the LLDC Mayoral area, was approved by LLDC's Board and by the Mayor (MD202).

Collaborative activity continues with the Growth Boroughs to prepare for the transfer of Town Planning functions on 1 December 2024. The draft Statutory Transfer Schemes related to the transfer of planning powers is agreed by all the Growth Boroughs and LLDC and the related Mayoral Decision (MD3256) was recently approved.

LLDC is working with the Department for Levelling Up, Housing and Communities (DLUHC) to progress the necessary legislative arrangements to effect the transfer of Town Planning functions and the reduction of the LLDC Mayoral development area. DLUHC officials have confirmed that the draft Statutory Instrument will be issued to the LLDC for comment in May 2024, with the final version to be submitted for Parliamentary approval later in 2024.

The Planning team, supported by Development and Design colleagues, has undertaken a series of knowledge sharing sessions. These bring together planning officers from all four Boroughs for an overview of the transfer of planning powers and important permissions covering all areas, with individual sessions also undertaken with each borough on individual sites.

The first of two phases of employee consultation on the proposed new organisational structure commenced in January 2024 (concluding in March) followed by and the second phase in April 2024 (concluding in June). Support for employees throughout this period of change is being provided by LLDC; Employee Representatives for the consultations are in place and career support is being launched. Recruitment processes for a new Chair and Chief Executive are underway and will conclude in early 2024/25 subject to Mayoral approval.

LLDC has access to sufficient funding through the GLA to complete the development programme set out in its 2024/25 budget submission and capital strategy. The Corporation's 2024/25 budget was approved by LLDC Board and the Mayor in February 2024 and will be revisited annually as part of the annual statutory budget process of the GLA.

LLDC continually seeks to maximise the value for money of the investment in its activities and ensure that the organisation is as lean and effective as possible, while still resourced to deliver a challenging programme.

Performance Measures

The following performance indicators demonstrate how LLDC has used its resources to deliver against its five strategic objectives during 2023/24.

Measure	Progress to 31 March 2024
East Wick and Sweetwater Phases 2 and 3 construction commence and deliver on programme	Following the completion of enabling works and piling, Phase 2 main contractor works have commenced and are on programme. A new programme for Phase 3 has been agreed, with preliminary works to commence at the end of 2024 ahead of start on site in autumn 2025.
Manage procurement to select a Joint Venture partner for Pudding Mill Lane in early 2024/25.	The Joint Venture (JV) procurement has continued: Joint Venture procurement tenders have been returned and are being evaluated with the aim to appointment the JV partner in the first quarter of 2024/25. Outline planning permission for the scheme was approved in September 2023.
Complete Rick Roberts Way development partner procurement; submission of detailed planning application.	A preferred development partner has been selected following a procurement process and approved by the Investment Committee. The contract is due to be executed

Measure	Progress to 31 March 2024
	in early 2024/25 and the preferred bidder has commenced design work ahead of Planning submission in 2024.
Vacant possession in place for Stratford Waterfront residential for start on site in early 2024/25.	It was announced in 2022/23 that following a procurement process, Ballymore and LLDC formed a Joint Venture to deliver Stratford Waterfront and Bridgewater Triangle. Vacant possession for the residential site at Stratford Waterfront is scheduled for late 2024/25.
Vacant possession and Planning in place for Bridgewater residential to start on site in early 2024/25.	The Bridgewater Triangle Outline Planning Application was granted in 2023, following finalisation of the Section 106 Agreement. Bridgewater Infrastructure works Stage 3 design has been signed off and Stage 4 is underway. Detailed design is now underway following a pause due to viability and uncertainty around Government requirements for second staircasing. Vacant possession for the site not yet required and there are interim uses in place.
Delivery of Hackney Wick Neighbourhood Centre: construction.	Construction commenced on 31 March 2023 and is progressing well to deliver a 100% affordable housing scheme.
Meeting and exceeding targets for construction and end use jobs for local people, Black, Asian, and Minority Ethnic groups, disabled people, women and apprentices	Latest snapshot shows that the majority of construction and end use employment targets are being met or exceeded, though there have been some issues including East Bank performance for apprentices and local people.
Progress EAST Education, an education engagement programme with East Bank partners.	East Education has continued, including the successful delivery of East Summer School and East Careers Week.
Deliver an effective and responsive planning service. At least 70% of applications determined in time.	This target was exceeded every month in 2023/24.
Delivery of Town Planning programme, including annual monitoring report publication	The 2022/23 Annual Monitoring Report was approved by Board and published in May 2023.
Maintain safe and well-maintained Park and attracting visitors: measuring against the estimate of 6.2m visits per annum. ,. Manage and maintain the quality of the Park and venues, including retaining Green Flag status	LLDC has continued to maintain safe and high- quality Parklands, supported by on Park, web, and social media communications. New footfall counting methodology is in place and data collected in 2023/24 period shows 20.2m visits to the Park. The Park was awarded Green Flag Status for the tenth consecutive year in summer 2023.
Park operational contracts procurement complete, award contracts and commenced mobilisation.	Following procurements, the security contact and horticulture grounds maintenance, Copper Box Arena, Podium, and London Aquatics Centre contracts have been awarded previously: mobilisation for the new London

Measure	Progress to 31 March 2024
	Aquatics Centre operator Everyone Active was undertaken successfully on 29 February 2024. In this period, the contract for the Timber Lodge was awarded to Five Star Catering, and procurement for ArcelorMittal Orbit operator continued.
Delivery of the Great Get Together and any smaller community events on the Park.	The Great Get Together was held successfully in Park, attracting 15,000 visitors with content and financial support from Park partners. The Park continued to hold smaller events and filming, generating income, and animating the Park.
Support safe delivery of major events including the Stadium programme including football. summer concerts, Major League Baseball, and athletics.	A successful summer programme of sport, concerts and events were held at London Stadium. This included the return of Major League Baseball, record breaking concerts from The Weeknd, and Burna Boy, the first African artist to headline a Stadium concert in the UK. The Stadium team then completed the reconfiguration of the Stadium for the start of the 2023/24 Premier League season.
Complete construction of East Bank Stratford Waterfront cultural and educational buildings to programme and hand buildings over. Opening of London College of Fashion and Sadler's Wells buildings.	University of Arts London's London College of Fashion building and the waterfront area of the public realm opened on Stratford Waterfront in September 2023. The V&A building was handed over to the V&A for fit out in November 2023 and certified as complete in January 2024, Work is ongoing on construction for the BBC and Sadler's Wells theatre buildings ahead of handover for fit out later in 2024/25.
UCL complete construction of their new university campus, UCL East, including completion and phased opening of Marshgate.	UCL East's Marshgate opened in September 2023. The other UCL East building, One Pool Street, opened to students in 2022.
Continue to work with East Bank partners to facilitate the development of the partnership to ensure delivery of the East Bank strategic objectives and to maximise the value of the cluster.	East Bank partners have been working together to deliver benefits through delivering the East Bank Strategic Objectives 2020-23.The next Impact Report is scheduled to be produced in early 2024/25. East Bank partners have played active roles in successful initiatives on the Park in 2023/24 including the Great Get Together community event; East Summer School and East Careers Week.
Stratford Station Strategic Outline Business Plan approved.	The Strategic Outline Business Case (SOBC) has been submitted. The partnership will now develop more detailed plans for the station's redevelopment through an enhanced SOBC which is expected to be submitted to Government in 2025.
Complete 3 Mills Studios procurement.	Procurement for a sublessee of LLDC's long leasehold interest in 3 Mills Studios continued. Following identification of the highest placed bidder contractual negotiations have continued for appointment in 2024/25.

Measure	Progress to 31 March 2024
Delivery of an annual Youth Conference in conjunction with partners.	Elevate (the new name for the Legacy Youth Board) held the Future Me, Future Youth annual conference in March 2024.
Continued delivery of the SHIFT innovation district.	Good progress has been made in the delivery of the SHIFT Innovation District in 2023/24. Highlights in this period include: the successful launch of a Membership scheme to actively recruit enterprises to join the community, with 145 enterprises onboarded; and delivery of the Future Industries Demonstrator programme
Health and safety: Construction undertaken without a fatal accident on site; to prevent any life-changing injury or occupational ill-health for any individual; and to minimise reportable accidents to a rate below 0.17 per 100,000 hours worked.	There have been no RIDDOR reportable incidents in 2023/24.
Deliver improvements for the safety of women and girls on the Park.	The report on the Women and Girls Safety project has been published. LLDC has set up a charter with the main stakeholders signed up. In addition, a handbook - Creating Places That Work for Women – has been produced for local authorities and developers. A lighting audit across the Park is underway.
Progress LLDC's Transition programme, including: completion of consultation on the proposed reduced Mayoral development area and associated Mayoral Decision on the outcome; progress work with DLUHC to make the necessary legislative changes to support a reduced area and the hand back of Town Planning powers (by December 2024); continued focus on workforce planning, future functions of LLDC and supporting our people through change; in collaboration with Boroughs, progress work to hand back Town Planning powers and to develop and integrate Inclusive Economy work.	The consultation on the revised MDC boundary for the future phase of LLDC has completed: a consultation report, which recommends that the Mayor of London formally approves the reduction of the LLDC Mayoral area, was approved by LLDC's Board and was submitted for Mayoral Decision and approved. Work continues to: progress legislative changes to support a reduced area and the hand back of Town Planning powers; work in close collaboration with Boroughs on the hand back of Planning powers and the Inclusive Economy agenda. Future organisational design has progressed, with first of two phases of employee consultation undertaken in late 2023/24 and Phase 2 scheduled to commence in April 2024.

Corporate risks

LLDC regularly reviews risks at a project, directorate, and corporate level. The table below shows the current top corporate risks identified their potential impact, and what mitigating action is being taken.

Summary	Impact	Mitigation	Current RAG
Risk relating to further impacts on East Bank budget and programme.	Financial and / or delivery impacts. Reputational impacts.	Management of Project Management Partner, focus on risk mitigation, design management and partner engagement. Engagement with GLA finance.	R

Summary	Impact	Mitigation	Current RAG
Risk relating to meeting long-term financial forecasts through the Housing Delivery Plan.	Financial and/ or delivery impacts. Reputational impacts.	Housing strategy, tight monitoring and financial control, commercial opportunities, close working with GLA.	R
Risk relating to London Stadium losses.	Financial and reputational impacts.	E20 Stadium LLP Board and funders considering commercial options. Stadium operations brought in house. 5-year business plan in place.	R
Risk that HMRC rules against LLDC's Corporation Tax non-statutory clearance application and ongoing use of Stadium losses matter.	Financial impact.	Tax and legal advice and pro-active engagement with HMRC; currently awaiting their responses.	R
Risk relating to delivery of Housing Delivery Plan ahead of Transition and meeting Town Planning requirements.	Financial and reputational impacts.	Close working with GLA, monitoring of progress against the plan, resolving issues relating to individual developments, ensuring attractive propositions to market.	R
Risk relating to security on the Park and the threat level.	Reputational, operational, and financial implications.	Monitoring threat levels across the Park ensuring appropriate security resource and implementation of new initiatives.	R
Stratford Station insufficient for growing demand.	Strategic and operational impacts. Potential limiter on economic development in Stratford area.	Work with partners to determine and deliver transport projects to improve infrastructure.	R
Risk about the impacts of Health and Safety failures, including East Bank and unauthorised climbers at ArcelorMittal Orbit.	The possibility of serious injuries or fatalities, the consequences of which may include significant delays and reputational damage.	A comprehensive Health and Safety programme is in place, designed to identify and manage the construction risks and led actively by LLDC and its project management partner. Oversight through Health, Safety and Security Committee.	R
Risk relating to commercial performance, delivery of Park Business Plan.	Financial impacts, reduced income, or increased costs.	Delivery of Sponsorship, Marketing and Park Assets Strategy and commercial income targets.	R
Delivery of LLDC activities and objectives by 2025, including retention of talent.	Negative impacts on regeneration of the area; reputational impacts.	Transition plans being delivered, supported by internal engagements. Focus on delivery of major projects. Workforce plan and succession planning.	R

Summary	Impact	Mitigation	Current RAG
Risk relating to responding to the climate emergency and meeting Net Zero Carbon by 2030.	Missing opportunities and reputational impacts.	Secure funding. Delivery of sustainability programme, close work with partners, monitoring and reporting on KPIs.	R
Capacity of partner organisations to take on legacy activities post 2025.	Negative impacts on regeneration of the area; reputational impacts.	Delivering inclusive economy, close working with key partners.	R
Delivering the next phase of LLDC successfully.	Negative impacts on regeneration of the area; reputational impacts.	Transition strategy being delivered updates presented to Board and GLA. Close working with key stakeholders.	A
Electrical capacity of Park requires reinforcement.	Financial impacts.	Energy strategy commissioned. Review and implement findings.	A
Risk relating to failure to embed fraud and assurance processes, including group subsidiaries (E20/LS185).	Financial and reputational impacts.	New finance system implemented; anti-fraud policy updated; financial and procurement controls; assurance from internal and external audit; ongoing fraud awareness briefings. Mandatory fraud workshop held for finance practitioners.	A
Risk relating to information security non-compliance, including GDPR and cyber risks. Risk also relates to group subsidiaries (E20/LS185).	Potential loss, theft, or corruption of data with reputational and financial impacts.	Information security gap analysis complete, action plan being implemented. Ongoing information security briefings.	A

Corporate Issues

Below is a summary of the corporate issues that were presented to LLDC Audit Committee in March 2024.

Summary	Action Plan
Red Issue relating to East Bank philanthropic funding.	Fundraising strategy in development with GLA.
Red issue relating to East Bank budget and programme.	Management of Project Management Partner, focus on risk mitigation, design management and partner engagement. Engagement with GLA finance. There is also a risk of further cost increases and programme pressures.
Red issue relating to carbon savings from the District Heating Network.	Liaison with Bring Energy, GLA, central government, and Westfield as joint employers.
Amber issue relating to London Stadium crowd control more issues in grounds since lockdown including drug use, pyrotechnics, and pitch incursions.	Working closely with partners including West Ham United.
Amber issue relating to reputational impact of residents' criticism of Fixed Estate Charge (FEC) and potential for changes to the FEC impacting on the Corporation's long term financial sustainability.	Mayoral review complete, recommendations agreed and being delivered, reported to the Investment Committee. Engagement with resident associations. Information on the website about FEC.

Purposes of major schedules within the financial statements

The nature and purpose of the primary schedules included within the financial statements are set out below:

Comprehensive Income and Expenditure Statement

This statement shows both the revenue received and the costs incurred in the year of providing services, in accordance with International Financial Reporting Standards (IFRS).

Balance Sheet

The balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by LLDC. The net assets of LLDC (assets less liabilities) are matched by the reserves held by LLDC. Reserves are reported in two categories. The first category of reserves is usable reserves, being those reserves that LLDC may use to provide services. LLDC is funded by the GLA; therefore, its level of usable reserves in the statutory accounts does not fully determine its ability to meet current and future financial challenges. The second category of reserves is those that LLDC is not able to use to provide services (Unusable Reserves). This category of reserves is brought about by accounting entries and includes reserves that are impacted by timing differences shown in the movement in reserves statement line 'Adjustments between accounting basis and funding basis under regulations'. They are not cash-backed reserves or an additional source of funding for LLDC.

Cash Flow Statement

The cash flow statement shows the movements in cash and cash equivalents of LLDC during the financial year. The statement shows how LLDC generates and uses cash and cash equivalents by classifying cash flows as derived from operating, investing, and financing activities.

Movement in Reserves Statement

This statement shows the movements in the year on the different reserves held by LLDC analysed between usable reserves and unusable reserves, Gains and losses recognised on an accounting basis and the statutory adjustments required to control the amounts being recognised within LLDC's General Fund are reflected in the usable reserves. In Local Authorities, the General Fund governs the amounts chargeable to council tax for the year, however this is not relevant in the context of LLDC. The unusable reserves include the pensions reserve, accumulated absences reserve and the capital adjustment account, which absorbs the timing differences arising from the different arrangements for the consumption of non-current assets and for financing the acquisition, construction, or enhancement elements of those assets under statutory provisions.

Statement of Responsibility for the Accounts

LLDC's responsibilities

LLDC is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In LLDC that officer is the Deputy Chief Executive.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

The Deputy Chief Executive's responsibilities

The Deputy Chief Executive is responsible for the preparation of the Statement of Accounts for LLDC Group in accordance with proper practices as set out in the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Deputy Chief Executive has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code
- kept proper accounting records which were up to date, and
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Certificate of the Deputy Chief Executive

I certify that the Statement of Accounts gives a true and fair view of the financial position of LLDC Group at the accounting date and of the income and expenditure for the year ended 31 March 2024.

Gerry Murphy
Deputy Chief Executive
May 2024

Independent Auditor’s Report to the Members of the London Legacy Development Corporation

[TO BE INSERTED WHEN ISSUED]

Comprehensive Income and Expenditure Statement

For the year ended 31 March 2024

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	2/4	(103)	2,738	2,635
Development	2/4	(1,008)	2,512	1,504
Executive Office	2/4	(252)	7,191	6,939
Finance, Commercial and Corporate Services	2/4	(1,362)	8,422	7,060
Park Operations and Venues	2/4	(483)	2,763	2,280
Planning Policy & Decisions	2/4	(3,132)	4,093	961
Regeneration and Community Partnerships	2/4	(648)	3,083	2,435
Stadium	2/4	(68)	71	3
East Bank	2/4	(119,816)	141,689	21,873
GLA Grant	2/4	(49,936)	-	(49,936)
Net cost of services		**(176,808)**	**172,562**	**(4,246)**
Financing and investment income	7	(26,980)	-	(26,980)
Change in fair value of investment properties	13	-	72,478	72,478
Impairment of investment in joint venture	14	-	20,303	20,303
Financing and investment expenditure	8	-	45,460	45,460
Capital grants and contributions	9	(98,749)	-	(98,749)
(Surplus) or deficit on provision of services before tax		**(302,537)**	**310,803**	**8,266**
Corporation tax	10	-	5,194	5,194
Deferred tax	10	-	-	-
(Surplus) or deficit on the provision of services after tax		**(302,537)**	**315,997**	**13,460**
Deferred tax asset on the net defined benefit liability	10	-	-	-
Remeasurement of the net defined benefit liability/asset	19	(4,337)		(4,337)
Total comprehensive income and expenditure		**(306,874)**	**315,997**	**9,123**

For the year ended 31 March 2023

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	2/4	(30)	2,577	2,547
Development	2/4	(13,295)	14,106	811
Executive Office	2/4	(163)	2,557	2,394
Finance, Commercial and Corporate Services	2/4	(1,745)	12,423	10,678
Park Operations and Venues	2/4	(827)	3,629	2,802
Planning Policy & Decisions	2/4	(1,910)	3,380	1,470
Regeneration and Community Partnerships	2/4	54	2,393	2,447
Stadium	2/4	(1,101)	1,106	5
East Bank	2/4	-	42,496	42,496
GLA Grant	2/4	(44,297)	-	(44,297)
Net cost of services		**(63,314)**	**84,667**	**21,353**
Financing and investment income	7	(26,928)	-	(26,928)
Change in fair value of investment properties	13	-	50,982	50,982
Impairment of investment in joint venture	14	-	26,267	26,267
Financing and investment expenditure	8	-	43,830	43,830
Capital grants and contributions	9	(118,072)	-	(118,072)
(Surplus) or deficit on provision of services before tax		**(208,314)**	**205,746**	**(2,568)**
Corporation tax	10	-	10,362	10,362
Deferred tax	10	-	5,954	5,954
(Surplus) or deficit on the provision of services after tax		**(208,314)**	**222,062**	**13,748**
Remeasurement of the net defined benefit liability/asset	19	-	(34,875)	(34,875)
Total comprehensive income and expenditure		**(208,314)**	**187,187**	**(21,127)**

Balance Sheet

	Notes	31 March 2024 £000	31 March 2023 £000
Long term assets			
Intangible assets	10	15	74
Property, plant and equipment	11	5,558	5,220
Investment property	12	100,784	133,385
Long term debtors	15	37,000	28,367
Deferred Tax Asset	9	1,404	1,404
		144,761	**168,450**
Current assets			
Short term debtors	14	31,583	31,899
Cash and cash equivalents	15	83,444	66,755
Inventories	16	160,838	290,662
		275,865	**389,316**
Total assets		**420,626**	**557,766**
Current liabilities			
Short term creditors	17	(255,612)	(388,836)
Corporation Tax Liability		1,657	(6,181)
		(253,955)	**(395,017)**
Long term liabilities			
Long term borrowing	17	(512,746)	(442,309)
Long term creditors	17	(449)	(53,854)
Retirement benefit obligation	18	1,945	(2,044)
		(511,250)	**(498,207)**
Total liabilities		**(765,205)**	**(893,224)**
Net assets		**(344,580)**	**(335,459)**
Reserves			
Usable reserves	20	(33,262)	(19,449)
Unusable reserves	20	377,842	354,908
Total reserves		**344,580**	**335,459**

Movement in Reserves Statement

As at 31 March 2024

	Notes	General Fund	Total usable reserve	Unusable reserves	Total unusable and other reserves	Total reserves
		£000	**£000**	**£000**	**£000**	**£000**
Balance at 31 March 2023		(19,449)	(19,449)	354,908	354,908	335,459
Movement in reserves during 2022/23						
Deficit on the provision of services	From CIES	13,460	13,460	-	-	13,460
Other comprehensive income and expenditure	From CIES		-	(4,337)	(4,337)	(4,337)
Total comprehensive income and expenditure		**13,460**	**13,460**	**(4,337)**	**(4,337)**	**9,123**
Adjustments between accounting and funding basis under regulations	21	(27,272)	(27,272)	27,272	27,272	-
Decrease/(Increase) in 2023/24		**(13,812)**	**(13,812)**	**22,935**	**22,935**	**9,122**
Balance at 31 March 2024		**(33,262)**	**(33,262)**	**377,842**	**377,842**	**344,580**

As at 31 March 2023

	Notes	General Fund	Total usable reserve	Unusable reserves	Total unusable and other reserves	Total reserves
		£000	**£000**	**£000**	**£000**	**£000**
Balance at 31 March 2022		(10,380)	(10,380)	366,964	366,964	356,585
Movement in reserves during 2022/23						
Deficit on the provision of services	From CIES	13,748	13,748	0	-	13,748
Other comprehensive income and expenditure	From CIES		0	(34,875)	(34,875)	(34,875)
Total comprehensive income and expenditure		**13,748**	**13,748**	**(34,875)**	**(34,875)**	**(21,127)**
Adjustments between accounting and funding basis under regulations	22	(22,817)	(22,817)	22,817	22,817	-
Decrease/(Increase) in 2022/23		**(9,069)**	**(9,069)**	**(12,058)**	**(12,058)**	**(21,128)**
Balance at 31 March 2023		**(19,449)**	**(19,449)**	**354,908**	**354,908**	**335,459**

Statement of Cash Flows

	Notes	31 March 2024	31 March 2023
		£'000	**£'000**
Surplus/(Deficit) on the provision of services		(13,460)	(13,748)
Adjustments to net (deficit) for non-cash movements	21	7,410	29,640
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	21	(98,749)	(118,072)
Net cash flows from operating activities		**(104,799)**	**(102,180)**
Investing activities	19	37,614	54,470
Financing activities	19	83,872	47,625
Net increase/(decrease) in cash and cash equivalents		**16,688**	**(83)**
Cash and cash equivalents at the start of the year		66,755	66,838
Cash and cash equivalents at the end of the year		**83,444**	**66,755**

Accounting policies

a) General Principles

LLDC is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 (the 2015 Regulations). These regulations require the financial statements 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 2022/23* (the Code), and the *Service Reporting Code of Practice*, supported by International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 and statutory guidance issued under section 12 of the Local Government Act 2003.

The Statement of Accounts ('the accounts') summarises LLDC's and the LLDC Group's ('the Group') transactions for the 2023/24 financial year and its position at 31 March 2024. The Group financial statements have been prepared in accordance with the Code.

b) Basis of accounting

The accounts are made up to 31 March 2024.

The accounting policies set out below have been applied consistently in the period presented in these financial statements.

The Accounts have been prepared under the accruals concept and in accordance with the historical cost accounting convention, modified by the revaluation of certain categories of non-current assets and financial instruments.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the financial statements to aid the reader's understanding of LLDC's performance.

c) Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not 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.
- 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; and
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure are recognised but the associated cash not 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 for the income that may not be collected.

d) Going concern

The financial statements have been prepared on a going concern basis as it is considered that LLDC and LLDC Group has in place appropriate funding and liquidity from the GLA and other sources.

LLDC and the LLDC Group does not consider that there is material uncertainty in respect of its ability to continue as a going concern for the foreseeable future and at least 12 months from the date of approval of the financial statements.

e) Accounting standards issued but not yet effective

The Code requires LLDC to disclose any accounting standards that are issued but have yet to be adopted and could have a material impact on the Statement of Accounts.

At the date of authorisation of the financial statements, the following amendments to the Code, standards and interpretations, which are not applied in these financial statements, were in issue but not yet effective:

- IFRS 16 Leases
- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

LLDC does not consider the above-mentioned amendments to the Code and standards, amendments or interpretations issued by the International Accounting Standards Board to be applicable or have a material impact in 2023/24.

f) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of LLDC's cash management.

g) Critical judgements on applying accounting policies

In applying the accounting policies, LLDC has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

Funding

LLDC's funding is agreed annually for a four-year rolling budget via the GLA's statutory budgeting process. LLDC maintains a long-term financial plan, which is shared with the GLA and is heavily dependent on future receipts from the sale of development properties and support from the GLA.

This provides LLDC with a level of certainty about future levels of funding, however it is subject to constant review with the GLA. LLDC has determined that there is sufficient certainty to provide an indication that its long-term objectives will be achieved.

Classification between investment properties and inventories

LLDC considers the intention at the outset when each property is acquired to classify the property as either an investment property or an inventory. Where the intention is to trade or dispose the property within the ordinary course of business, the property is classified as inventories. Where the intention is to hold the property for its long-term rental yield or capital appreciation (or both), the property is classified as an investment property.

Where there is a change in use of the property, a transfer between investment property and inventory property takes place. A change in use occurs when the property ceases to meet the definition of investment property and there is evidence of the change in use. The transfer will take place when there are observable actions toward effecting a change in use, for example the commencement of development with a view to a sale.

The classification of properties is a significant judgement which directly impacts the net asset position and reported financial performance, as inventories are held at the lower of cost and net realisable value or, when appropriate, at lower of cost and current replacement cost, whilst investment properties are held at fair value, with gains or losses taken through the Comprehensive Income and Expenditure Statement. Refer to notes 13 and 16 for further information.

Joint ventures and subsidiaries

The Code requires local authorities with material interests in subsidiaries to prepare Group financial statements. Subsidiaries are those entities over whose activities the Group has control by itself. The Group's financial statements incorporate, as appropriate, the financial statements of LLDC, the E20 Stadium LLP Group, which includes E20 Stadium LLP and London Stadium 185 Limited, and Stratford East London Developments Limited.

Subsidiaries are consolidated into the Group accounts (from the date of acquisition) by adding assets, liabilities, reserves, income and expenses together line by line to those of other group members in the financial statements. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

E20 Stadium LLP (E20)

LLDC is a member of E20, which is classified as a subsidiary of LLDC and consolidated into LLDC's Group Accounts in line with international accounting standards. Stratford East London Holdings Limited (a wholly owned subsidiary of LLDC incorporated in [2017/18]) is the second (dormant) member of the partnership. LLDC therefore has full control of the partnership.

LLDC also owns the Stadium operator, London Stadium 185 Limited, via E20. Accordingly, the full financial results of London Stadium 185 Limited for 2023/24 are consolidated into LLDC's Group Accounts (via the E20 accounts) in line with International Accounting Standards.

Stratford East London Developments Limited (SELD)

SELD is a wholly owned subsidiary of LLDC, established in 2020/21 to enter into a joint venture to deliver the Stratford Waterfront and Bridgewater Triangle residential developments. The current members of the joint venture, Stratford East London Partners (SELP) LLP, are SELD and Ballymore Stratford East Limited. SELD's financial results for 2023/24 are consolidated into the LLDC Group Accounts.

Stratford Waterfront Management Company Limited (SWMC)

LLDC established a management company for the Stratford Waterfront site (part of the East Bank project). This company, which has not yet incurred any transactions, is currently wholly owned by LLDC; however, during the reporting year, UAL and V&A became non-controlling members of the company, following the completion and handover of their respective buildings. Once the remaining East Bank buildings are complete and handed over, BBC and Sadler's Wells will also become members of the company, reducing LLDC's ownership to a minority interest (by virtue of its ownership of Stratford Waterfront Retail Management Company Limited, which will also become a member of the company once the retail units are complete). At that point, the company will cease to be classified as a subsidiary of LLDC.

Stratford Waterfront Retail Management Company Limited (SWMRC)

SWMRC is a wholly owned subsidiary established to take a lease with LLDC on the retail units built as part of the Stratford Waterfront development and then sub-let those units to third parties. As at 31 Mach 2024, SWMRC has not entered any leases or incurred any transactions.

Pudding Mill Legacy Developments Limited (PMLD)

PMLD is a wholly owned subsidiary of LLDC established to enter into a joint venture to deliver the Pudding Mill residential development. Procurement for a joint venture partner is in progress with an appointment expected in 2024/25. As at 31 March 2024 this entity was dormant.

h) Assumptions made about the future and sources of estimation uncertainty

The statement of accounts contains estimated figures that are based on assumptions made by LLDC about the future or that are otherwise uncertain in accordance with IAS1 (paragraphs 125-133). Estimates are made considering historical experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the authority's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

Item	Uncertainties	Effect if actual results differ from assumptions
Investment property	Investment property valuations are based on a variety of assumptions to estimate the potential income to be generated by the assets. Should evidence emerge that causes LLDC to amend these estimates, the estimated fair value of its investment properties could change. For example, this includes changes to the affordable housing requirements and/or construction price inflation assumptions on LLDC's remaining development sites on the Park (where they are not already transferred to Inventories). The investment property balance at 31 March 2024 is £100.8m – see Note 12.	Significant changes in the valuation assumptions would result in significantly lower or higher valuations and, therefore, valuation movement being recorded in the Comprehensive Income and Expenditure Statement (CIES). For example, if the assumptions were to change such that there was a 10 per cent reduction in the value of the investment properties, this would result in a £10.1m charge to the CIES. Conversely, a 10% increase in the valuation would result in a £10.1m credit to the CIES.
Inventories	Inventories are held at the lower of cost and net realisable value or the lower of cost or current replacement cost where they being distributed for no charge or for a nominal charge (IPSAS 12). The net realisable value is based upon a variety of assumptions to estimate the potential income to be generated by the assets. Should evidence emerge that causes LLDC to amend these estimates, the carrying value of its inventories could change. For example, this includes changes to the affordable housing and/or construction price inflation assumptions on LLDC's development sites under construction. The inventories balance at 31 March 2024 is £160.8m – see Note 16, including for more information on the judgements and estimates used by management.	As above, significant changes in the valuation assumptions would result in significantly lower or higher valuations and, therefore, valuation movement being recorded in the Comprehensive Income and Expenditure Statement (CIES). For example, if the assumptions were to change such that there was a 10 per cent reduction in the value of the inventories, this would result in a £16.1m charge to the CIES. Conversely, a 10% increase in the valuation would result in a £16.1m credit to the CIES.

Item	Uncertainties	Effect if actual results differ from assumptions
Provisions	Judgement and estimation techniques are used in the calculation of the best estimate of the amount required to settle obligations, including determining how likely it is that LLDC will incur expenditure as a result. For the East Bank provision, this is based upon LLDC's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Accordingly, LLDC is using estimates of the future cost of delivering the buildings to determine the value of the related provisions. These are based on a variety of assumptions, including construction prices, which may vary and impact upon the level of provision required and, therefore, the associated movements through the Comprehensive Income and Expenditure Accounts. The total East Bank provisions balance at 31 March 2024 is £144.8m – see Note 27.	If actual results differ from assumptions, then there may be the need for the provision(s) to be increased, with a consequential impact upon the CIES. For example, a 10 per cent increase in the estimated future cost of delivering the East Bank buildings at 31 March 2024 (net of partner contributions) would result in a £14.5m charge to the CIES. Conversely, a 10% decrease would result in a £14.5m credit to the CIES.

i) Events after the Reporting Period

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:

Adjusting events

Those events that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

Non-adjusting events

Those events that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such items, but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably.

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

j) Revenue recognition

Revenue from contracts with customers is recognised when control has transferred to the customer which is usually when the significant risks and rewards of ownership have passed to the buyer.

Contributions from East Bank partners towards the cost of constructing their buildings will not be recognised until the buildings are complete and handed over to the partners. Any revenue received in advance of that will be treated as deferred income on LLDC's balance sheet.

Revenue generated from planning fees is recorded on completion of the service provided.

Revenue generated from rental of commercial properties is recorded in line with the accounting policy described in paragraph 'x) Leases' depending on whether the commercial properties are leased out under a finance or an operating lease.

Revenue generated from the organisation of event is recorded as deferred revenue until the event occurs.

Revenue is measured after the deduction of Value Added Tax (where applicable).

k) Segmental reporting

The Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis both include a segmental analysis, which requires local authorities to report performance based on how their organisations are structured and how they operate and monitor and manage financial performance.

In accordance with the Code, LLDC's operating segments have been determined by identifying the segments whose operating results are reviewed by the Board, when making decisions regarding the allocation of resources and for the assessment of performance.

The operating segments of LLDC and their principal activities are as follows:

Communications, Marketing and Strategy

The Communications, Marketing and Strategy directorate supports and delivers effective communications between LLDC and its stakeholders. It is responsible for targeted information to consumer and business audiences to help support LLDC's commercial strategy. It manages online information to ensure it is accurate and up to date. It is responsible for preparing LLDC's strategy concerning the organisation and its role.

Development

The Development directorate leads on the design and development of Queen Elizabeth Olympic Park. It is responsible for delivering new residential neighbourhoods as well as commercial, educational, recreational and other developments across the Park. It is also tasked with delivering LLDC's East Bank project (though this is reported as if it were a separate 'directorate' in LLDC's management reporting and is also the responsibility of the Executive Director of Construction). In addition, the Development directorate is responsible for Housing Strategy and overseeing developments that are under contract.

Executive Office

The Executive Office includes LLDC's Chair and Chief Executive who, together with the Executive Management Team, lead the work that LLDC does as an organisation.

Staff in the Executive Office support LLDC's senior leadership, as well as providing the important functions of People Operations and Development, and Health and Safety to LLDC.

Finance, Commercial and Corporate Services

The Finance, Commercial and Corporate Services directorate provides support across LLDC for finance, IT and information management, governance, programme management and assurance, commercial and procurement. As part of the Mayor's shared service agenda, legal services are provided by Transport for London, internal audit by MOPAC, the Mayor's Office of Policing and Crime, (both functional bodies within the Greater London Authority Group), and treasury management and secretariat services are provided by the Greater London Authority. LLDC provides insurance shared services within the GLA Group. In addition, LLDC is part of the Greater London Authority Group Collaboration Board initiative, which seeks to promote collaboration across the GLA Group in areas of common interest and in line with Mayoral priorities.

Park Operations and Venues

Park Operations and Venues has the objective of operating a successful and accessible Park and world-class sporting venues, offering facilities for high-performance and community participation, enticing visitor attractions, ensuring the successful financial legacy of the Park and securing a busy programme of sporting, cultural and community events that will create a sense of excitement and continue to draw visitors to Stratford and the surrounding area. The Executive Director of Park Operations and Venues is LLDC's lead on health and safety and security.

Planning Policy and Decisions

The Planning Policy and Decisions Team fulfils a statutory function and contributes to LLDC's Place objective: creating London's most dynamic urban district, becoming a location of choice for current residents and new arrivals, and linking the Olympic Park estate with surrounding neighbourhoods.

Regeneration and Community Partnerships

The Regeneration and Community Partnerships directorate has a wide range of responsibilities which tie directly to LLDC's priority themes around regeneration, community engagement and equality and inclusion.

The directorate runs community and business engagement, outreach programmes, school programmes and a number of other socio-economic projects to further these goals.

Stadium

The Stadium directorate holds the cost of LLDC's investment in, and funding of, E20 Stadium LLP, including capital investment and ongoing working capital requirements.

Construction

The Construction directorate is responsible for leading on the delivery of the East Bank project. It provides project monitoring for the construction of the three schools being built on the Park and is also responsible for administering the Mace Project Management Partner and Atkins Technical Advisory contracts.

l) Government grants and contributions

Whether paid on account, by instalments or in arrears, government grants are recognised as due to LLDC when there is reasonable assurance that:

- LLDC will comply with the conditions attached to the payments; and
- the grants will be received.

Amounts recognised as due to LLDC are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grants have been satisfied. Conditions are stipulations that specify how the grant should be used by LLDC and which if not met require the grant to be returned to the transferor.

Monies advanced as grants for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant is credited to the relevant service line or non-ring-fenced revenue grants and all capital grants credited to the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to expenditure.

Community Infrastructure Levy

LLDC has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments) with appropriate planning consent. LLDC charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund infrastructure projects to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

m) Financing and investment income and expenditure

Financing and investment income comprises interest income on funds invested, changes in the fair values of investment properties and the expected return on pension assets. Interest income is recognised in the Comprehensive Income and Expenditure Statement as it accrues using the effective interest rate method.

Financing and investment costs comprise interest expense on borrowings and finance lease liabilities and the expected cost of pension scheme defined benefit obligations.

n) Corporation and chargeable gains taxation

LLDC is subject to both corporation and chargeable gains taxation and complies with the Income and Corporation Taxes Act 1988 and Taxation of Chargeable Gains Act 1992.

Deferred tax is provided in full using the balance sheet liability method for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured using currently enacted or substantially enacted tax rates.

Deferred tax assets are recognised to the extent that the temporary difference will reverse in the foreseeable future and that it is probable that future taxable profit will be available against which the asset can be utilised.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

o) Value Added Taxation (VAT)

VAT payable is included as an expense only to the extent it is not recoverable from HMRC. VAT receivable is payable to HMRC and is excluded from income.

p) Revenue expenditure funded from capital under statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure in the Comprehensive Income and Expenditure Statement in the year. Where LLDC has determined to meet the cost of this expenditure from existing capital resources, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account reverses out the amounts charged.

q) Intangible assets

Other intangible assets

Software costs are measured at cost less accumulated depreciation and accumulated impairment losses.

Amortisation is charged to the Comprehensive Income and Expenditure Statement on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, unless such lives are indefinite. The estimated useful lives are three to five years.

r) Property, plant and equipment

Recognition

Expenditure, of £10,000 and above, on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to LLDC and the cost of the item can be reliably measured. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (repairs and maintenance) is charged as an expense when it is incurred. Expenditure below £10,000 may be grouped and capitalised where practicable to do so.

Measurement

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use. Where there is a legal obligation to remove the asset and/or restore the site on which it is located at the end of its useful economic life, the costs of dismantling and removing the items and restoring the site on which they are located are also included in the cost of the asset.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Assets under construction – depreciated historical cost

- Non-property assets – depreciated historical cost basis as a proxy for current value.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current period are as follows:

Buildings	50 years
Furniture fixtures and fittings	5 to 10 years
Plant and equipment	3 to 40 years
Computer equipment	3 years
Motor vehicles	3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate, the effect of such adjustment being prospectively recognised as a change of estimate.

Disposals

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised net within other gains and losses in the Comprehensive Income and Expenditure Statement.

The following policy is applied to the de-recognition of fully depreciated assets:

- asset life of five years – write off after eight years if existing use cannot be determined (or sooner if confirmed no longer in use), and

- asset life of three years – write off after five years if existing use cannot be determined (or sooner if confirmed no longer in use).

s) Interests in companies and other entities

LLDC has material interests in companies and other entities that have the nature of subsidiaries and require it to prepare group accounts. In LLDC's own single-entity accounts, the interest is recorded as financial assets at cost, less any provision for losses incurred by the entity to the extent they are likely to be borne by LLDC.

t) Investment property

Investment property is property held solely either to earn rental income or for capital appreciation (prior to disposal) or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves

Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

If the use of an investment property changes such that it requires a transfer to inventories, then the property's deemed cost in accordance IAS 2 (Inventories) shall be its fair value at the date of change in use.

Where there is a change in use of a property, this may result in a reclassification of an investment property to inventories, or vice versa. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use.

As set out in IAS 40, a change in management's intentions for the use of a property does not, in isolation, provide evidence of a change in use. However, an example of a change in use is the commencement of development with a view to sale.

In this context, management defines 'commencement of development' as the start of work on site, which could be on a phased basis and (with reference to Section 56 of the Town and Country Planning Act 1990) includes:

- any work of construction in the course of the erection of a building
- any work of demolition of a building
- the digging of a trench which is to contain the foundations, or part of the foundations, of a building
- the laying of any underground main or pipe to the foundations, or part of the foundations, of a building
- the course of laying out or constructing a road or part of a road

Where LLDC decides to dispose of an investment property (e.g. land) without development, it continues to treat the property as an investment property until it is derecognised (eliminated from the statement of financial position) and does not reclassify it as inventory.

u) Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised on the Balance Sheet when a present legal or constructive obligation exists for a future liability in respect of a past event and where the amount of the obligation can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Contingent liabilities

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

Contingent assets

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

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

v) Foreign currencies

Transactions in currencies other than sterling are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Comprehensive Income and Expenditure Statement in the period in which they arise.

w) Leases (LLDC as lessee)

Leased assets

Leases under which LLDC assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. After initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases where LLDC does not assume the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised in LLDC's Balance Sheet.

Lease payments

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated across each period for the lease term to produce a constant rate of interest on the remaining balance of the liability.

Payments made under operating leases are recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Determining whether an arrangement contains a lease.

At inception of an arrangement, LLDC determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to LLDC the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, LLDC separates payments and other consideration required by any such arrangement into those for the lease and those for other elements (such as services) based on their relative fair values. If LLDC determines for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using LLDC's incremental borrowing rate.

x) Leases (LLDC as lessor)

Leased assets

Leases under which LLDC transfers substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is derecognised from LLDC Balance Sheet and a finance lease receivable for an amount equal to the lower of its fair value and the present value of the minimum lease payments. The difference between the carrying amount of the lease asset derecognised and the finance lease receivable is recognised in the Comprehensive Income and Expenditure Statement.

Leases where LLDC does not assume the risks and rewards of ownership are classified as operating leases and the leased assets are retained in LLDC's Balance Sheet.

Lease payments

Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on LLDC's net investment outstanding in respect of the leases.

Rental income from operating leases and initial direct costs are recognised on a straight-line basis over the term of the relevant lease.

y) Impairment of non-financial assets

At each balance sheet date, LLDC reviews the carrying amount of those assets that are subject to amortisation to determine whether there is an indication that any of those assets has suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss.

Impairment occurs when an asset's carrying value is above its recoverable amount. An asset's recoverable amount is the higher of its value in use and its fair value less costs to sell.

In accordance with the Code, when an asset is not held primarily for generating cash flows but for service provision, value in use is the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential.

An impairment review is completed for all assets on an annual basis and additionally when there is an indication that an asset may be impaired.

z) Employee benefits

Defined benefit plans

Most LLDC's employees are members of one of two defined benefit plans, which provide benefits based on final pensionable pay. The assets of the schemes are held separately from those of LLDC.

On retirement, members of the schemes are paid their pensions from a fund which is independent of LLDC. LLDC makes cash contributions to the funds in advance of members' retirement.

Pension scheme assets are measured using current market bid values. Pension scheme defined benefit obligations are measured using a projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the defined benefit obligation.

The difference between the value of pension scheme assets and pension scheme defined benefit obligations is a surplus or a deficit. A pension scheme surplus is recognised to the extent that it is recoverable, and a pension scheme deficit is recognised in full. The movement in the schemes' surplus/deficit is split between operating charges, finance items and, in the Comprehensive Income and Expenditure Statement, actuarial gains and losses. Generally, amounts are charged to operating expenditure based on the current service cost of the present employees that are members of the schemes.

The change in the net pension liability is analysed into the following components:

Current service cost: the increase in liabilities due to years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

Past service cost: the increase in liabilities due to a scheme amendment or curtailment whose effect relates to years of service earned in earlier years which is debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement.

Net interest on the net defined benefit liability/asset: the change during the period in the net defined benefit liability/asset that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/ asset at the beginning of the period – taking into account any changes in the net defined benefit liability/ asset during the period as a result of contribution and benefit payments.

The return on plan assets: excluding amounts included in net interest on the net defined benefit liability /asset – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

Actuarial gains and losses: 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 – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

Contributions paid to the Local Government Pension Scheme: cash paid as employer's contributions to the pension fund in settlement of liabilities. This is not recognised in the Comprehensive Income and Expenditure Statement.

In relation to retirement benefits, statutory provisions require the General Fund to be charged with the amount payable by LLDC 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 negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Defined benefit plans - multi-employer exemption

For the Homes and Communities Agency Pension Scheme, LLDC is unable to identify its share of the underlying assets and defined benefit obligations of the Scheme on a consistent and reasonable basis. As permitted by the multi-employer exemption in the Code, the Scheme is accounted for as a defined contribution scheme. LLDC's contributions are charged to the Comprehensive Income and Expenditure Statement as incurred.

Other employee benefits

Other short and long-term employee benefits, including holiday pay and long service leave, are recognised as an expense over the period in which they accrue.

aa) Reserves consist of two elements, usable and unusable.

Usable reserves are those that can be applied to fund expenditure. They are made up of the general fund, earmarked reserves, and the capital grants unapplied account.

Unusable reserves cannot be applied to fund expenditure as they are not cash backed. They include the capital adjustment account, pension reserve, and the accumulated absences reserve.

bb) Financial instruments

LLDC recognises financial instruments in line with IFRS 9 Financial Instruments.

Financial assets within the scope of IFRS 9 Financial Instruments: Recognition and Measurement are classified as:

- financial assets at fair value through other comprehensive income if the financial asset is held within LLDC's business model where its objective is achieved by collecting contractual cash flows and selling financial assets;
- financial assets at amortised cost where the financial asset is held within LLDC's business model to collect contractual cash flows;
- financial assets at fair value through profit or loss where designated by LLDC

Financial liabilities within the scope of IFRS 9 are classified as either financial liabilities at fair value through the Comprehensive Income and Expenditure Statement or financial liabilities measured at amortised cost.

LLDC determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each financial year end.

When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus any directly attributable transactional costs. The exception to this is for assets and liabilities measured at fair value, where transaction costs are immediately expensed.

The subsequent measurement of financial instruments depends on their classification as follows:

cc) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, do not qualify as trading assets and have not been designated as either 'fair value through the Comprehensive Income and Expenditure Statement' or 'available for sale'. Such assets are carried at amortised cost using the effective interest rate method if the time value of money is significant. Gains and losses are recognised in the Comprehensive Income and Expenditure Statement when the financial assets at amortised cost are derecognised or impaired, as well as through the amortisation process.

The fair value of loans advanced to third parties at nil interest rate or below the prevailing market rate of interest (soft loans) is estimated as the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument. When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

All loans and borrowings are classified as financial liabilities measured at amortised cost.

dd) Trade and other receivables

Trade and other receivables are classified as 'financial assets at amortised cost' and are recognised initially at fair value and subsequently at amortised cost. For trade receivables, this is after an allowance for estimated impairment. The allowance is based on objective evidence that LLDC will not be able to recover all amounts due, through a review of all accounts and prior experience of collecting outstanding balances. Changes in the carrying amount of the allowance for impairment are recognised in the Comprehensive Income and Expenditure Statement.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

ee) Trade and other creditors

Trade and other creditors are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

ff) Impairment of financial assets

Financial assets are assessed at each balance sheet date to determine whether there is any objective evidence that they are impaired. Individually significant financial assets are tested for impairment on an individual basis. All impairment losses are recognised in the Comprehensive Income and Expenditure Statement.

gg) Embedded derivatives

Derivatives that are embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not carried at fair value.

Embedded derivatives are carried on the Balance Sheet at fair value from inception of the host contract. Unrealised changes in fair value are recognised as gains/losses within the Comprehensive Income and Expenditure Statement during the period in which they arise.

hh) Prior period adjustments, changes in accounting policies and errors and estimates

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on LLDC's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

ii) Fair value measurement

LLDC measures some of its non-financial assets such as investment properties and some of its financial instruments 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:

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

LLDC 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, LLDC 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.

LLDC 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 the authority'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.

jj) Inventories

Inventories are valued at the lower of cost and net realisable value or the lower of cost and current replacement cost where they are held for distribution at no charge or nominal charge (IPSAS 12).

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Where its residential developments are undertaken on its behalf by third parties (for example, via a Development Agreement), LLDC will use its forecast share of the developer's estimated sale receipts to determine the net realisable value (as LLDC does not incur any costs of completion or marketing, selling and distribution). For East Bank properties classified as inventories, LLDC uses its forecast contributions from the East Bank partners and the estimated costs to complete (based on the Anticipated Final Cost as determined in conjunction with its Project Management Partner, Mace) to determine the net realisable value.

Expenditure, of £10,000 and above, on direct materials, direct labour costs and those overheads which have been incurred in bringing the inventories to their present location and condition, is capitalised. Expenditure below £10,000 may be grouped and capitalised where it is practicable to do so.

Land is de-recognised when control is transferred to the purchaser, i.e., on legal completion. In relation to the East Bank assets , the inventory balance will be derecognised at the date each building is completed and handed over to the respective partner. Upon derecognition, the remaining provision (which represents LLDC's estimate of the expenditure required to settle its present obligation) will be released and offset against the partner contributions, which are treated as deferred income until then.

jk) Climate Change considerations

In preparing the financial statements, management has considered the impact of climate change, particularly in the context of the disclosure made in the Narrative report and the sustainability goals. Management has considered the impact of climate change on key estimates within the financial statements including estimates of future cashflows and underlying assumptions for provisions. These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on LLDC's going concern assessment.

Notes to the Statement of Accounts

1. Gross income

Gross income recognised in the Comprehensive Income and Expenditure Statement is analysed as follows:

	31 March 2024	31 March 2023
	£000	**£000**
Grants received	(50,057)	(44,597)
Gross disposal proceeds from the sale of inventory	(120,235)	(13,061)
Planning fees	(1,171)	(637)
Recharges	(2,752)	(3,263)
Events income	(241)	(159)
Other	(2,352)	(1,598)
	(176,808)	**(63,314)**

The grants received are those from the Greater London Authority (including £12.2m for 2022/23 interest on LLDC's borrowings from the GLA) and the recharges are mainly related to legal and other services provided by LLDC to E20 Stadium LLP.

The gross proceeds from the sale of inventories are the release of contributions received from UAL (£119.5m) and V&A (£0.2m), which were previously deferred in line with International Accounting Standards and are now released following the completion and handover of their buildings during the financial year (Note 16).

2. Expenditure and Funding Analysis

The information presented in this note represents accurate information of the segments used by management to drive the business (see Segmental Reporting accounting policy).

2023/24	Net Expenditure in the Comprehensive Income and Expenditure Statement	Adjustments for revenue items reported below Net Cost of Services (Note 1)	Other differences (Note 2)	Net Expenditure Chargeable to the General Fund Balances (Management Reporting)
Subjective analysis	**£'000**			**£'000**
Communication, Marketing and Strategy	2,635	(5)		2,630
East Bank	21,873	(4)	(21,865)	4
Development	1,504	(5,838)	3,786	(548)
Executive Office	6,940	-	(4,231)	2,709
Finance, Commercial and Corporate Services	7,060	(1,691)	(167)	5,202
Park Operations and Venues	2,280	(3,308)	7,255	6,227
Planning Policy & Decisions	961	(35)	-	926
Regeneration and Community Partnerships	2,435	(80)	(50)	2,305
Stadium	3	15,278	(165)	15,116
Management Reporting Total	**45,690**	**4,318**	**(15,437)**	**34,571**
GLA Grant	(49,936)			
Net Cost of Services	**(4,247)**			
Other income and expenditure (GF Only)	(9,566)			
Other income and expenditure (non-GF)	27,272			
Surplus	**13,459**			
Other income and expenditure (non-GF)	(27,272)			
Movement on General Fund balance	**(13,813)**			
Closing General Fund Balance at 31 March 2023	**(19,449)**			
Closing General Fund at 31 March 2024	**(33,262)**			

2022/23	Net Expenditure in the Comprehensive Income and Expenditure Statement	Adjustments for revenue items reported below Net Cost of Services (Note 1)	Other differences (Note 2)	Net Expenditure Chargeable to the General Fund Balances (Management Reporting)
Subjective analysis	**£'000**			**£'000**
Communication, Marketing and Strategy	2,547	(28)	(6)	2,514
East Bank	42,496	(2)	(42,545)	(51)
Development	811	11,259	(12,502)	(432)
Executive Office	2,394	-	256	2,650
Finance, Commercial and Corporate Services	10,678	(4,934)	94	5,839
Park Operations and Venues	2,802	(4,098)	8,675	7,380
Planning Policy & Decisions	1,470	(10)	-	1,460
Regeneration and Community Partnerships	2,447		20	2,467
Stadium	5	-	9,935	9,940
Management Reporting Total	**65,651**	**2,188**	**(36,072)**	**31,766**
GLA Grant	(44,297)			
Net Cost of Services	**21,353**			
Other income and expenditure (GF Only)	(30,422)			
Other income and expenditure (non-GF)	22,817			
Surplus	**13,748**			
Other income and expenditure (non-GF)	(22,817)			
Movement on General Fund balance	**(9,069)**			
Opening General Fund Balance at 31 March 2022	**(10,380)**			
Closing General Fund at 31 March 2023	**(19,449)**			

3. Gross expenditure

Gross expenditure recognised in the Comprehensive Income and Expenditure Statement comprises:

	31 March 2024	31 March 2023
	£000	**£000**
Staff costs:		
Wages and salaries	9,980	8,758
Social security costs	1,199	1,102
Pension costs	1,335	4,321
Other staff costs	393	270
Grants and contributions	527	221
Consultancy and Strategy Development costs	3,261	3,405
Accommodation costs	1,480	1,790
Legal fees	960	1,949
Communications, events and marketing	1,498	2,274
Agency and seconded staff costs	601	1,137
REFCUS	746	156
REFCUS - Recharges	7,832	180
Insurance	2,106	2,187
IT and Stationery	926	1,039
Security	109	(3)
Travel	10	9
Gross costs from disposal of inventories	211,157	12,553
Net (increase)/decrease to net realisable value for East Bank inventory	4,537	-
Amortisation	277	440
Depreciation	239	593
Increase/decrease in provision for doubtful debts	(1)	(141)
Impairment of financial assets	1	24
Increase/(decrease) in provision	(76,950)	42,180
Project costs expensed	-	-
Other	343	223
Total	**172,566**	**84,667**

LLDC's contributions towards the cost of the cultural and education buildings (University of the Arts London, V&A, Sadler's Wells and BBC) require a provision to be established from the date that the agreements for lease were signed (all pre-31 March 2020). The provision is in line with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) and is based on LLDC's best estimate of the expenditure required to settle the present obligation at the end of the reporting period – see Note 27 for further details. The in-year movement on the provision reflects the release of the provision for UAL and V&A following the completion and handover of their buildings during the financial year. All additional spend on the UAL and V&A buildings post-handover is reflected as REFCUS (revenue expenditure funded by capital) recharges.

Gross costs from the disposal of inventories relates to the accumulated costs of the UAL and V&A buildings that were previously capitalised within inventories pending completion and handover of the buildings to the respective partners (Note 16).

4. External audit fees

External audit fees are made up as follows:

	31 March 2024	31 March 2023
	£'000	**£'000**
Auditors' remuneration		
for statutory audit services	222	67
for non-statutory audit services	-	-
for non- audit services	-	-
Total	**222**	**67**

5. Remuneration

The Code requires disclosure of remuneration for LLDC's employees whose total remuneration in the year was £50,000 or more, grouped in rising bands of £5,000. Senior employees are included in the following table and are banded according to actual payments in the year, rather than annual equivalent salaries. The table below is on a cash basis.

	31 March 2024	31 March 2023
£	**Number**	**Number**
50,000- 54,999	12	20
55,000- 59,999	13	7
60,000- 64,999	10	15
65,000- 69,999	8	8
70,000- 74,999	9	11
75,000- 79,999	8	4
80,000- 84,999	3	5
85,000- 89,999	8	4
90,000- 94,999	6	4
95,000- 99,999	3	4
100,000- 104,999	7	4
105,000- 109,999	1	-
110,000- 114,999	1	1
115,000- 119,999	2	2
120,000- 124,999	1	1
125,000- 129,999	2	4
130,000- 134,999	3	5
135,000- 139,999	1	-
140,000 - 144,999	1	1
145,000 - 149,999	1	1
150,000- 154,999	3	-
155,000- 159,999	1	-
165,000- 169,999	-	1
175,000-179,999	1	-
180,000- 184,999	-	1
185,000- 189,999	-	1
190,000- 194,999	1	1
195,000- 199,999	-	-
200,000- 204,999	2	-
280,000- 284,999	-	1
300,000- 304,999 (1)	1	-

1 This band includes the Chief Executive's 2023-24 accrued annual performance related pay award which was paid in 2024-25.

Senior employees' remuneration

LLDC's Executive Management Team
Year to 31 March 2024

Name	Title	Salary (including fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£000	**£000**	**£000**	**£000**	**£000**	**£000**
Lyn Garner	Chief Executive Officer (1)	257	45	-	-	36	**337**
Colin Naish	Executive Director of Construction	204		-	-	24	**228**
Gerry Murphy	Deputy Chief Executive Officer	200		-	-	24	**224**
Rosanna Lawes	Executive Director of Development	191		1	-	23	**215**
Mark Camley	Executive Director of Park Operations and Ve	178		-	-	21	**199**
Irene Man	Director of Planning (2)	150		1	-	19	**170**
Anthony Hollingsworth	Director of Planning Policy and Decisions Te	151		-	-	18	**169**
Michelle May	Director of Inclusive Economy	151		-	-	18	**169**
	Executive Director of Regeneration and Com	109		-	-	13	**122**
	Director of Communication, Marketing and St	142		-	-	17	**159**
	Finance Director	134		1	-	16	**151**
	Director of Human Resources(4)	89		-	-	11	**100**
	Head of Planning- Transformation (5)	92		-	-	11	**103**
	Head of Inclusive Growth and Skills (6)	88		-	-	11	**99**
	Senior Regeneration Manager (6)	71		-	-	8	**79**

N.B. In accordance with the CIPFA Code only employees whose salary (including fees and allowances) is £150,000 or more per year are disclosed by name.

1 £40,004 relates to Lyn Garner's role as senior professional lead for housing delivery across the GLA Group, the cost which is fully recharged to GLA.

2 Return from Maternity leave on 1st September 2023

3 The roleholder worked 0.6 FTE & retired on 31 March 2024

4 The roleholder was appointed in July 2023

5 Fixed-term tenure on the Executive Management Team ended in September 2023

6 Fixed-term tenure on the Executive Management Team ended in December 2023

LLDC's Executive Management Team (continued)

Year to 31 March 2023

Name	Title	Salary (including fees and allowances)	Performance Related Pay	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£000	**£000**	**£000**	**£000**	**£000**	**£000**
Lyn Garner	Chief Executive Officer (1)	241	41	-	-	34	**316**
Colin Naish	Executive Director of Construction	192	-	-	-	23	**215**
Gerry Murphy	Deputy Chief Executive Officer	189	-	1	-	23	**213**
Rosanna Lawes	Executive Director of Development	180	-	1	-	22	**203**
Mark Camley	Executive Director of Park Operations and Ve	168	-	-	-	20	**188**
	Director of Planning Policy and Decisions Te	142	-	-	-	17	**159**
	Executive Director of Regeneration and Com	134	-	-	-	16	**150**
	Director of Communication, Marketing and St	134	-	-	-	16	**150**
	Director of Planning (3)	133	-	-	-	17	**150**
	Finance Director	123	-	1	-	15	**139**
	Director of Human Resources(4)	101	-	-	-	12	**113**
	Head of Planning- Transformation	87	-	-	-	10	**97**
	Head of Education, Careers and Youth Enga	82	-	-	-	10	**92**
	Head of Inclusive Growth and Skills (6)	74	-	-	-	9	**82**
	Senior Regeneration Manager (6)	65	-	-	-	8	**72**

N.B. In accordance with the CIPFA Code only employees whose salary (including fees and allowances) is £150,000 or more per year are disclosed by name.

1 £35,853 relates to Lyn Garner's role as senior professional lead for housing delivery across the GLA Group, the cost which is fully recharged to GLA.

3 Maternity leave from August 2022

2 The roleholder now works as 0.8 FTE

4 The roleholder worked as a 0.8 FTE

5 Fixed-term tenure on the Executive Management Team ended in August 2022

6 Fixed-term appointment to the Executive Management Team in September 2022

Board members
Year to 31 March 2024

Name	Title	Salary (incl fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£'000	£'000	£'000	£'000	£'000	£'000
Sir Peter Hendy	Chairman	36					36
Shanika Amarasekara	Chair of the Audit Committee	35					35
Simon Blanchflower	Chair of the Health and Safety Committee Chair of Investment committee	35					35
Sukhvinder Kaur-Stubbs	Chair of the Regeneration and Communities Committee	28					28
Phil Mead	Member	28					28
Jamie Kerr	Chair of Planning Committee	28					28
Gurpreet Dehal	Member	25					25
Helene Raynsford	Member	14					14
Geoff Thompson MBE	Member	14					14
Gabrielle Appiah	Member	14					14
Pam Alexander (1)	Member	-					-
Jules Pipe	Mayor's Representative	-					-
Grace Williams	Member	-					-
Rokhsana Fiaz OBE	Member	-					-
Lutfur Rahman	Member	-					-
Philip Glanville (2)	Member	-					-
Guy Nicholson (3)	Member	-					

1 Board member passed away on 7 April 2023
2 Board member stood down in September 2023
3 Board member started in March 2024

Board members (continued)
Year to 31 March 2023

Name	Title	Salary (incl fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Sir Peter Hendy	Chairman	36	-	-	-	-	**36**
Shanika Amarasekara	Chair of the Audit Committee	35	-	-	-	-	**35**
Simon Blanchflower	Chair of the Health and Safety Committee and Investment Committee	35	-	-	-	-	**35**
Sukhvinder Kaur-Stubbs	Chair of the Regeneration and Communities Committee	28	-	-	-	-	**28**
Phil Mead	Member	28	-	-	-	-	**28**
Pam Alexander	Chair of Planning Committee (1)	26	-	-	-	-	**26**
Gurpreet Dehal	Member	21	-	-	-	-	**21**
Helene Raynsford	Member	18	-	-	-	-	**18**
Jamie Kerr	Chair of Planning Committee (2)	16	-	-	-	-	**16**
Geoff Thompson MBE	Member	14	-	-	-	-	**14**
Gabrielle Appianh	Member	14	-	-	-	-	**14**
Rachel Blake	Member	-	-	-	-	-	-
Jules Pipe	Mayor's Representative	-	-	-	-	-	-
Grace Williams	Member	-	-	-	-	-	-
Lutfur Rahman	Member	-	-	-	-	-	-
Rokhsana Fiaz OBE	Member	-	-	-	-	-	-
Philip Glanville	Member	-	-	-	-	-	-

1 Resigned as Planning Committee Chair from 31 January 2023

2 Appointed as Planning Committee Chair from 15 February 2023

Termination payments

The Code requires the separate disclosure of the number and cost of compulsory and voluntary severance termination packages agreed during the year. No staff left under compulsory severance terms during the year. Those who left LLDC did so under LLDC's voluntary severance terms, by choosing to accept the voluntary severance terms that were set out in a settlement agreement signed by the employee on termination of their appointment. These employees are therefore classified as leaving due to voluntary severance.

Non – compulsory exit packages	Number of staff		Total cost £000	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
£0 – £20,000	1	2	2	10
£20,001 -£40,000	-	-	-	-
£40,001- £60,000	-	-	-	-
£60,001 - £80,000	-	-	-	-
£80,001 - £100,000	-	-	-	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
£200,001 - £250,000	-	-	-	-
£250,001 - £300,000	-	-	-	-

6. Financing and investment income

	31 March 2024	31 March 2023
	£000	**£000**
Interest income on deposits	(471)	(238)
Income in relation to investment property	(26,509)	(26,690)
Financing and investment income	**(26,980)**	**(26,928)**

Income in relation to investment property includes income generated by LLDC's venues, such as the London Aquatics Centre, ArcelorMittal Orbit and 3 Mills Studios; it also includes Fixed Estate Charge collected by LLDC (£4.1m for the year) and interest charged on LLDC's loan to E20 Stadium LLP (£10.0m). The increase in interest income on deposits is largely due to the increase in interest rates during the reporting period.

7. Financing and investment expenditure

	31 March 2024	31 March 2023
	£000	**£000**
Net interest on the net defined benefit liability/asset	62	817
Expenditure in relation to investment property	19,936	21,882
Net (gain)/loss on disposal of investment property	154	0
Interest costs on borrowing	15,275	12,211
Impairment losses	10,033	8,920
Financing and investment expenditure	**45,460**	**43,830**

This includes the cost of operating LLDC's venues (to generate the income above), interest costs of £15.3m relating to the GLA loan facility used to fund LLDC's capital programmes (note these costs are fully funded by the GLA, see Note 1) and impairment losses relating to the interest charged on LLDC's loan to E20 Stadium LLP (above).

8. Taxation and non-specific grant income

	31 March 2024	31 March 2023
	£000	**£000**
Other capital grants and contributions	(98,749)	(118,072)
Taxation and non-specific grant income	**(98,749)**	**(118,072)**

Capital grants and contributions in 2023/24 is largely the funding received by LLDC from the GLA towards LLDC's capital projects (£89.0m), contributions from Government grant and Community Infrastructure Levy towards the major refurbishment at 3 Mills Studios (£0.4m), Section 106 funding towards capital development programmes (£8.7m), of which £7.9m is specific to Stratford Walk and Pedestrian Bridge as part of the East Bank Development, and recharged services provided by LLDC to other organisations (£0.2m).

9. Corporation tax

a) Corporation tax

	31 March 2024	31 March 2023
	£'000	**£'000**
Corporation Tax in-year liability	5,194	10,820
Corporation tax	**5,194**	**10,820**

b) Movement in recognised deferred tax assets and liabilities during the year

A deferred tax liability (at a rate of 25%) is recognised within LLDC's accounts, which will crystallise as and when LLDC disposes of its property portfolio and the historic increase in the value of its portfolio is realised. An amendment to the Local Authorities Capital Finance and Accounting Regulations permits Mayoral Development Corporations to use capital receipts to fund their Corporation Tax liabilities and, accordingly, the deferred tax charge is recognised in LLDC's Capital Adjustment Account in the financial statements.

Provision to meet the Legacy Corporation's corporation tax liability has been made at 25% .

LLDC also has deferred tax assets (relating to its investment properties) that are not being recognised as there is currently no expectation that the gains will be realised through the sale of the associated assets. It also has an unrecognised deferred tax asset relating to its share of losses in the E20 Stadium LLP partnership.

Prior year calculation is shown in the following table:

	Balance at 31 March 2022	Movement in period	Balance at 31 March 2023
	£'000	**£'000**	**£'000**
Deferred tax assets			
Investment property	19,970	(3,816)	16,154
Property, plant and equipment	469	424	893
Capital losses carried forward	2,401	-	2,401
Total	**22,840**	**(3,392)**	**19,448**
Deferred tax liabilities			
Investment property	(25,857)	7,302	(18,555)
Total	**(25,857)**	**7,302**	**(18,555)**
Net deferred tax liability recognised in the surplus on the provision of services after tax	**(3,017)**	**3,910**	**893**
Deferred tax assets			
Pension	10,375	(9,864)	511
Net deferred tax asset recognised in other comprehensive income and expenditure	**10,375**	**(9,864)**	**511**

10. Intangible assets

	Computer Software	Licences	Total
	£'000	**£'000**	**£'000**
Cost			
At 1 April 2022	403	666	1,071
Additions	114	114	228
Disposals	-	-	-
At 31 March 2023	**517**	**780**	**1,299**
At 1 April 2023	517	780	1,299
Additions	13	204	216
Disposals	(272)	(668)	(939)
At 31 March 2024	**258**	**316**	**576**
Amortisation			
At 1 April 2022	262	521	782
Charged during the period	227	213	440
Disposals	-	-	-
At 31 March 2023	**491**	**732**	**1,223**
At 1 April 2023	491	732	1,223
Charged during the period	86	190	276
Disposals	(319)	(621)	(939)
At 31 March 2024	**258**	**301**	**559**
Net book value at 31 March 2023	**26**	**48**	**74**
Net book value at 31 March 2024	**(0)**	**15**	**15**

11. Property, plant and equipment

	Land and buildings	Furniture, fixtures and fittings	Computer hardware, infrastructure and telecoms/ office equipment	Assets under Construction	Total
	£000	**£000**	**£000**	**£000**	**£000**
Cost					
At 1 April 2022	1,985	2,687	1,249	2,653	8,578
Additions		-	196	160	356
Disposals	-	-	-	-	0
At 31 March 2023	**1,985**	**2,687**	**1,445**	**2,813**	**8,934**
At 1 April 2023	1,985	2,687	1,445	2,813	8,934
Additions	-	-	33	547	580
Disposals	-	(1,912)	(561)	-	(2,473)
At 31 March 2024	**1,985**	**775**	**916**	**3,360**	**7,040**
Depreciation					
At 1 April 2022	-	2,180	933	-	3,117
Charged during the period	-	394	200		594
Disposals	-	-	-	-	0
At 31 March 2023	**-**	**2,574**	**1,134**	**-**	**3,712**
At 1 April 2023	-	2,574	1,134	-	3,712
Charged during the period	-	33	208		241
Disposals	-	(1,912)	(561)	-	(2,473)
At 31 March 2024	**-**	**695**	**781**	**-**	**1,480**
Net book value at 31 March 2023	**1,985**	**111**	**310**	**2,814**	**5,220**
Net book value at 31 March 2024	**1,985**	**78**	**135**	**3,361**	**5,559**

12. Investment property

	31 March 2024	31 March 2023
Valuation	**£'000**	**£'000**
Opening balance at 1 April	133,385	167,246
Additions:		
Subsequent expenditure	46,266	36,750
Transfers from inventories	-	3,461
Disposals	(6,386)	-
Transfers to inventories	-	(23,089)
Changes in fair value	(72,478)	(50,982)
Total Investment property	**100,784**	**133,385**

Application of accounting policy

In applying the Investment Property accounting policy, LLDC has made the following judgements:

- LLDC's role to develop has a clear commercial focus, which is embedded in its corporate strategy and the way that the organisation is funded and structured. LLDC therefore deems it appropriate to classify its investment properties as one overall balance (on the face of the Balance Sheet).
- LLDC's investment properties are all held for capital appreciation and/or rental income and each is judged to meet the definition of IAS 40 as at the reporting date.
- In reaching the above conclusion, LLDC has considered other alternative accounting treatments should apply – for example, whether:
    - any of the assets are being used solely for service delivery held for use in the production or supply of goods and services or because of regeneration policy and should therefore be classified as Property, Plant and Equipment under the Code; or
    - they meet the criteria for requiring a transfer to inventories.
- LLDC's conclusion at the reporting date is that none of these alternative treatments apply (see table below).
- LLDC is not involved nor exposed to significant variations in cashflows to any operations being undertaken in any of LLDC's properties.
- The costs of delivering infrastructure works across the Park are set against the valuation of the Park rather than against individual investment properties. This reflects the placemaking and 'Great Estate' principles upon which LLDC approaches its development of the Park and surrounding areas.

Asset(s)	Management reasoning for classification as investment properties
London Aquatics Centre, Copper Box Arena and Arcelor Mittal Orbit	These assets are integral to the overall development of the Park and surrounding areas. No delivery of services from these assets. These assets are held for rental and while payments under the respective operator agreements are fully variable and profit-based, LLDC is not involved to the underlying operations of the assets.
Development plots: • Stratford Waterfront and Bridgewater Triangle • Pudding Mill Lane • Rick Roberts Way • East Wick and Sweetwater (Phases 3 to 7)	These are lands previously obtained with undetermined use and no commencement of development with a view to a sale at the reporting date, so not yet triggered the criteria to be transferred to inventories. These assets are integral to the overall development of the Park and surrounding areas.
East Bank (public realm, Carpenters Land Bridge)	No delivery of services from these assets and reflects the placemaking and 'Great Estate' principles upon which LLDC approaches its development of the Park and surrounding areas. These are treated as necessary costs attributable to the main investment properties to function as intended.

Valuation

LLDC's portfolio was valued as at 31 March 2024 by JLL Limited. The investment property portfolio is now valued at £107.8m, a net decrease in fair value of £32.6m from the prior year, which is largely driven by adverse changes in market conditions such as interest rates and construction price inflation. Included in the valuation are elements of the East Bank project, which are delivered at a net cost to LLDC (and therefore have a negative valuation).

In line with the Mayor's commitment to affordable housing, a portfolio approach has been adopted whereby 50% of the homes delivered across the sites at Pudding Mill, Rick Roberts Way, and the residential element of Stratford Waterfront. This is factored into the valuation for these development sites, which have not yet started on site (and so continue to be classified as investment properties).

LLDC's investment property is analysed as follows:

Asset	31 March 2024	31 March 2023	Change	Basis
	£000	£000	£000	
London Aquatics Centre	(2,800)	4,322	(7,122)	Sports and Leisure Management (SLM) T/A Everyone Active was appointed as the new operator of the facitility in March 2024. The valuation of the asset (inclusive of the car park) has been based on the new 8-year service agreement where SLM will be responsible for all maintenance and repair of the facility with LLDC subsidising SLM via an annual client rebate.
Copper Box Arena	6,540	5,568	972	The valuation (inclusive of the car park) is based on rental income of the new 10-year operating lease with Greenwich Leisure Limited (GLL) entered in March 2024. The valuation also reflects the potential income from the commercial rights of the venue.
Here East (former Press and Broadcast Centre)	11,040	14,700	(3,660)	The valuation of the former Press and Broadcast Centre (known as Here East) is based on the potential net rental income that LLDC will receive.
Multi Storey Car park	6,190	4,500	1,690	The valuation of the Multi Storey Car Park is based on the rental income streams, which includes events and adhoc revenue.
Stadium	910	1,500	(590)	The Stadium is subject to a lease to let the Stadium to E20 Stadium LLP until 2115. The Legacy Corporation reversionary interest discounted back to the present day is valued at £0.9m.
ArcelorMittal Orbit	(1,175)	780	(1,955)	The ArcelorMittal Orbit is valued on the basis of the earnings that could be generated from operating the attraction. The AMO is currently vacant and LLDC is undertaking significant life cycle capital expenditure which is reflected in the downward valuation.
ArcelorMittal Orbit - The Podium Café	4,725	2,480	2,245	The valuation is based on the rental income and potential turnover rental share from the new 7-year lease with Peppermint Events Ltd.
Queen Elizabeth Olympic Park excl. East Bank - Residential Development Plots	45,340	79,435	(34,095)	The valuation of Queen Elizabeth Olympic Park is based on residual appraisal. This includes residential development plots for Eastwick and Sweetwater and Pudding Mill Lane and Rick Roberts Way where development has not yet commenced.
Queen Elizabeth Olympic Park - East Bank	(3,240)	(22,500)	19,260	East Bank retail units, public realm and Carpenters Land Bridge
3 Mills Studios	29,600	26,300	3,300	The 3 Mills Studios site is held on a lease with 81 years outstanding. It has been valued using a discounted cash flow based on the rental income and operating expenses associated with the lease.
LTGDC transferred asset -5 Hancock Road	3,385	7,950	(4,565)	The valuation is based on the remaining asset held, 5 Hancock Road. The valuation is based on estimated rental value of the property.
Other assets	269	2,150	(1,882)	Other sites includes Timberlodge and Kiosks. Timberlodge and Kiosks have been valued using a expected rental values from the new lease agreements applying an appropriate yield and comparable market value information from similar sites.
Total	**100,784**	**133,385**	**(26,402)**	

Fair Value Hierarchy

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

Asset	Fair Value as at 31 March 2024	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	£'000	**£'000**	**£'000**	**£'000**
London Aquatics Centre	(2,800)	-	-	(2,800)
Copper Box Arena	6,540			6,540
Here East (former Press and Broadcast Centre)	11,040	-	11,040	-
Multi Storey Car park	6,190	-	6,190	-
Stadium	910	-	-	910
ArcelorMittal Orbit	(1,175)	-	-	(1,175)
ArcelorMittal Orbit - The Podium Café	4,725	-	-	4,725
Queen Elizabeth Olympic Park (excl. East Bank)	45,340	-	45,340	-
Queen Elizabeth Olympic Park - East Bank	(3,240)	-	-	(3,240)
3 Mills Studios	29,600	-	-	29,600
5 Hancock Rd (LTGDC transferred assets)	3,385	-	-	3,385
Other assets	269		-	269
Total	**100,784**	**-**	**62,570**	**38,214**

Transfers between Levels of the Fair Value Hierarchy

LLDC'S policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. The following transfers have been made between the levels based on their fair value as at 31 March 2024:

- London Aquatics Centre (LAC) and Copper Box Arena were transferred from Level 2 to Level 3 as the measurement technique uses significant unobservable inputs i.e. rental income and operating costs specific to the new agreements between the parties to determine the fair value measurements. LLDC has assessed this as the most appropriate level for inputs used in the asset valuations.

Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties

Significant Observable Inputs – Level 2

The fair value for the residential properties is based on the market approach using current market conditions (e.g. construction prices), discount rate and recent sales prices, and other relevant information for similar assets in the local area. Where there is readily available market information for specific assets this has been used to determine the value of the asset.

Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to other properties (Here East and the Multi Storey Car Park) also being categorised at Level 2 in the fair value hierarchy.

Significant Unobservable Inputs – Level 3

The ArcelorMittal Orbit and Other Assets consisting of Timberlodge and Kiosks are measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. The approach was developed using the authority's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc. The Stadium Island land value is a discounted estimate of the land value following the end of the current lease period in 2115. Therefore, a change in the inputs would impact the fair value of the asset. The East Bank assets are valued based on the estimated costs to build those specific assets.

3 Mills Studios is measured using an investment method where a discounted cash flow is updated using the authority's own date for expected trading results to determine the valuation of 3 Mills Studios as a trading asset. Changes in the market conditions which could impact expected income growth, or occupancy levels would impact the fair value of the asset. 5 Hancock Road asset is valued using market-based inputs to determine the estimated rental valuation of the asset. Changes to the industrial market rental values would impact the fair value of the asset.

The Stadium, LAC, Copper Box Arena, ArcelorMittal Orbit, 3 Mills Studios, 5 Hancock Road, Other Assets and East Bank assets are therefore categorised as Level 3 in the fair value hierarchy as the measurement techniques use significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

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 a change to the valuation technique for Hackney Wick (LTGDC) which has changed from using a cost-based valuation to market-based valuation

Valuation Process for Investment Properties

The fair value of LLDC's investment property is measured annually at each reporting date. All valuations are carried out externally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuation experts (JLL Limited) work closely with LLDC officers on a regular basis regarding all valuation matters.

13. Investments in subsidiaries

E20 Stadium LLP

LLDC is a member of E20 Stadium LLP, the legal entity that holds a 102-year leasehold interest in the Stadium Island site and is responsible for the ongoing operations of the London Stadium, which is the permanent home of West Ham United Football Club and the national competition centre for UK Athletics. E20 Stadium LLP is classified as a subsidiary of LLDC and consolidated into the LLDC Group accounts by adding like items of assets, liabilities, reserves, income, and expenses together line by line to those of other group members in the financial statements. All intra-Group transactions and balances are eliminated on consolidation.

LLDC also owns the Stadium operator, London Stadium 185 Limited, via E20 Stadium LLP. Accordingly, the full financial results of London Stadium 185 Limited are consolidated into LLDC's Group accounts (via the E20 Stadium LLP accounts) in line with International Accounting Standards.

The following table summarises the 2023/24 financial information of E20 Stadium LLP, London Stadium 185 Limited and the E20 Stadium LLP Group (noting these exclude intra-Group transactions and balances) as included in the draft financial statements.

	E20 Stadium LLP	London Stadium 185 Ltd	E20 Stadium LLP Group
	£'000	**£'000**	**£'000**
Revenue	(12,026)	(38,663)	(24,318)
Cost of sales	20,902	14,983	19,169
	8,876	**(23,679)**	**(5,150)**
Other operating expenses	4,123	24,762	19,233
Depreciation and impairment	4,419	493	1,041
Exceptional costs	223	-	223
Grants Received	(152)	-	(152)
Exceptional income	(3)	-	(3)
Purchases recharged within the Group	-	-	3,872
Increase in provisions	16,651	-	16,651
Effect of the change in provision discount rate	(23,369)	-	(23,369)
Provision utiised in the year	(11,218)	-	(11,218)
Operating (Profit)/Loss	**(450)**	**1,576**	**1,127**
Financing costs - interest payable	10,033	-	10,033
Financing costs - provision (unwinding the discount)	9,712	-	9,712
Total (Profit)/Loss for the year	**19,294**	**1,576**	**20,872**

Including financing costs (interest payable and unwinding the discount on the onerous contracts provision) the overall outturn are losses of £19.3m, £1.6m and £20.9m respectively.

Forecasts of E20 Stadium LLP's financial outlook, particularly in relation to the cost of hosting West Ham United matches and the cost of moving the relocatable seats between football and athletics modes, required an assessment in 2016/17 of whether any of its contracts were deemed to be onerous (loss-making) in line with accounting standards. This assessment concluded that two of its contracts were deemed to be onerous: the Concession Agreement with West Ham United and the Access Agreement with UK Athletics. Consequently, E20 Stadium LLP established a provision for these losses.

The approach has inherent volatility if the technical assumptions upon which the provision is based change – for example, the discount rate, which is now based on the prevailing government gilt rate. Annual changes in the provision are necessarily reflected in the partnership's income statement (and, therefore, the LLDC Group Comprehensive Income and Expenditure Statement); however, these are not reflective of any fundamental changes in the underlying performance of the partnership.

E20 Stadium LLP's forecasts also impact upon the Stadium's valuation as at 31 March 2024. The fair value of the Stadium is assessed on an annual basis by independent valuers and based largely upon E20 Stadium LLP's long-term forecasts. It is therefore subject to fluctuation each year, particularly in the early stages of the partnership's operations. As at 31 March 2024 the Stadium's fair value is assessed to be £nil (31 March 2023 £nil) accordingly the value of the capital works on the Stadium are fully impaired in the partnership's draft accounts.

Given this, LLDC currently holds its interest in the partnership at nil value (31 March 2023: £nil). Furthermore, the funding provided to E20 Stadium LLP during the year by way of equity funding (£20.3m) is impaired as at 31 March 2024 based on E20 Stadium LLP's current financial forecasts.

	31 March 2024	31 March 2023
	£'000	£'000
Opening balance at 1 April	-	-
Investment during the year	20,303	26,267
Impairment	(20,303)	(26,267)
Total Investment in joint ventures	**-**	**-**

E20 Stadium LLP is currently dependent for its working capital on funds provided by LLDC.

Stratford East London Holdings Limited, a subsidiary of LLDC, is the second member of the E20 Stadium partnership. Stratford East London Holdings Limited has a 1 percent non-controlling share in E20 Stadium LLP and has undertaken no financial transactions during the reporting period. Therefore, LLDC has not consolidated any financial information in relation to Stratford East London Holdings Limited.

Stratford East London Developments Limited (SELD)

SELD is a wholly owned subsidiary of LLDC, established in 2020/21 to enter into a joint venture to deliver the Stratford Waterfront and Bridgewater Triangle residential developments. The current members of the joint venture, Stratford East London Partners (SELP) LLP, are SELD and Ballymore Stratford East Limited. Both SELD and SELP were trading during 2023/24; accordingly, SELD's financial results are consolidated into the LLDC Group Accounts.

14. Short and long-term debtors

	31 March 2024	31 March 2023
	£000	£000
Short term		
Central Government bodies	4,688	6,886
Other Local Authorities	849	70
Other entities and individuals	21,246	24,943
Total short term debtors	**31,583**	**31,899**
Long term		
Other entities and individuals	37,000	28,367
Total long term debtors	**37,000**	**28,367**

Contributions from East Bank partners towards the cost of constructing their buildings are not recognised until the buildings are complete and handed over to them. Any revenue received in advance of that is treated as deferred income on LLDC's balance sheet.

The non-current debtor at 31 March 2024 of £37.0m relates to the outstanding amount owed to LLDC by UAL under a repayable £40.0m loan facility, which was used by UAL for the cost of the fit-out of their building at Stratford Waterfront.

15. Cash and cash equivalents

	31 March 2024	31 March 2023
	£000	£000
Cash in hand and at bank	33,812	19,905
Investments	49,632	46,850
Total cash and cash equivalents	**83,444**	**66,755**

16. Inventories

	31 March 2024	31 March 2023
	£'000	£'000
Balance at 1 April	**290,662**	**161,871**
Purchases (Residential)	112	4,228
Purchases (East Bank)	104,063	140,105
Transfer to Investment Properties	-	(3,461)
Transfer from Investment Properties at Fair Value	-	23,089
Recognised as an expense in the year (Residential): disposals	(471)	(12,553)
Recognised as an expense in the year (East Bank): disposals	(210,685)	
Purchases offset against grant provision (East Bank)	(18,305)	(22,618)
Increase/(decrease) to net realisable value (recognised in CIES - East Bank)	(4,537)	-
Balance at 31 March	**160,838**	**290,662**
Split:		
Residential	24,678	25,038
East Bank	136,160	265,624
Balance at 31 March	**160,838**	**290,662**
Split:		
Inventory valued at at lower of cost and net realisable value	37,192	122,874
Inventory valued at the lower of cost and replacement cost	123,646	167,787
Balance at 31 March	**160,838**	**290,662**

Application of accounting policy

Management is required to determine the carrying value of inventories with reference to IAS 2 Inventories (IAS 2) and IPSAS 12 Inventories. This includes determining whether the estimated net realisable value (where applicable) is less than the asset's carrying value; if so, the carrying value is written down and charged to the Statement of Comprehensive Income.

For its residential inventories, LLDC will use its forecast share of the developer's estimated sale receipts to determine the net realisable value and ensure that the recorded inventories are stated at the lower of cost and net realisable value. In determining the net realisable value, LLDC is required to make estimates about expected future receipts from its developments, which will be based on a variety of assumptions, including projections of future housing market growth. Changes in such factors could impact upon future forecast receipts and therefore the carrying value of LLDC's inventories, with movements being recorded in the Comprehensive Income and Expenditure Statement, which could have a significant effect on the reported financial performance of LLDC.

For East Bank inventories that are carried at net realisable value[1], LLDC will use its forecast contributions from the East Bank partners and the estimated costs to complete (based on the Anticipated Final Cost as determined in conjunction with its Project Management Partner, Mace) to determine the net realisable value. These are based on a variety of assumptions, including construction prices, which may vary and impact upon the carrying value of the East Bank inventories.

If the use of an investment property changes such that it requires a transfer to inventories, then the property's deemed cost in accordance with IAS 2 shall be its fair value at the date of change in use (see Investment Property and Inventories accounting policies).

In applying the Inventories accounting policy, LLDC has made the following judgements:

[1] In accordance with IPSAS 12, some of the East Bank inventories are carried at the lower of cost or current replacement cost where they are being distributed for no charge or for a nominal charge.

- *Residential development assets:* Development with a view to sale has commenced at Chobham Manor (now complete) and East Wick and Sweetwater (Phases 1 and 2) and these are therefore recognised as inventories at the lower of cost and net realisable value. At the date of transfer from Investment Properties, the assets' deemed cost was their fair value at the date of change in use. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. As these developments are undertaken by third parties on LLDC's behalf (for example, via a development agreement), LLDC has used its forecast share of the developer's estimated sale receipts to determine the net realisable value (as LLDC does not incur any costs of completion or marketing, selling and distribution).

- *East Bank assets:* LLDC has previously determined that the following East Bank assets meet the definition of inventories as they have commenced development with a view to sale or donation/distribution:

  - *University of the Arts London (UAL):* Measured at the lower of cost and net realisable value as UAL are paying a lease prepayment under the finance lease arrangement and making contributions towards the cost of their building under the terms of the agreement with them. This building is de-recognised from the inventories balance as at 31 March 2024 following its completion and handover during the financial year.

  - *BBC:* Measured at the lower of cost and net realisable value as BBC entered into a finance lease agreement with nominal charge and are making contributions towards the cost of their building under the terms of the agreement with them.

  - *Sadler's Wells and V&A:* Measured at the lower of cost and current replacement cost in accordance with IPSAS 12 as these buildings are being distributed to the partners at no charge or for a nominal charge. The V&A building is de-recognised from the inventories balance as at 31 March 2024 following its completion and handover during the financial year.

- For each of the above East Bank assets, LLDC has determined that a provision is required for LLDC's contributions towards the cost of the buildings. The value of the provision is based upon LLDC's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. For UAL and BBC, purchases are offset against the provision first, such that when the buildings are completed and handed over, the inventory balance is equal to their contributions[2] towards the cost of their buildings. For Sadler's Wells and V&A, purchases are not applied against the provision until the buildings are completed and handed over, which is in accordance with the requirements of the Code. Purchases that are offset against the provision during the year are disclosed in this note.

[2] Which are being treated as deferred income until building completion (see Revenue Recognition accounting policy)

17. Current and non-current liabilities

	31 March 2024	31 March 2023
	£000	£000
Current		
Central government bodies	967	(618)
Other local authorities	(15,819)	(12,211)
Other entities and individuals	(91,668)	(131,406)
Provisions	(149,092)	(244,601)
Corporation Tax Liability	1,657	(6,181)
Total current liabilities	**(253,955)**	**(395,017)**
Non-current		
Long-term borrowing	(512,746)	(442,309)
Section 106 contributions	-	(53,401)
Deferred income (East Bank)	-	-
Stadium rent premium	(449)	(454)
Total long term creditors	**(513,195)**	**(496,163)**
Retirement benefit obligation (pension liability)	1,945	(2,044)
Total non-current liabilities	**(511,250)**	**(498,207)**

LLDC has a rolling loan facility with the Greater London Authority to finance LLDC's capital expenditure serving interest at the Public Works Loan Board 50-year rate, which is funded by GLA grant. As at 31 March 2024, LLDC had drawn down cumulative borrowings of £516.5m. Interest payable in the year to 31 March 2024 is £15.2m (which is fully-funded by the GLA through revenue grant – see Note 1). In prior years, included within long-term borrowing was a London Enterprise Partnership loan for the Hackney Wick Station project, this was fully repaid by 31 March 2024.

For the East Bank buildings, LLDC has determined that contributions received from East Bank partners towards the cost of their buildings should not be recognised until the buildings are complete and handed over to the partners. For 2023/24, UAL and V&A reached practical completion and were handed over to the partners thereby reducing the deferred income recognised in respect of those buildings. It is expected the remaining balance of £0.6m for BBC and Sadler's Wells held in deferred income will be released in 2024/25. These are therefore recognised as deferred income within current liabilities.

LLDC is also recognising the East Bank cost provision within this note (within current liabilities).

18. Pensions

LLDC offers retirement benefits as part of the terms and conditions of employment to its employees. Employees of LLDC are members of the Local Government Pension Scheme (LGPS) and the Homes and Communities Agency Pension Scheme.

Local Government Pension Scheme

LLDC provided the opportunity for its employees to participate in the Local Government Pension Scheme (LGPS). The LGPS is administered by the London Pension Fund Authority and is a defined benefit statutory scheme where the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The LGPS is triennially valued in accordance with the provisions of the Local Government Pension Scheme Regulations (2013). The fund's actuaries, Barnett Waddingham, carried out a full triennial valuation as at 31 March 2022, and the value of the liabilities as at this date has been rolled forward. Employers' and employees' contributions to the Scheme were determined by the actuary following this valuation. Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. The employers' contribution rate for 2023/24 was 12% (2022/23: 12%). Members pay contributions at rates correlating to pensionable salary bands. A surplus or deficit on the account would lead to an adjustment to the contribution rates, which are reviewed every three years. An actuarial valuation of the Fund was carried out as at 31 March 2022 and determined that the contributions for the period from 1 April 2023 to 31 March 2026 should remain unchanged.

Employer contributions of £1.5m were paid in 2023/24 (2022/23: £1.4m). There were 168 active members as at 31 March 2024 (168 as at 31 March 2023). There were 167 deferred pensioners and 15 actual pensioners at 31 March 2024.

Principal assumptions used by the actuary:

	31 March 2024	31 March 2023
Expected return on assets	**%**	**%**
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.4	22.6
Women	24.2	24.4
Longevity at 65 for future pensioners:		
Men	23.2	23.5
Women	25.6	25.8
Rate of inflation	3.10%	4.8%
Rate of increase in salaries	3.85%	3.9%
Rate of increase in pensions	2.85%	2.9%
Rate for discounting scheme liabilities	4.95%	4.8%

The term of the employer's liabilities is estimated at 24 years.

Amounts charged to the Comprehensive Income and Expenditure Statement

	31 March 2024	31 March 2023
	£000	**£000**
Service cost	1,794	4,771
Total included in net cost of services	**1,794**	**4,771**
Net interest on the defined liability	62	817
Administration expenses	12	11
Total included in deficit on provision of services before tax	**74**	**828**
Remeasurement of the net defined benefit liability/asset	4,337	(34,875)
Deferred tax asset on the net defined benefit liability	-	9,864
Total	**6,205**	**(19,412)**

Reconciliation of present value of the defined benefit obligation

	31 March 2024	31 March 2023
	£000	**£000**
Opening balance	**42,619**	**70,694**
Current service cost	1,794	4,771
Contributions by scheme participants	1,098	1,001
Change in financial assumptions	(2,137)	(41,371)
Change in demographic assumptions	(453)	-
Experience loss/(gain) on defined benefit obligations	136	6,014
Estimated benefits paid net of transfers in	(652)	(302)
Interest cost	2,056	1,812
Closing defined benefit obligation	**44,461**	**42,619**

Reconciliation of fair value of scheme assets

	31 March 2024	31 March 2023
	£000	**£000**
Opening balance	**40,575**	**37,999**
Interests on assets	1,994	995
Return on assets less interest	1,883	(482)
Other actuarial gains/(losses)	-	-
Administration expenses	(12)	(11)
Contributions by scheme participants	1,098	1,001
Contributions by the Legacy Corporation including unfunded benefits	1,520	1,375
Estimated benefit paid (net of transfers in and including unfunded)	(652)	(302)
Fair value of scheme assets as at 31 March	**46,406**	**40,575**

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

	31 March 2024	31 March 2023
	£000	**£000**
Present value of the defined benefit obligation	(44,461)	(42,619)
Fair value of plan assets	46,406	40,575
Net liability arising from defined benefit obligation	**1,945**	**(2,044)**

Local Government Pension Scheme assets comprised:

	31 March 2024		31 March 2023	
	£000	**%**	**£000**	**%**
Equities	28,097	61%	23,861	59%
Target Return Portfolio	8,006	17%	7,544	19%
Infrastructure	5,331	11%	5,134	13%
Property	4,245	9%	3,984	10%
Cash	727	2%	52	0%
Total	**46,406**	**100%**	**40,575**	**100%**

Sensitivity analysis:

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- year age rating adjustment to the mortality assumption.

Sensitivity analysis	£000	£000	£000
Adjustment to discount rates	+0.1%	0.0%	-0.1%
Present value of total obligation	43,445	44,461	45,509
Projected service cost	1,533	1,607	1,685
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	44,540	44,461	44,383
Projected service cost	1,609	1,607	1,606
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	45,452	44,461	43,501
Projected service cost	1,685	1,607	1,531
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	45,608	44,461	43,343
Projected service cost	1,678	1,607	1,539

Impact on LLDC's cash flows

The total contributions expected to be made to the Local Government Pension Scheme by LLDC in the year to 31 March 2024 is £1.5m.

Homes and Communities Agency Pension Scheme

The Homes and Communities Agency Pension Scheme is a defined benefits scheme but has been accounted for as if it were a defined contribution plan. The Homes and Communities Agency Pension Scheme is exempt from defined benefit accounting as the pension scheme exposes participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the pension scheme.

As at 31 March 2024, the overall deficit of the pension scheme was £116.080m, of which LLDC's share represents 0.196% (£0.227m). Contributions on behalf of the one employee who is a member of the above scheme are accounted for in operating costs and amount to £40,170 in the year to 31 March 2024 (2023: £53,539).

19. Cash flow notes

a) Adjustments to net deficit for non-cash movements

	31 March 2024	31 March 2023
	£'000	**£'000**
Depreciation of property plant and equipment	245	594
Amortisation of intangibles	277	439
Movement in Pension Liabilities	1,868	5,599
Reversal of impairment on investment in joint venture	20,303	26,267
Cash Payments for employer's contributions to pension funds	(1,520)	(1,375)
(Increase)/ Decrease in trade and other debtors	(9,467)	(7,297)
Increase/(decrease) in trade and other creditors	(104,549)	36,685
Increase/(decrease) in deferred tax liability	(7,838)	7,251
Increase/(decrease) in bad debt provision	1,150	(155)
Increase/(decrease) in provisions	(95,509)	19,817
Changes in Fair Value of Investment Property	72,478	50,982
Loss/(Gain) Investment Property Disposals	154	-
Stadium Lease Premium	(5)	(5)
Inventory Disposals (Residential)	471	12,553
Inventory Disposals (East Bank)	210,685	
Inventory net change to net realisable value	4,537	0
Net book value of non-current assets disposal		-
Property, plant and equipment assets written out	-	-
Inventory purchases not set against provision (East Bank)	(85,758)	(117,488)
Inventory purchases (Residential)	(112)	(4,228)
Adjustment to net deficit for non-cash movements	**7,410**	**29,640**
Adjust for items included in the net deficit on the provisions of services that are investing or financing activities		
Capital grants and contributions credited to the deficit on the provision of services	98,749	118,072

b) Investing activities

	31 March 2024	31 March 2023
	£'000	**£'000**
Purchase of property, plant and equipment, investment property and intangible assets	(47,063)	(37,335)
Investment in joint venture	(20,303)	(26,267)
Disposal of Investment Property	6,232	0
Capital grant received and other capital receipts	98,749	118,072
Net cash outflow from investing activities	**37,614**	**54,470**

c) Financing activities

	31 March 2024	31 March 2023
	£'000	**£'000**
Movement on Borrowings	70,437	42,715
Movement on OPTEMS fund	(70)	8
Movement on S106 fund	13,505	4,902
Net cash flow from financing activities	**83,872**	**47,625**

20. Reserves

Usable reserves

LLDC's net revenue expenditure is fully funded by the GLA via a revenue grant. This grant is agreed annually on a four-year rolling basis via the GLA's statutory budgeting process and is drawn by LLDC throughout the year on a cash-basis. This arrangement gives rise to timing differences between net expenditure calculated on an accruals-basis and LLDC's net cash requirement. It also means that LLDC's ability to generate surpluses within its General Fund is restricted.

Accordingly, at the end of the financial year, LLDC had usable reserves of £33.3m in the General Fund. Considering LLDC's funding arrangements with the GLA, the level of usable reserves reported in the statutory accounts is considered adequate for LLDC to meet its current and future financial challenges.

General Fund

	31 March 2024	31 March 2023
	£'000	**£'000**
General funds	(33,262)	(19,449)
Balance on usable reserves at 31 March	**(33,262)**	**(19,449)**

Unusable reserves

	31 March 2024	31 March 2023
	£'000	**£'000**
Capital Adjustment Account	376,753	349,770
Pensions Reserve	880	4,869
Accumulated Absences Account	210	269
Balance on unusable reserves at 31 March	**377,842**	**354,908**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for the consumption of non-current assets and for financing the acquisition, construction, or enhancement elements of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by LLDC for the costs of acquisition, construction and enhancement. The account contains accumulated gains and losses on Investment Properties and gains recognised on donated or transferred assets that have yet to be consumed by LLDC.

The Pensions 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. LLDC accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement 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 LLDC makes employee contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources that LLDC has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g., annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account.

Further breakdown within unusable reserves is shown in the following sub-sections.

Capital Adjustment Account

	31 March 2024	31 March 2023
	£'000	**£'000**
Balance as at 1 April	349,770	341,099
Charges for depreciation and amortisation	517	1,033
Capital grants and contributions applied	(98,749)	(118,072)
Amounts of investment propety written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	154	-
Amounts of inventories written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement and increase/decrease to net realisable value	215,693	12,553
Increase/decrease in provisions	(76,950)	42,180
Capital receipts received during the year	(120,235)	(13,061)
Revenue expenditure funded from capital under statute	8,577	336
(Revaluation)/Impairment charged to the Comprehensive Income and Expenditure Statement	92,781	77,249
Deferred tax liability on revaluation charged to the Comprehensive Income and Expenditure Statement	-	(3,910)
Corporation tax adjustment		(458)
Corporation Tax liability for the year	5,194	10,820
Balance at 31 March	**376,753**	**349,770**

Pensions Reserve

	31 March 2024	31 March 2023
	£'000	**£'000**
Balance as at 1 April	4,869	25,656
Remeasurements of the net defined benefit liability/asset	(4,337)	(34,875)
Deferred tax (asset) on the net defined benefit liability	-	9,864
Reversal of charges relating to retirement benefits	1,868	5,599
Employer's pension contribution and direct payments to pensioners payable in the year	(1,520)	(1,375)
Balance at 31 March	**880**	**4,869**

Accumulated Absences Reserve

	31 March 2024	31 March 2023
	£'000	**£'000**
Balance as at 1 April	269	211
Settlement or cancellation of accrual made at the end of the preceding year	(269)	(211)
Amounts accrued at the end of the current year	210	269
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on a accrual basis is different from remunerations chargeable in the year in accordance with the statutory requirements		
Balance at 31 March	**210**	**269**

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from remuneration chargeable in the year in accordance with the statutory requirements	59	(58)

21. Adjustments between accounting basis and funding under regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by LLDC in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to LLDC to meet capital and revenue expenditure.

For the year ended 31 March 2024

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation, amortisation and impairment of non-current assets	(517)	-	-	**(517)**	517
Movements in the market value of investment property	(72,478)	-	-	**(72,478)**	72,478
Amounts of investment property written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(154)	-	-	**(154)**	154
Disposals of inventories and increase/decrease to net realisable value	(215,693)	-	-	**(215,693)**	215,693
(Increase)/decrease in provisions	76,950	-	-	**76,950**	(76,950)
Current and Deferred tax liability movements	(5,194)	-	-	**(5,194)**	5,194
Impairment of investment in subsiary	(20,303)	-	-	**(20,303)**	20,303
Capital grants and contributions applied	98,749		-	**98,749**	(98,749)
Revenue expenditure funded from capital under statute	(8,577)	-	-	**(8,577)**	8,577
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	-	-	-	**-**	-
Use of the Capital Receipts Reserve to finance new capital expenditure	120,235	-	-	**120,235**	(120,235)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1,868)	-	-	**(1,868)**	1,868
Employer's pensions contributions and direct payments to pensioners payable in year	1,520	-	-	**1,520**	(1,520)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	59	-	-	**59**	(59)
Total adjustments	**(27,272)**	**-**	**-**	**(27,272)**	**27,272**

For the year ended 31 March 2023

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Adjustments involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation, amortisation and impairment of non-current assets	(1,033)	-	-	**(1,033)**	1,033
Movements in the market value of investment property	(50,982)	-	-	**(50,982)**	50,982
Disposals of investment property	-	-	-	**-**	-
Disposals of inventories and increase/decrease to net realisable value	(12,553)			**(12,553)**	12,553
(Increase)/decrease in provisions	(42,180)			**(42,180)**	42,180
Current and Deferred tax liability movements	(16,316)	-	-	**(16,316)**	16,316
Impairment of investment in subsiary	(26,267)	-	-	**(26,267)**	26,267
Capital grants and contributions applied	118,072		-	**118,072**	(118,072)
Revenue expenditure funded from capital under statute	(336)	-	-	**(336)**	336
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	-	-	-	**-**	-
Use of the Capital Receipts Reserve to finance new capital expenditure	13,061	-	-	**13,061**	(13,061)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(5,599)	-	-	**(5,599)**	5,599
Employer's pensions contributions and direct payments to pensioners payable in year	1,375	-	-	**1,375**	(1,375)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(58)	-	-	**(58)**	58
Total adjustments	**(22,817)**	**-**	**-**	**(22,817)**	**22,817**

22. Trading operations

LLDC reflects seven key trading operations in its management accounts:

3 Mills Studios: LLDC holds a 99-year lease over 3 Mills Studios from Lee Valley Regional Park Authority, of which the unexpired term is 79 years. The Studios are managed by Knight Frank LLP on behalf of LLDC.

ArcelorMittal Orbit: The ArcelorMittal Orbit was managed by Equans on behalf of LLDC (for which they received a management fee) until August 2022 when it was sublet to Orbit Live Limited. Revenue income from the ArcelorMittal Orbit mainly comprises ticketing sales, catering sales and fees, charges relating to private functions and special events (until August 2022) and rental income thereafter. From January 2024, the venue was closed for essential lifecycle works, with facilities management delivered by the onsite contractor Idverde. A new operator is currently being appointed with public re-opening scheduled for early 2025.

The Podium: (now Riverside East): The Podium, which is adjacent to the ArcelorMittal Orbit, contains a cafe and hospitality suite, which were also sublet to Orbit Live Limited in August 2022. From January 2024, the venue was leased to Peppermint Events Limited and rebranded Riverside East.

London Aquatics Centre: The London Aquatics Centre, a world-class swimming facility, was operated by Greenwich Leisure Limited up to the end of February 2024 and transitioned to a new operator, Everyone Active, from March 2024.

Copper Box Arena: The Copper Box Arena, a multi-use arena was operated on LLDC's behalf by Greenwich Leisure Limited. In February 2024, new arrangements in place have Greenwich Leisure Limited leasing the venue from LLDC. The Copper Box Arena hosts a combination of community sport facilities and major sporting and non-sporting events.

Timber Lodge: LLDC has a head lease from Lee Valley Regional Park Authority for the Timber Lodge. The underlease was with Change Please Foundation but was tendered and let to Five Star Catering Limited from March 2024. The venue provides space to be rented out to community groups and local businesses and, along with The Podium in the South Park, provides public conveniences.

Park Kiosks: The four kiosks in the south park are operated by two operators, two by Five Star Catering Limited and two by Ozer Limited, each offering a different food service from potato dogs and bubble tea to Greek food and deserts.

Off-park properties: Off-park properties were transferred over from the former London Development Agency and former London Thames Gateway Development Corporation and are predominantly located in the areas neighbouring the Park. The majority are in Hackney Wick and to the south of Stratford High Street in Bromley-by-Bow and are currently managed by Glenny.

On-park properties: On-park properties are predominantly located on Pudding Mill Lane and Rick Roberts Way.

Other Trading: Other Trading includes income such as telecoms/Wi-Fi income for masts located on LLDC's property, including the Park.

Operation		31 March 2024	31 March 2023
		£'000	£'000
3 Mills	Turnover	(5,917)	(8,120)
	Expenditure	4,805	6,249
	EFM	-	-
	Deficit/(Surplus)	**(1,112)**	**(1,871)**
ArcelorMittal Orbit	Turnover	-	(762)
	Expenditure	(152)	941
	EFM	168	155
	Deficit/(Surplus)	**16**	**334**
The Podium	Turnover	(83)	(427)
	Expenditure	5	4
	EFM	119	158
	Deficit/(Surplus)	**41**	**(265)**
London Aquatics Centre	Turnover	(819)	(1,062)
	Expenditure	1,765	2,306
	EFM	1,190	1,332
	Deficit/(Surplus)	**2,136**	**2,576**
Copper Box Arena	Turnover	(241)	(13)
	Expenditure	167	669
	EFM	634	856
	Deficit/(Surplus)	**561**	**1,512**
Timber Lodge	Turnover	(103)	(127)
	Expenditure	30	34
	EFM	80	82
	Deficit/(Surplus)	**7**	**(11)**
Off-Park Assets	Turnover	(110)	(91)
	Expenditure	44	44
	EFM	-	-
	Deficit/(Surplus)	**(66)**	**(47)**
Kiosks	Turnover	(62)	(44)
	Expenditure	-	-
	EFM	17	21
	Deficit/(Surplus)	**(45)**	**(23)**
On Park Properties	Turnover	(976)	(657)
	Expenditure	218	(66)
	EFM	-	-
	Deficit/(Surplus)	**(757)**	**(724)**
Other Trading	Turnover	(137)	(275)
	Expenditure	2	5
	EFM		
	Deficit/(Surplus)	**(135)**	**(270)**
Net (surplus) or deficit on trading operations		**646**	**1,211**

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement and include a recharge of Estates and Facilities Management (EFM) costs. As all the venues used for trading are classified as investment properties all income and expenditure is recognised as income and expenditure in relation to investment property (see Note 12).

EFM costs are apportioned to each venue according to key drivers to better present their full cost. The above table distinguishes these from other costs to enable a year-on-year comparison of performance to be made.

Summary	31 March 2024	31 March 2023
	£'000	**£'000**
Income in relation to investment property	(8,447)	(11,578)
Expenditure in relation to investment property	9,093	12,790
Net deficit on trading operations charged to financing and investment	646	1,211

23. Related party transactions

LLDC is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence LLDC or to be controlled or influenced by LLDC. Disclosure of these transactions allows readers to assess the extent to which LLDC might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with LLDC.

The related parties to LLDC are central government, other public bodies (including the Greater London Authority), entities controlled or significantly influenced by LLDC, and its Members and Executive Management Team. This note has been prepared on a payments and receipts basis.

Related parties - Income and Expenditure

All relationships were as delivery partners to LLDC and significant transactions for the years ended 31 March 2024 and 2023 were as follows:

	31 March 2024	31 March 2023
	£'000	£'000
Income		
Greater London Authority[1]	(371)	(20)
E20 Stadium LLP[2]	(1,835)	(3,405)
London Borough of Hackney[3]	(17)	(60)
London Borough of Newman[5]	(74)	(3)
Network Rail[6]	(318)	(331)
London Stadium 185[7]	(2,800)	(700)
Lee Valley Regional Park Authority[8]	(39)	(151)
Old Oak and Park Royal Development Corporation(OPDC)[9]	(110)	(29)
London Youth Game [10]	(1)	(1)

	31 March 2024	31 March 2023
	£'000	£'000
Expenditure		
Greater London Authority[1]	381	213
E20 Stadium LLP[2]	277	596
London Borough of Hackney[3]	61	166
London Borough of Tower Hamlets[4]	82	32
London Borough of Newham[5]	2,166	129
Network Rail[6]	94	109
London Stadium 185[7]	21,216	204
Lee Valley Regional Park Authority[8]	46	70
Old Oak and Park Royal Development Corporation(OPDC)[9]	102	132
London Youth Game [10]	0	0
Thames Water Utilities[11]	-	120
British Paralymopic Asscociation[12]	0	-

1 Jules Pipe is the Mayor of London's Deputy Mayor for Planning, Regeneration and Skills. LLDC Deputy Chief Executive Gerry Murphy is a Member of the Greater London Authority Land Fund Investment Committee. Lyn Garner is the Senior Professional Lead for the Kerslake review at the Greater London Authority.

2. LLDC Deputy Chief Executive Officer Gerry Murphy is the representative of Stratford East London Holdings Ltd and on the Board of E20. LLDC Board Members Shanika Amarasekara, Gurpreet Dehal and Phil Mead are E20 Stadium LLP Board Members.

3. LLDC Board member Guy Nicholson is Elected Councillor and Lead Member for Hackney Council. LLDC Board member Jules Pipe was the Mayor of Hackney until July 2016.
4. LLDC Board Member Lutfur Rahman is the Mayor of Tower Hamlets.

5. LLDC Board Member Rokhsana Fiaz is the Mayor of Newham.

6. LLDC Chair Sir Peter Hendy is Chair of Network Rail.

7. LLDC Deputy Chief Executive Gerry Murphy, LLDC Chief Executive Officer Lyn Garner and LLDC Executive Director of Park Operations and Venues Mark Camley are all Directors of London Stadium 185 Ltd.
8. LLDC Board Member Rokhsana Fiaz is a Deputy Board Member, Lee Valley Regional Park
9. Jules Pipe is an OPDC Board member.

10. Geoff Thompson MBE is Chair Board of Trustees, London Youth Game

11. Sukhvinder Kaur-Stubbs is the Chair Customer Challenge Group, Thames Water

12. Helene Raynsford is a Non-Executive Director & Chair of the Athletes' Commission, British Paralympic Association.

Members and Executive Management Team – Income and Expenditure

Members of LLDC have direct control over LLDC's financial and operating policies. The total of Members' allowances paid in 2023/24 is shown in Note 6.

Members and the Executive Management Team were required to complete a declaration regarding any related party transactions with LLDC, which are subject to external audit.

Other related parties' transactions for Members are disclosed as follows:

Organisation	Income 31 March 2024	Income 31 March 2023	Expenditure 31 March 2024	Expenditure 31 March 2023	Nature of Relationship
	£,000	£,000	£,000	£,000	
Deloitte	-	-	230	311	Executive Director of Development Rosanna Lawes' partner is a Director of Deloitte
Future of London	-	-	5	5	LLDC Chief Executive Officer Lyn Garner is the Chair of Future of London
MACE	(5)	(130)	12,230	11,965	LLDC Chair Sir Peter Hendy's son is an employee of Mace.
Commonplace Digital Ltd	-	-	-	38	Board Member Pam Alexander was a Chair of Commonplace Digital Ltd.
LDA Design Consulting Ltd	-	-	-	548	Executive Director of People and Organisational Development Sarah Perry's husband is a director at LDA Design Consulting Ltd. (1)
Rosetta Art Centre	-	-	-	2	Regeneration and Community Partner Vivian Murinde is a member of Board of Trustees at Rosetta Arts Centre.
Film London	-	-	-	1	Executive Director of Park, Operations and Venues Mark Camley is a member of Taskforce in Film London.

(1) Sarah Perry left LLDC in April 2023

Related parties – Outstanding balances

Outstanding balances with related parties as at 31 March 2024 and 2023 are as follows:

Organisation	Debtors 31 March 2024	Debtors 31 March 2023	Creditors 31 March 2024	Creditors 31 March 2023
	£,000	**£,000**	**£,000**	**£,000**
E20 Stadium LLP	(1,440)	(1,898)	-	-
Greater London Authority	(43)	(69)	-	-
London Stadium 185	(588)	(7,783)		
London Borough of Newman	(8)	(203)	1	-
Network Rail	(131)	(51)	-	-
Lee Valley Regional Park Authority	-	(22)	-	-
Old Oak and Park Royal Development Co	(3)	(35)	-	-
Notting Hill Genesis	(4,801)			

24. Operating leases

a) Leases as lessee

At 31 March, the future minimum lease payments under non-cancellable leases are:

	31 March 2024	31 March 2023
	£'000	**£'000**
Within one year	2,339	2,301
Between 1-5 years	2,131	2,988
Over 5 years	32,111	32,556
	36,582	**37,845**

On 31 March 2015, LLDC signed the Olympic Waterways Legacy (OWL) Agreement with the Canal & River Trust. It was revised on 1 January 2022 and will be annually thereafter for the remainder of the

lease period. The amount due will be based on the number of existing outfalls, taking into account the number of new, abandoned or surrendered outfalls in the year.

Amounts recognised in the Comprehensive Income and Expenditure Statement:

	31 March 2024	31 March 2023
	£'000	**£'000**
Rent payable in year	1,634	1,479
	1,634	**1,479**

b) Leases as lessor

Details of properties leased include:

- Copper Box Arena is now leased by Greenwich Leisure Limited under a 10-year agreement.
- Stadium Island is leased to E20 Stadium LLP under a 102-year lease arrangement.
- Here East is leased to iCITY (London) Limited over a 200-year lease.
- Multi Storey Car Park – a proportion of spaces are leased to iCITY (London) Limited.
- On and Off Park properties are leased by a mixture of industrial, commercial and residential tenants.
- The Podium (now Riverside East), kiosks and Timber Lodge are all leased on short-term arrangements.
- The procurement to lease the ArcelorMittal Orbit on a 10-year agreement will conclude later in 2024.

At 31 March, the future minimum lease (at nominal value) receivables under non-cancellable leases are:

	31 March 2023	31 March 2022
	£'000	**£'000**
Within one year	2,835	3,079
Between 1-5 years	8,873	9,641
Over 5 years	424,834	426,901
	436,542	**439,620**

The movement in the disclosure reflects the derecognition of the leases for Chobham Manor and 190-196 Chobham Road following completed sales of these sites.

Amounts recognised in the Comprehensive Income and Expenditure Statement:

	31 March 2024	31 March 2023
	£'000	**£'000**
Rent receivable in year	6,249	5,276
	6,249	**5,276**

25. Capital expenditure and capital financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

Financial assets	31 March 2024	31 March 2023
	£'000	**£'000**
Opening capital financing requirement	**334,228**	**283,357**
Capital Investment		
Property plant and equipment	580	356
Investment property	46,266	36,750
Inventories	104,175	144,333
Intangible assets	217	229
Revenue expenditure funded from capital under statute	8,578	336
Sources of finance		
Government grants and other contributions	(218,984)	(131,133)
Closing capital financing requirement	**275,060**	**334,228**

Explanation of movement in year

Sources of finance	**31 March 2024**	**31 March 2023**
	£'000	**£'000**
Opening capital financing requirement	334,228	283,358
Increase/(decrease) in underlying need to borrow	(59,168)	50,871
Closing capital financing requirement	**275,060**	**334,228**

The Capital Financing Requirement represents the underlying need for LLDC to borrow from the GLA for capital purposes. It increases when capital expenditure in any year is not financed immediately by use of capital receipts, application of capital grants, third party loans or a direct charge to revenue.

As confirmed in the recent update to The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations, as a Mayoral Development Corporation LLDC is not required to establish a Minimum Revenue Provision.

26. Financial instruments

Categories of financial instruments

The following categories of financial instruments are carried in the Balance Sheet:

	31 March 2024	31 March 2023
	£'000	**£'000**
Financial assets		
Current		
Financial assets at amortised costs	17,083	17,547
Net cash and cash equivalents	83,444	66,755
Non-current		
Financial assets at amortised costs	37,000	28,367
Total financial assets	**137,527**	**112,669**
Financial liabilities		
Current		
Financial liabilities at amortised costs	(72,046)	(5,031)
Non-current		
Financial liabilities at amortised costs	(513,195)	(496,163)
Total financial liabilities	**(585,241)**	**(501,194)**

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity of another. The figures included in the Balance Sheet are adjusted to exclude items that are deemed exempt. This includes but is not limited to accruals, prepayments, receipts in advance and statutory debts.

Income, expense, gains and losses

	2023/24 Financial liabilities measured at amortised costs	2023/24 Financial assets at amortised costs	2022/23 Financial liabilities measured at amortised costs	2022/23 Financial assets at amortised costs
	£'000	**£'000**	**£'000**	**£'000**
Interest expense	15,275	-	12,211	-
Interest income	-	(471)	-	(238)
Total in Surplus or Deficit in Provision of Services	**15,275**	**(471)**	**12,211**	**(238)**

Fair values of assets and liabilities

Financial liabilities and financial assets represented by financial assets at amortised cost and long-term creditors are carried in the Balance Sheet at amortised cost. Under the Code, LLDC is required to disclose information comparing the fair values and carrying values for those financial instruments whose carrying value is not a reasonable approximation for fair value. The following table gives this information:

	2023/24 Carrying amount	2023/24 Fair value	2022/23 Carrying amount	2022/23 Fair value
	£'000	**£'000**	**£'000**	**£'000**
Financial assets				
Financial assets at amortised cost	17,083	17,083	45,914	45,914
Cash and cash equivalents	83,444	83,444	66,755	66,755
Financial liabilities at amortised costs				
Borrowings	(512,746)	(425,360)	(442,309)	(442,309)
Short-term creditors	(72,046)	(72,046)	(5,031)	(5,031)
Long-term creditors	(449)	(449)	(53,854)	(53,854)
Total financial liabilities	**(585,241)**	**(497,855)**	**(501,194)**	**(501,194)**

Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value. Hence, short term debtors and creditors are carried at cost as this is a fair approximation of their value (Fair Value Level 2).

Borrowings consist entirely of capital loan funding from the Greater London Authority. The fair value of the loan has been valued by Link Asset Services using Level 2 inputs.

The short-term creditors consisted mostly of Section 106 obligations and Community Infrastructure Levy collected on behalf of the Mayor of London – these are measured using Level 2 inputs.

ArcelorMittal Orbit Loan

LLDC has an obligation to repay a loan from ArcelorMittal Orbit Limited of £14.9m (principal £9.2m plus unpaid interest), which was used to part fund the construction of the ArcelorMittal Orbit. The loan is repayable to ArcelorMittal Orbit Limited from future profits from the operation of the ArcelorMittal Orbit (after cumulative losses and other allowable costs such as lifecycle and other capital works) as and when they are generated (firstly against interest on the loan then 50% against the principal thereafter). In measuring the carrying value of the liability, the group has estimated the future cash payments through the expected life of the liability, based on the expected future cashflows of the ArcelorMittal Orbit and concluded that this results in a carrying value of nil. This position remains despite any surpluses reported in prior years.

LLDC has reviewed its Financial Instruments for impairment in line with IFRS 9 and has deemed the level of impairment as at 31 March 2024 as immaterial.

Nature and extent of risks arising from financial instruments

LLDC's activities expose it to a variety of financial risks, primarily:

- Treasury management risk – the risk of cash deposits not actually being secure or earning appropriate interest.
- Credit risk – the possibility other parties might fail to pay amounts due to LLDC.
- Liquidity risk – the possibility that LLDC may not have the funds available to meet its commitments to make payments as they arise.
- Market risk – the possibility that financial loss might arise as a result of changes in interest rates.

Treasury management risk

Maintaining affordability of borrowings, preserving invested principal and maintaining prudent levels of liquidity are the key treasury management objectives of LLDC. The execution and operational aspects of investment and borrowing, together with the management of external advisors, are delegated to the Greater London Authority (GLA) under a shared service agreement managed by the Deputy Chief Executive. The nature of LLDC's current funding model means treasury operations are focussed on the management of short-term cash balances. The objectives are security of capital, meeting the organisation's operational cash flow requirements and obtaining the best available yield from balances available for investment. The priorities are ranked in that order, security, liquidity then yield. A risk sharing agreement ensures risk and return relating to each instrument within the jointly controlled portfolio are shared in direct proportion to each participant's investment. LLDC has currently invested £49.6m in the London Treasury Liquidity Fund LP (LTLF) and does not expect any losses in relation to the investments placed.

Credit risk

Credit risk is the possibility that other parties may not pay amounts due to LLDC, which carries out certain functions for which charges are levied and for which invoices must be raised. Prior to most contracts being agreed, creditworthiness checks on potential suppliers or business partners are performed.

The table below shows the gross amounts due to LLDC from its financial assets, and the amounts which have been impaired due to likely uncollectability. The net carrying value which is shown on the balance sheet represents the maximum credit risk to which LLDC is exposed.

	As at 31 March 2024		
£'000	**Gross value**	**Impairment value**	**Net Value**
Deposits with financial institutions	82,973	-	82,973
Accrued interest on deposits	471	-	471
Debtors with subsidiary	2,028	-	2,028
Trade debtors	16,274	(1,219)	15,055
Loans to third parties	37,000	-	37,000
Total exposure	**138,747**	**(1,219)**	**137,527**

Liquidity risk

Liquidity risk is the risk that LLDC will not be able to meet its financial obligations as they fall due. LLDC's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Cash flow forecasts are prepared and given to the GLA to inform cash drawdown and an agreement is in place for emergency cash drawdown available within 24 hours should the need arise. LLDC also maintains a prudent balance of cash with its bankers to ensure that its liquidity objective is met. Borrowing within the prescribed limits is permissible where so doing represents prudent management of LLDC's affairs although direct borrowing for capital expenditure from third parties is not currently authorised. LLDC may also lend to its subsidiaries with permission from the Mayor of London.

The table below shows the long-term borrowing of LLDC by date of maturity.

	2023/24	2022/23
	£'000	**£'000**
Maturing in 1 - 2 years	(5)	(16,304)
Maturing in 2 - 5 years	(145,416)	(71,444)
Maturing in 5 - 10 years	(171,008)	(164,415)
Maturing in more than 10 years	(196,766)	(244,000)
Long term financial liabilities with more than one year to mature	**(513,195)**	**(496,163)**
Total financial liabilities	**(513,195)**	**(496,163)**

Interest is due on the borrowings from the GLA. Whilst the interest rate can be subject to fluctuations, all interest due on borrowings from LLDC is payable to the GLA only and the GLA provide grant funding to meet the annual interest liability.

27. Provisions

For the East Bank project, LLDC has determined that it has constructive obligations under the agreements with the respective East Bank partners to contribute towards (or pay for entirely) the costs of their buildings. LLDC has concluded that its contributions towards the cost of the cultural and education buildings (UAL, V&A, Sadler's Wells and BBC) at Stratford Waterfront required a provision to be established from the date that the agreements for lease were signed (all pre-31 March 2020). The provision is in line with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) and is based on LLDC's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Changes to the provision are recognised in the Comprehensive Income and Expenditure Statement (within East Bank gross expenditure). Note that the provision for UAL and V&A was released during the year following the completion and handover of their buildings.

LLDC is now also recognising a provision for the potential staff-related costs resulting from the organisational restructure that is currently underway. These costs are likely to be incurred in 2024/25 and 2025/26 when the changes take effect. The provision is based on reasonable estimates by LLDC management at the reporting date as the statutory consultations with staff are still ongoing and the final organisational structure therefore unknown.

The following table shows the provision balances and in-year movements:

	East Bank provision	Other Provisions	Total
Balance at 31 March 2023	**(244,304)**	**(297)**	**(244,601)**
Additional provisions made	(34,865)	(4,205)	(39,071)
Amounts used	18,305	-	18,305
Unused amounts reversed	116,020	254	116,274
Balance at 31 March 2024	**(144,843)**	**(4,248)**	**(149,091)**
Long Term			
Balance at 31 March 2023	**-**	**-**	**-**
Additional provisions made in year	-	-	-
Amounts used in year	-	-	-
Balance at 31 March 2024	**0**	**0**	**0**
Short Term			
Balance at 31 March 2023	**(244,304)**	**(297)**	**(244,601)**
Additional provisions made in year	(34,865)	(4,205)	(39,071)
Amounts used in year	18,305		18,305
Unused amounts reversed in year	116,020	254	116,274
Balance at 31 March 2024	**(144,843)**	**(4,248)**	**(149,091)**

28. Contingent liabilities

LLDC recognises the following contingent liabilities:

London Aquatics Centre incident

In 2021/22 an incident occurred at the London Aquatics Centre, which resulted in an investigation by the Health and Safety Executive (HSE). The HSE investigation is ongoing at the reporting date; the outcome, including whether it will give rise to any possible obligations for LLDC, is therefore unknown and not within the control of LLDC and therefore not possible to estimate. Accordingly, a contingent liability is being disclosed.

Use of taxable losses

LLDC has two ongoing queries with HM Revenues and Customs relating to the use of taxable losses generated in prior years by E20 Stadium LLP and LLDC. As the outcome of these matters are currently unknown, there is no present obligation for LLDC and the matters are not wholly within the control of LLDC, they are recognised here as a contingent liability.

29. Events after the reporting period

In determining the value of LLDC's East Bank properties classified as inventories as at 31 March 2024, LLDC uses its forecast contributions from the East Bank partners and the estimated costs to complete based on the construction Anticipated Final Cost (AFC) as determined in conjunction with its Project Management Partner, Mace. After the reporting date, Mace's scenario modelling of a 'worst case' AFC anticipates further cost, due to the impact of prolongation and further contractor settlement risks; LLDC continue to monitor and challenge these forecasts closely.

Group accounts

Introduction

E20 Stadium LLP (E20)

LLDC is a member of E20, which is classified as a subsidiary of LLDC and consolidated into LLDC's Group Accounts in line with international accounting standards. Stratford East London Holdings Limited (a wholly owned subsidiary of LLDC) is the second (dormant) member of the partnership. LLDC therefore has full control of the partnership.

LLDC also owns the Stadium operator, London Stadium 185 Limited, via E20. Accordingly, the full financial results of London Stadium 185 Limited for 2023/24 are consolidated into LLDC's Group Accounts (via the E20 accounts) in line with International Accounting Standards.

Stratford East London Developments Limited (SELD)

SELD is a wholly owned subsidiary of LLDC, established in 2020/21 to enter into a joint venture to deliver the Stratford Waterfront and Bridgewater Triangle residential developments. The current members of the joint venture, Stratford East London Partners (SELP) LLP, are SELD and Ballymore Stratford East Limited. SELD's financial results for 2023/24 are consolidated into the LLDC Group Accounts.

Stratford Waterfront Management Company Limited (SWMC)

LLDC established a management company for the Stratford Waterfront site (part of the East Bank project). This company, which has not yet incurred any transactions, is currently wholly owned by LLDC; however, during the reporting year, UAL and V&A became non-controlling members of the company, following the completion and handover of their respective buildings. Once the remaining East Bank buildings are complete and handed over, BBC and Sadler's Wells will also become members of the company, reducing LLDC's ownership to a minority interest (by virtue of its ownership of Stratford Waterfront Retail Management Company Limited, which will also become a member of the company once the retail units are complete). At that point, the company will cease to be classified as a subsidiary of LLDC.

Stratford Waterfront Retail Management Company Limited (SWMRC)

SWMRC is a wholly owned subsidiary established to enter a lease with LLDC on the retail units built as part of the Stratford Waterfront development and then sub-let those units to third parties. As at 31 March 2024, SWMRC has not entered into any leases or incurred any transactions.

Pudding Mill Legacy Developments Limited (PMLD)

PMLD is a wholly owned subsidiary of LLDC established to enter into a joint venture to deliver the Pudding Mill residential development. Procurement for a joint venture partner is in progress with an appointment expected in 2024/25. As at 31 March 2024 this entity was dormant.

The aim of the Group Accounts is to give an overall picture of the activities of LLDC, and the resources used to carry out those activities.

Basis of Preparation of Group Accounts

The Code requires local authorities with material interests in joint ventures or subsidiaries to prepare Group financial statements. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring the venture's unanimous consent for strategic financial and operating decisions. In contrast, subsidiaries are those entities over whose activities the Group has control by itself. The Group's financial statements incorporate the financial statements of LLDC and the E20 Stadium LLP (as appropriate) as at the year end.

Subsidiaries are consolidated into the Group accounts (from the date of acquisition) by adding like items of assets, liabilities, reserves, income and expenses together line by line to those of other group members in the financial statements. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The figures included in these accounts for E20 Stadium LLP and SELD are from the draft financial statements. There are no material differences between the accounting policies adopted by E20 Stadium LLP, SELD and those of LLDC.

Group Comprehensive Income and Expenditure Statement

All note numbers below refer to notes from the entity accounts, except the notes number starting with G, which are specific to the Group accounts and can be found in the notes to the Group Financial Statements section.

For the year ended 31 March 2024

		Gross Income	Gross Expenditure	Net Expenditure
	Notes	£'000	£'000	£'000
Communication, Marketing and Strategy	G1/G2	(103)	2,738	2,635
Development	G1/G2	(1,008)	2,512	1,504
Executive Office	G1/G2	(252)	7,191	6,939
Finance, Commercial and Corporate Services	G1/G2	(1,362)	8,422	7,060
Park Operations and Venues	G1/G2	(483)	2,763	2,280
Planning Policy & Decisions	G1/G2	(3,132)	4,093	961
Regeneration and Community Partnerships	G1/G2	(648)	3,083	2,435
Stadium [1]	14/G1/G2	(22,290)	7,243	(15,047)
East Bank	G1/G2	(119,816)	141,689	21,873
GLA Grant	G1/G2	(49,936)	-	(49,936)
Net cost of services		**(199,030)**	**179,734**	**(19,296)**
Financing and investment income	G3	(16,615)	-	(16,615)
Change in fair value of investment properties	13	-	72,478	72,478
Share of the joint venture (surplus) or deficit		-	21	21
Financing and investment expenditure	G4	-	61,253	61,253
Capital grants and contributions	G5	(98,875)	-	(98,875)
(Surplus) or deficit on provision of services before tax		**(314,520)**	**313,486**	**(1,034)**
Corporation tax	10	-	5,194	5,194
Deferred tax	10	-	-	-
(Surplus) or deficit on the provision of services after tax		**(314,520)**	**318,680**	**4,160**
Remeasurement of the net defined benefit liability/ass	19	(4,337)	-	(4,337)
Total comprehensive income and expenditure		**(318,857)**	**318,680**	**(179)**

For the year ended 31 March 2023

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	G1/G2	(30)	2,577	2,547
Development	G1/G2	(13,295)	14,106	811
Executive Office	G1/G2	(163)	2,557	2,394
Finance, Commercial and Corporate Services	G1/G2	(1,745)	12,423	10,678
Park Operations and Venues	G1/G2	(827)	3,629	2,802
Planning Policy & Decisions	G1/G2	(1,910)	3,380	1,470
Regeneration and Community Partnerships	G1/G2	54	2,393	2,447
Stadium[1]	14/G1/G2	(11,346)	(30,712)	(42,058)
East Bank	G1/G2	-	42,496	42,496
GLA Grant	G1/G2	(44,297)	-	(44,297)
Net cost of services		**(73,560)**	**52,849**	**(20,710)**
Financing and investment income	G3	(17,385)	-	(17,385)
Change in fair value of investment properties	13	-	50,982	50,982
Investment in joint venture				
Financing and investment expenditure	G4	-	54,295	54,295
Capital grants and contributions	G5	(118,543)	-	(118,543)
(Surplus) or deficit on provision of services before tax		**(209,488)**	**158,126**	**(51,361)**
Corporation tax	10	-	10,362	10,362
Deferred tax	10	-	5,954	5,954
(Surplus) or deficit on the provision of services after tax		**(209,488)**	**174,442**	**(35,046)**
Remeasurement of the net defined benefit liability/asse	19	-	(34,875)	(34,875)
Total comprehensive income and expenditure		**(209,488)**	**139,567**	**(69,921)**

Group Balance Sheet

	Notes	31 March 2024 £'000	31 March 2023 £'000
Long term assets			
Intangible assets	G9	15	74
Property, plant and equipment	G10	7,219	6,715
Investment property	G11	100,691	132,709
Other Investments		3,652	1,843.00
Long term debtors	G6	37,000	28,367
Deferred Tax Asset		1,404	1,404
		149,981	**171,112**
Current assets			
Short term debtors	G6	38,726	23,404
Cash and cash equivalents	G7	87,501	76,228
Inventories	G17	160,838	290,662
Corporation Tax Asset		-	-
		287,065	**390,294**
Total assets		**437,046**	**561,406**
Current liabilities			
Short term creditors	G8	(291,489)	(417,591)
Corporation Tax Liability		1,657	(6,181)
		(289,832)	**(423,772)**
Long term liabilities			
Long term borrowing	G8	(516,628)	(444,156)
Long term creditors	G8	(167,680)	(228,372)
Retirement benefit obligation	19	1,945	(2,044)
		(682,363)	**(674,572)**
Total liabilities		**(972,195)**	**(1,098,344)**
Net assets		**(535,149)**	**(536,938)**
Reserves			
Usable reserves	G12	19,323	16,431
Unusable reserves	G12	515,828	520,508
Total reserves		**535,149**	**536,938**

Group Movement in Reserves Statement

As at 31 March 2024

	Notes	General Fund	Total usable reserves	Unusable reserves	Total unusable and other reserves	Total reserves
		£'000	£'000	£'000	£'000	£'000
Balance At 1 April 2023		**16,431**	**16,431**	**520,508**	**520,508**	**536,938**
Movement in reserves during 2023/24						
Deficit on the provision of services	From GCIES	4,158	4,158	-	-	4,158
Other comprehensive income and expenditure	From GCIES		-	(4,337)	(4,337)	(4,337)
Total comprehensive income and expenditure		**4,158**	**4,158**	**(4,337)**	**(4,337)**	**(179)**
Adjustments between accounting and funding basis under regulations	G13	342	342	(342)	(342)	-
Transfer to reserve		(1,608)	(1,608)	(0)	(0)	(1,608)
Decrease/(Increase) in 2023/24		**2,892**	**2,892**	**(4,679)**	**(4,679)**	**(1,787)**
Balance at 31 March 2024		**19,323**	**19,323**	**515,829**	**515,828**	**535,149**

As at 31 March 2023

	Notes	General Fund	Total usable reserves	Unusable reserves	Total unusable and other reserves	Total reserves
		£'000	£'000	£'000	£'000	£'000
Balance At 1 April 2022		**11,908**	**11,908**	**595,043**	**595,043**	**606,951**
Movement in reserves during 2022/23						
Deficit on the provision of services	From GCIES	(35,046)	(35,046)	-	-	(35,046)
Other comprehensive income and expenditure	From GCIES		-	(34,875)	(34,875)	(34,875)
Total comprehensive income and expenditure		**(35,046)**	**(35,046)**	**(34,875)**	**(34,875)**	**(69,921)**
Adjustments between accounting and funding basis under regulations	G13	39,660	39,660	(39,660)	(39,660)	-
Transfer to reserve		(91)	(91)		-	(91)
Decrease/(Increase) in 2022/23		**4,523**	**4,523**	**(74,535)**	**(74,535)**	**(70,012)**
Balance at 31 March 2023		**16,431**	**16,431**	**520,508**	**520,508**	**536,938**

Group Statement of Cash Flows

	Notes	31 March 2024 £'000	31 March 2023 £'000
Surplus/(Deficit) on the provision of services		(4,158)	35,046
Adjustments to net (deficit) for non-cash movements	G14	(26,608)	(39,787)
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	G14	(98,874)	(118,543)
Net cash flows from operating activities		**(129,641)**	**(123,284)**
Investing activities	G14	55,003	79,463
Financing activities	G14	85,908	49,471
Net increase/(decrease) in cash and cash equivalents		**11,273**	**5,652**
Cash and cash equivalents at the start of the year		76,228	70,576
Cash and cash equivalents at the end of the year		**87,501**	**76,228**

Notes to the Group Financial Statements

The notes below give information on the areas that have materially changed on consolidation of the group entities into LLDC's individual accounts.

G1. Group Gross Income

	31 March 2024	31 March 2023
	£'000	**£'000**
Grants received	(50,057)	(44,597)
Gross disposal proceeds from the sale of inventory	(120,235)	(13,061)
Planning fees	(1,171)	(637)
Recharges	(964)	(828)
Events income	(165)	(137)
Other	(26,440)	(14,299)
	(199,033)	**(73,560)**

G2. Group Gross Expenditure

	31 March 2024	31 March 2023
	£'000	**£'000**
Staff costs:		
Wages and salaries	14,686	11,972
Social security costs	1,219	1,464
Pension costs	1,344	4,462
Other staff costs	393	244
Grants and contributions	527	221
Consultancy and Strategy Development costs	3,360	3,575
Accommodation costs	3,366	3,215
Legal fees	904	438
Communications, events and marketing	1,494	2,169
Agency and seconded staff costs	601	956
REFCUS	746	156
REFCUS - Recharges	7,832	180
Insurance	1,689	1,756
IT and Stationery	926	1,039
Security	109	(3)
Travel	10	11
Gross costs from disposal of inventories	211,157	12,553
Net (increase)/decrease to net realisable value for East Bank inventory	4,537	-
Amortisation	277	440
Depreciation	732	1,409
Increase/decrease in provision for doubtful debts	(1)	(86)
Impairment of financial assets	1	24
Increase/(decrease) in provision	(94,886)	(8,506)
Project costs expensed	-	-
Impairment	547	9,567
Other	18,165	5,591
Total	**179,734**	**52,849**

G3. Group financing and investment income

	31 March 2024	31 March 2023
	£'000	£'000
Interest income on deposits	(472)	(238)
Income in relation to investment property	(16,143)	(17,147)
Financing and investment income	**(16,616)**	**(17,384)**

G4. Group financing and investment expenditure

	31 March 2024	31 March 2023
	£'000	£'000
Net interest on the net defined benefit liability/asset	62	817
Expenditure in relation to investment property	35,913	36,694
Net (gain)/loss on disposal of investment property	154	0
Interest costs on borrowing	15,414	12,220
Financing costs - Provision (unwinding of discount)	9,712	4,564
Financing and investment expenditure	**61,255**	**54,295**

G5. Group taxation and non-specific grant income

	31 March 2024	31 March 2023
	£'000	£'000
Other capital grants and contributions	(98,874)	(118,543)
Taxation and non specific grant income	**(98,874)**	**(118,543)**

G6. Group short term and long-term debtors

	31 March 2024	31 March 2023
	£'000	£'000
Short term		
Central Government bodies	4,285	6,113
Other Local Authorities	849	336
Other entities and individuals	33,592	16,955
Total short term debtors	**38,726**	**23,404**
Long term		
Other entities and individuals	37,000	28,367
Total long term debtors	**37,000**	**28,367**

G7. Group Cash and Cash Equivalents

	31 March 2024	31 March 2023
	£'000	£'000
Cash in hand and at bank	37,868	29,378
Investments	49,632	46,850
Total cash and cash equivalents	**87,501**	**76,228**

G8. Group current and non-current liabilities

	31 March 2024	31 March 2023
	£'000	£'000
Current		
Central government bodies	(1,085)	(897)
Other local authorities	(15,819)	(12,211)
Other entities and individuals	(115,572)	(149,032)
Short Term Provisions	(159,013)	(255,451)
Corporation Tax Liability	1,657	(6,181)
Total current liabilities	**(289,832)**	**(423,772)**
Non-current		
Long-term borrowing	(516,628)	(444,156)
Section 106 contributions	-	(53,400)
Stadium rent premium	-	5
Deferred Income	-	-
Long Term Provisions	(167,680)	(174,977)
Long term creditors	**(684,308)**	**(672,528)**
Retirement benefit obligation (pension liability)	1,945	(2,044)
Total non-current liabilities	**(682,363)**	**(674,572)**

G9. Group Intangible Assets

	Computer Software	Licences	Total
	£'000	**£'000**	**£'000**
Cost			
At 1 April 2022	403	666	1,071
Additions	114	114	228
Disposals	-	-	-
At 31 March 2023	**517**	**780**	**1,299**
At 1 April 2023	517	780	1,299
Additions	13	204	216
Disposals	(272)	(668)	(939)
At 31 March 2024	**258**	**316**	**576**
Amortisation			
At 1 April 2022	262	521	782
Charged during the period	227	213	440
Disposals	-	-	-
At 31 March 2023	**491**	**732**	**1,223**
At 1 April 2023	491	732	1,223
Charged during the period	86	190	276
Disposals	(319)	(621)	(939)
At 31 March 2024	**258**	**301**	**559**
Net book value at 31 March 2023	**26**	**48**	**74**
Net book value at 31 March 2024	**(0)**	**15**	**15**

G10. Group Property, Plant and Equipment

	Land and buildings	Furniture, fixtures and fittings	Computer hardware, infrastructure and telecoms/ office equipment	Assets under Construction	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cost					
At 1 April 2022	1,985	8,013	1,249	2,648	13,899
Additions		66	196	160	423
Disposals		-	-		-
At 31 March 2023	1,985	**8,079**	**1,445**	**2,808**	**14,321**
At 1 April 2023	1,985	8,079	1,445	2,808	14,321
Additions		652	33	547	1,232
Disposals	-	(1,912)	(561)	-	(2,473)
At 31 March 2024	**1,985**	**6,819**	**916**	**3,355**	**13,081**
Depreciation					
At 1 April 2022	-	5,257	935	-	6,197
Charged during the period		1,210	199	-	1,408
Disposals	-	-	-	-	-
At 31 March 2023	**-**	**6,467**	**1,135**	**-**	**7,605**
At 1 April 2023	-	6,467	1,135	-	7,605
Charged during the period		525	207	-	732
Disposals	-	(1,912)	(561)	-	(2,473)
At 31 March 2024	**-**	**5,081**	**782**	**-**	**5,862**
Net book value at 31 March 2023	**1,985**	**1,612**	**310**	**2,808**	**6,715**
Net book value at 31 March 2024	**1,985**	**1,738**	**135**	**3,355**	**7,219**

G11. Group Investment Property

Valuation	31 March 2024 £'000	31 March 2023 £'000
Opening balance at 1 April	132,709	166,734
Additions:		
- Subsequent expenditure	46,846	36,586
- Transfers from Inventories	-	3,461
Disposals	(6,386)	
Transfers to inventories	-	(23,089)
Changes in fair value	(72,478)	(50,982)

G12. Reserves

Usable reserves

At the end of the financial year, LLDC's Group had usable reserves of £19.3m in the General Fund.

	31 March 2024 £'000	31 March 2023 £'000
General funds	19,323	16,431
Balance usable reserves at 31 March	**19,323**	**16,431**

LLDC's Group General Fund balance differs from that in its single entity accounts due to the elimination of intra-Group transactions (between LLDC and E20 Stadium Group) within the Group Accounts.

Unusable reserves

	31 March 2024 £'000	31 March 2023 £'000
Capital Adjustment Account	514,739	515,370
Pensions Reserve	880	4,869
Accumulated Absences Account	210	269
Balance unusable reserves at 31 March	**515,829**	**520,508**

Capital Adjustment Account

	31 March 2024	31 March 2023
	£'000	£'000
Balance as at 1 April	515,370	569,176
Charges for depreciation and amortisation	1,556	11,415
Capital grants and contributions applied	(98,874)	(118,543)
Amounts of investment propety written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	154	-
Amounts of inventories written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	215,693	12,553
Increase/decrease in provisions	(85,175)	(3,943)
Capital receipts received during the year	(120,235)	(13,061)
Revenue expenditure funded from capital under statute	8,577	336
(Revaluation)/Impairment charged to the Comprehensive Income and Expenditure Statement	72,478	50,982
Deferred tax liability on revaluation charged to the Comprehensive Income and Expenditure Statement	-	(3,910)
Corporation tax adjustment	-	(458)
Corporation Tax liability for the year	5,194	10,820
Balance at 31 March	**514,739**	**515,370**

A net deferred tax liability is recognised within LLDC's accounts in relation to its investment properties. The liability will crystallise as and when LLDC disposes of its property portfolio and the historic increase in the value of its portfolio is realised. The Local Authorities Capital Finance and Accounting Regulations permit Mayoral Development Corporations to use capital receipts to fund their Corporation Tax liabilities. It also means that the deferred tax charge is recognised in LLDC's Capital Adjustment Account, rather than the General Fund.

Pension Reserve

	31 March 2024	31 March 2023
	£'000	£'000
Balance as at 1 April	4,869	25,656
Remeasurements of the net defined benefit liability/asset	(4,337)	(34,875)
Deferred tax (asset) on the net defined benefit liability	0	9,864
Reversal of charges relating to retirement benefits	1,868	5,599
Employer's pension contribution and direct payments to pensione	(1,520)	(1,375)
Balance at 31 March	**880**	**4,869**

Accumulated Absence Reserve

	31 March 2024	31 March 2023
	£'000	£'000
Balance as at 1 April	269	269
Settlement or cancellation of accrual made at the end of the preced	(269)	(269)
Amounts accrued at the end of the current year	210	269
Balance at 31 March	**210**	**269**

G13. Adjustments between accounting basis and funding under regulations

For the year ended 31 March 2024

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Adjustments involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation amortisation and impairment of non-current assets	(1,556)	-	-	**(1,556)**	1,556
Movements in the market value of investment property	(72,478)	-	-	**(72,478)**	72,478
Disposals of inventories and increase/decrease to net realisable value	(215,693)			**(215,693)**	215,693
(Increase)/decrease in provisions	85,175			**85,175**	(85,175)
Amounts of investment property written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(154)			**(154)**	154
Current and Deferred tax liability movements	(5,194)	-	-	**(5,194)**	5,194
Capital grants and contributions applied	98,874		-	**98,874**	(98,874)
Revenue expenditure funded from capital under statute	(8,577)	-	-	**(8,577)**	8,577
Adjustments involving the Capital Receipts Reserve					
Use of the Capital Receipts Reserve to finance new capital expenditure	120,235	-		**120,235**	(120,235)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1,868)	-	-	(1,868)	1,868
Employer's pensions contributions and direct payments to pensioners payable in year	1,520	-	-	1,520	(1,520)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	59			**59**	(59)
Other Adjustments					
Total adjustments	**342**	-	-	**342**	**(342)**

For the year ended 31 March 2023

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation amortisation and impairment of non-current assets	(11,415)	-	-	**(11,415)**	11,415
Movements in the market value of investment property	(50,982)	-	-	**(50,982)**	50,982
Disposals of inventories and increase/decrease to net realisable value	(12,553)			**(12,553)**	12,553
(Increase)/decrease in provisions	3,943			**3,943**	(3,943)
Current and Deferred tax liability movements	(16,316)	-	-	**(16,316)**	16,316
Capital grants and contributions applied	118,543		-	**118,543**	(118,543)
Revenue expenditure funded from capital under statute	(336)	-	-	**(336)**	336
Adjustments involving the Capital Receipts Reserve					
Use of the Capital Receipts Reserve to finance new capital expenditure	13,061	-		**13,061**	(13,061)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(5,599)	-	-	**(5,599)**	5,599
Employer's pensions contributions and direct payments to pensioners payable in year	1,375	-	-	**1,375**	(1,375)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(58)			**(58)**	58
Total adjustments	**39,660**	-	-	**39,660**	**(39,660)**

G14. Cash Flow Notes

Adjustments to net deficit for non-cash movement

	31 March 2024	31 March 2023
	£'000	**£'000**
Depreciation of property plant and equipment	732	1,408
Amortisation of intangibles	277	440
Movement in Pension Liabilities	1,868	5,599
Reversal of impairment on investment in joint venture	-	-
Cash Payments for employer's contributions to pension funds	(1,520)	(1,375)
(Increase)/ Decrease in trade and other debtors	(25,145)	(4,360)
Increase/(decrease) in trade and other creditors	(96,571)	35,800
Increase/(decrease) in deferred tax liability	(7,838)	7,251
Increase/(decrease) in bad debt provision	1,260	(154)
Increase/(decrease) in provisions	(103,734)	(26,306)
Net book value of non-current asset disposals	-	-
Property, plant and equipment assets written out	-	-
Changes in Fair Value of Investment Property	72,478	50,982
Loss/(Gain) Investment Property Disposals	154	
Other non-cash movements	1,608	91
Inventory Disposals (Residential)	471	12,553
Inventory Disposals (East Bank)	210,685	
Inventory net change to net realisable value	4,537	-
Stadium Lease Premium	-	-
Inventory purchases not set against provision (East Bank)	(85,758)	(117,488)
Inventory purchases (Residential)	(112)	(4,228)
Adjustment to net deficit for non cash movements	**(26,608)**	**(39,787)**
Adjust for items included in the net deficit on the provisions of services that are investing or financing activities		
Capital grants and contributions credited to the deficit on the provision of services	98,874	118,543

Investing activities

	31 March 2024	31 March 2023
	£'000	**£'000**
Purchase of property, plant and equipment, investment property and intangible assets	(48,294)	(37,237)
Disposal of Investment Property	6,232	-
Investment in joint venture	(1,809)	(1,843)
Capital grant received and other capital receipts	98,874	118,543
Net cash outflow from investing activities	**55,003**	**79,463**

Financing activities

	31 March 2024	31 March 2023
	£'000	**£'000**
Movement on Borrowings	72,472	44,562
Movement on OPTEMS fund	(70)	8
Movement on S106 fund	13,505	4,902
Net cash flow from financing activities	**85,908**	**49,471**

G15. Financial Instruments

Categories of financial instruments

The following categories of financial instruments are carried in the Balance Sheet:

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity of another. The figures included in the Balance Sheet are adjusted to exclude items that are deemed exempt. This includes but is not limited to accruals, prepayments, receipts in advance and statutory debts.

	31 March 2024	31 March 2023
	£'000	**£'000**
Financial assets		
Current		
Financial assets at amortised costs	23,037	12,918
Net cash and cash equivalents	87,501	76,228
Non-current		
Financial assets at amortised costs	37,000	28,367
Total financial assets	**147,538**	**117,513**
Financial liabilities		
Current		
Financial liabilities at amortised costs	(74,882)	(7,562)
Non-current		
Financial liabilities at amortised costs	(516,628)	(497,551)
Total financial liabilities	**(591,510)**	**(505,113)**

Income, expense, gains and losses

	2023/24 Financial liabilities measured at amortised costs	2023/24 Financial assets at amortised costs	2022/23 Financial liabilities measured at amortised costs	2022/23 Financial assets at amortised costs
	£'000	**£'000**	**£'000**	**£'000**
Interest expense	15,414	-	12,220	-
Interest income	-	(471)	-	(238)
Total in Surplus or Deficit in Provision of Services	**15,414**	**(471)**	**12,220**	**(238)**

Fair values of assets and liabilities

Financial liabilities and financial assets represented by financial assets at amortised costs and long-term creditors are carried in the Balance Sheet at amortised cost. Under the Code, LLDC is required to disclose information comparing the fair values and carrying values for those financial instruments whose carrying value is not a reasonable approximation for fair value. The following table gives this information:

	2023/24 Carrying amount	2023/24 Fair value	2022/23 Carrying amount	2022/23 Fair value
	£'000	£'000	£'000	£'000
Financial assets				
Financial assets at amortised cost	60,037	60,037	41,285	41,285
Cash and cash equivalents	87,501	87,501	76,228	76,228
Total financial assets	**147,538**	**147,538**	**117,513**	**117,513**
Borrowings	(516,628)	(425,360)	(444,156)	(442,309)
Short-term creditors	(74,882)	(74,882)	(7,562)	(7,562)
Long-term creditors	(0)	(0)	(53,395)	(53,395)
Total financial liabilities	**(591,510)**	**(500,242)**	**(505,113)**	**(503,266)**

Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value. Hence, short term debtors and creditors are carried at cost as this is a fair approximation of their value (Fair Value Level 2).

Borrowings consist entirely of capital loan funding from the Greater London Authority. The fair value of the loan has been valued by Link Asset Services using Level 2 inputs.

The short-term consisted mostly of Section 106 obligations and Community Infrastructure Levy collected on behalf of the Mayor of London – these are measured using Level 2 inputs.

Credit Risk

Credit risk is the possibility that other parties may not pay amounts due to LLDC. LLDC carries out certain functions for which charges are levied and for which invoices have to be raised. Prior to most contracts being agreed, creditworthiness checks on potential suppliers or business partners are performed.

The table below shows the gross amounts due to LLDC from its financial assets, and the amounts which have been impaired due to likely uncollectability. The net carrying value which is shown on the balance sheet represents the maximum credit risk to which LLDC is exposed.

As at 31 March 2024			
£'000	**Gross value**	**Impairment value**	**Net Value**
Deposits with financial institutions	87,030		87,030
Accrued interest on deposits	471		471
Debtors with joint-venture group	2,028		2,028
Trade debtors	22,339	(1,330)	21,009
Loans to third parties	37,000	-	37,000
Total exposure	**148,868**	**(1,330)**	**147,538**

Liquidity Risk

Liquidity risk is the risk that LLDC will not be able to meet its financial obligations as they fall due. LLDC's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Cash flow forecasts are prepared and given to the GLA to inform cash drawdown and an agreement is in place for emergency cash drawdown available within 24 hours should the need arise. LLDC also maintains a prudent balance of cash with its bankers to ensure that its liquidity objective is met. Borrowing within the prescribed limits is permissible where so doing represents prudent management of LLDC's affairs although direct borrowing for capital expenditure from third parties is not currently authorised. LLDC may also lend to its subsidiaries with permission from the Mayor of London.

The table below shows the long-term borrowing of LLDC by date of maturity.

	2023/24	2022/23
	£'000	**£'000**
Maturing in 1 - 2 years	(5)	(16,304)
Maturing in 2 - 5 years	(145,416)	(71,444)
Maturing in 5 - 10 years	(172,845)	(166,252)
Maturing in more than 10 years	(196,327)	(243,550)
Long term financial liabilities with more than one year to mature	**(514,593)**	**(497,551)**
Total financial liabilities	**(514,593)**	**(497,551)**

G16. Provisions

E20 Onerous Contracts provision

Forecasts of E20 Stadium LLP's financial outlook, particularly in relation to the cost of hosting West Ham United matches and the cost of moving the relocatable seats between football and athletics modes, required an assessment in 2016/17 of whether any of its contracts were deemed to be onerous (loss-making) in line with accounting standards. This assessment concluded that two of its contracts were deemed to be onerous: the Concession Agreement with West Ham United and the Access Agreement with UK Athletics. Consequently, E20 Stadium LLP established a provision for these losses.

The provision is calculated and disclosed in accordance with accounting standards, in particular International Accounting Standard 37 (Provisions, Contingent Liabilities and Contingent Assets). The methodology for calculating the provision uses:

- Only those revenues, costs and overheads that are directly attributable to the West Ham United Football Club and UK Athletics agreements. Revenues, costs and overheads not directly attributable to those agreements are not included in the calculation.
- The calculation is based on cashflows for the remaining 91-year term of the West Ham United Football Club concession agreement and the UK Athletics agreement up to its expiry in 39 years;
- A discount rate is now adopted to reflect a risk-free rate (based on government gilt rates at the reporting date).

The approach has inherent volatility if the technical assumptions upon which the provision is based change – for example, the discount rate, which is now based on the prevailing government gilt rate. Annual changes in the provision are necessarily reflected in the partnership's income statement (and, therefore, the LLDC Group Comprehensive Income and Expenditure Statement); however, these are not reflective of any fundamental changes in the underlying performance of the partnership.

Other provisions

For the East Bank project, LLDC has determined that it has constructive obligations under the agreements with the respective East Bank partners to contribute towards (or pay for entirely) the costs of their buildings. LLDC has concluded that its contributions towards the cost of the cultural and education buildings (UAL, V&A, Sadler's Wells and BBC) at Stratford Waterfront required a provision to be established from the date that the agreements for lease were signed (all pre-31 March 2020). The provision is in line with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) and is based on LLDC's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Changes to the provision are recognised in the Comprehensive Income and Expenditure Statement (within East Bank gross expenditure). Note that the provision for UAL and V&A was released during the year following the completion and handover of their buildings.

LLDC is now also recognising a provision for the potential staff-related costs resulting from the organisational restructure that is currently underway. These costs are likely to be incurred in 2024/25 and 2025/26 when the changes take effect. The provision is based on reasonable estimates by LLDC management at the reporting date as the statutory consultations with staff are still ongoing and the final organisational structure therefore unknown.

During the year, the following movements occurred on LLDC's group long term and short-term provisions:

Total Provisions	E20 LLP Onerous Countract	East Bank provision	Other Provisions	Total
Balance at 31 March 2023	**(185,828)**	**(244,304)**	**(297)**	**(430,428)**
Additional provisions made	(9,922)	(34,865)	(4,205)	(48,992)
Amounts used	11,218	18,305	-	29,524
Unused amounts reversed	-	116,020	254	116,274
Reclassification	-	-	-	-
Effect of the change in discount rate	16,640	-	-	16,640
Unwinding of discount	(9,712)	-	-	(9,712)
Balance at 31 March 2024	**(177,602)**	**(144,843)**	**(4,248)**	**(326,694)**
Long Term				
Balance at 31 March 2023	**(174,977)**	**-**	**-**	**(174,977)**
Additional provisions made in year		-	-	-
Amounts used in year	-	-	-	-
Unused amounts reversed in year	-	-	-	-
Reclassification	-	-	-	-
Effect of the change in discount rate	16,640	-	-	16,640
Unwinding of discount	(9,343)	-	-	(9,343)
Balance at 31 March 2024	**(167,680)**	**0**	**0**	**(167,680)**
Short Term				
Balance at 31 March 2023	**(10,850)**	**(244,304)**	**(297)**	**(255,451)**
Additional provisions made in year	(9,922)	(34,865)	(4,205)	(48,992)
Amounts used in year	11,218	18,305	-	29,524
Unused amounts reversed in year	-	116,020	254	116,274
Reclassifications	-	-	-	-
Effect of the change in discount rate		-	-	-
Unwinding of discount	(368)	-	-	(368)
Balance at 31 March 2024	**(9,922)**	**(144,843)**	**(4,248)**	**(159,013)**

G17. Inventories

	31 March 2024	31 March 2023
	£'000	**£'000**
Balance at 1 April	**290,662**	**290,662**
Purchases (Residential)	112	4,228
Purchases (East Bank)	104,063	140,105
Transfer to Investment Properties	-	(3,461)
Transfer from Investment Properties at Fair Value	-	23,089
Recognised as an expense in the year (Residential): disposals	(471)	(12,553)
Recognised as an expense in the year (East Bank): disposals	(210,685)	
Purchases offset against grant provision (East Bank)	(18,305)	(22,618)
Increase/(decrease) to net realisable value (recognised in CIES - East Bank)	(4,537)	-
Balance at 31 March	**160,838**	**290,662**
Split:		
Residential	24,678	25,038
East Bank	136,160	265,624
Balance at 31 March	**160,838**	**290,662**

Split:		
Inventory valued at at lower of cost and net realisable value	37,192	122,874
Inventory valued at the lower of cost and replacement cost	123,646	167,787
Balance at 31 March	**160,838**	**290,662**

Annual governance statement

Scope of responsibility

LLDC is a Mayoral Development Corporation, established on 1 April 2012, under the provisions of the Localism Act 2011 with aims defined by the Mayor of London as:

> "To promote and deliver physical, social, economic and environmental regeneration in the Olympic Park and surrounding area, in particular by maximising the legacy of the Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control and supporting and promoting the aim of convergence."

LLDC became a planning authority within its Mayoral development area on 1 October 2012.

LLDC is a functional body of the GLA, which operates within the overall legislative and governance framework provided by the GLA Act 1999 and 2007. The Mayor of London appoints members to its Board and allocates its budgets. The Mayor is also able to direct LLDC in the exercise of its functions, and to delegate functions to it. The Mayor has given the following significant delegations and directions:

- In July 2019, the GLA updated the London Legacy Development Corporation Governance Direction 2013 (approved by MD1227) to reflect a change in GLA oversight responsibilities for the MDCs, Mayoral Decision-Making in the GLA and GLA Financial Regulations (as amended), and new data protection legislation. The Governance Direction sets out arrangements for the Mayor to be consulted on, or approve certain decisions, activities and larger projects of LLDC and its subsidiaries, over and above the limited circumstances where Mayoral consent is required under the Localism Act. It covers Mayoral approval for such matters as the budgets and business plans of LLDC; approving major decisions to spend, borrow, give grants (see below), create subsidiaries and dispose of land interests. It includes provision for a GLA Executive Director to exercise the Mayor's powers under a General Delegation.
- In April 2016, the Mayor delegated to LLDC powers to maintain and upkeep Queen Elizabeth Olympic Park, to collect a Fixed Estate Charge to fund this obligation and directed LLDC to use these delegated powers. Whilst LLDC already maintains and upkeeps QEOP and levies and collects a Fixed Estate Charge, the direction and delegation will have the effect of putting it beyond doubt that LLDC is acting as a public authority in terms of its obligations to maintain and upkeep the QEOP. This direction and delegation complement and supplements the general powers delegated in 2012 (see below).
- In July 2014, the Mayor approved a general consent for LLDC to give financial assistance by way of a grant with a total lifetime cost up to £150,000 in line with Section 213 and 221 of the Localism Act 2011 and gave automatic consent to grants funded under section 106 agreements, or grants paid from the Community Infrastructure Levy collected by LLDC for projects or types of infrastructure contained in the regulation 123 list published by LLDC. This replaced an earlier consent given in 2012.
- In November 2012, the Mayor delegated to LLDC powers to promote economic development and wealth creation, social development and the improvement of the environment.

No new delegations or directions were given during 2023/24 other than the Mayor's direction in November 2023 to refuse permission for the MSG Sphere planning application.

LLDC is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, LLDC is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The purpose of the governance framework

The governance framework describes the systems and processes by which LLDC is directed and controlled, how it is accountable to its stakeholders and communities, and how it monitors the achievement of its strategic objectives and value for money.

The system of internal control is a significant part of this 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 and not absolute assurance of effectiveness. The system of internal control is based on a continuous process designed to identify and prioritise risks, to evaluate the likelihood and potential impact of those risks being realised, and to mitigate and manage them efficiently, effectively and economically.

The governance framework has been in place at LLDC for the year ended 31 March 2024 and up to the date of approval of the Statement of Accounts.

The governance framework

Board and committees

LLDC's Board and committees operate within the governance and openness framework prescribed by the Local Government Act 1972 which includes a requirement for public meetings and rights of attendance by the press and public. LLDC holds its Board and Committee meetings in public, except for when confidential, personal, or financial information matters containing exempt information are being discussed. These items are marked on the agenda.

LLDC also has a Remote Decision-Making Scheme in place which enables it to hold online proceedings to take decisions by the relevant Chair[3] under a delegation following consultation with an Advisory Panel made up of Board or relevant Committee members. The Remote Decision-Making Scheme was introduced during the Covid-19 pandemic when it was not possible to hold in-person decision-making meetings due to the Covid restrictions. The Scheme was originally introduced as LLDC had not been included as one of the organisations in the Coronavirus Act 2020 and its associated Regulations[4] which enabled specified organisations to hold formal decision-making meetings remotely. When LLDC was subsequently included on the list in July 2020, it revoked the use of the Remote Decision-Making Scheme and moved to holding online formal decision-making meetings. When the Coronavirus Act flexibilities ceased in May 2021, LLDC reverted to holding public meetings in-person with only those Board and Committee members attending in-person being counted towards the quorum and being able to vote[5]. However, due to the ongoing and changing Coronavirus situation and given that it may not have been practicable to convene in-person public meetings, LLDC adopted a new Remote Decision-Making Scheme from May 2021[6].

Under the new Scheme, the Chair or the Committee Chairs have a delegation from the Board to decide whether it is appropriate or desirable to transact business either at an in-person meeting, or with decisions being taken by the relevant Chair, under a delegation, following consultation at a proceeding of the relevant Advisory Panel. Agendas are still published five working days in advance, with details of how the public can follow the remote proceedings and, in the case of the Planning Committee Advisory Panel, be able to make representations. A record of the proceedings containing a statement of the Chair's decisions on each of the items of business on the Advisory Panel is published on the website as soon as is practicable. The new Remote Decision-Making Scheme applies for as long as the Chair considers it appropriate, on the basis it is not desirable or appropriate for meetings to be convened and held physically

[3] under LLDC's arrangements the delegation for the planning matters is to (a) the Chair of the Planning Decisions Committee or (b) the Executive Director of Planning Policy and Decisions (as between them they decide) following consultation with the Planning Decisions Committee's Advisory Panel

[4] Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

[5] members are able to attend remotely and share their views but are not counted in the quorum and not able to vote.

[6] available at: https://www.queenelizabetholympicpark.co.uk/our-story/how-we-work/board-and-committees

in-person having regard (without limitation) to the risks to public health posed by Covid-19 and the practicality and availability of members to meet in person. LLDC monitors the continued use of the Remote Decision-Making Scheme.

During the year ended 31 March 2024 LLDC's committee structure was as follows:

- **Audit Committee**

  To ensure the efficient and effective discharge of the functions of London Legacy Development Corporation, and entities and subsidiaries within its group, through the proper financial administration of the Corporation's financial affairs including but not limited to proper arrangements in place for securing value for money, the maintenance, preparation and audit of accounts, internal controls, risk management, and oversight of internal and external audits.

- **Health, Safety and Security Committee**

  To ensure the efficient and effective discharge of the London Legacy Development Corporation's functions, through the safe and secure provision of services and access including to the Park, Venues, Development and Construction sites.

- **Investment Committee**

  To ensure the efficient and effective discharge of the London Legacy Development Corporation's functions, through investment of public funds and use of assets and resources in a manner that achieves value for money[7].

- **People, Organisation and Culture Committee (formerly Chair's Committee)**

  To provide advice on organisational development, culture and people strategy matters and on specific matters as requested by the Board or Chair of the Corporation, particularly in relation to Transition.

- **Planning Decisions Committee**

  To enable transparent, efficient and effective discharge of LLDC's functions to determine planning applications and to respond to consultation on applications on which LLDC is a consultee.

- **Regeneration and Communities Committee**

  To ensure the efficient and effective discharge of LLDC's functions, through the advocacy and delivery of regeneration, community engagement, environmental sustainability, education and learning programmes.

Committee members must be members of LLDC's Board, except where the Mayor of London has approved the appointment of additional members. He has done so in relation to the Planning Decisions Committee, which comprises three Board members, five members nominated by the neighbouring boroughs, and four independent members appointed following advertisement.

Following a recommendation in the May 2016 'Governance Review - Board Information' internal audit, LLDC undertakes a regular review of Committee terms of reference. A review of the Committee's terms of reference was undertaken and reported to the Board in September and November 2023. This included the following changes:

- Including overseeing the Treasury Management Strategy in the Audit Committee's role and clarifying its role in relation to Diversity, Equity and Inclusion.

[7] defined by the National Audit Office as 'the optimal use of resources to achieve the intended outcomes – economy, efficiency and effectiveness' – https://www.nao.org.uk/successfulcommissioning/general-principles/value-for-money/assessing-value-for-money/

- A reduction in the number of Health, Safety and Security Committee meetings to two in 2024 to reflect the end of direct construction as East Bank and the increased maturity level of the LLDC's approach to health and safety.
- Including advising on any issues relating to the Legacy Corporation's membership of the Stratford Waterfront Retail Company and of the Pudding Mill Lane residential joint venture into the remit of the Investment Committee.
- Including a specific reference to Transition as this is a key focus over the next two years for the People, Organisation and Culture Committee (this is in addition to the existing clause about implementing the transition strategy)
- Including an oversight role for the Planning Decisions Committee in relation to the Corporation's work to prepare for the transfer of planning powers back to the Growth Boroughs.
- Including a specific reference to the role of the Regeneration and Communities Committee in the development of Inclusive Economy work and the SHIFT Inclusive Innovation District.

Executive Management Team

The Chief Executive, the directorate heads and the chairs of four strategic LLDC groups (Management Forum, Strategic EMT, Change Board and Employee Forum) and the E20 Chief Commercial Officer make up the Executive Management Team (EMT) and are responsible and accountable for the delivery of the day-to-day operations of LLDC.

The chairs of the Management Forum and Employee Forum stood down from EMT at the end of their terms at the end of December 2023 and these positions are currently vacant while these fora are paused during the employee consultations related to Transition. The E20 Chief Commercial Officer left LLDC in December 2023.

London Stadium Governance

E20 Stadium LLP is a limited liability partnership between LLDC and Stratford East London Holdings Ltd (SELH), a wholly owned subsidiary of LLDC. The E20 Board comprises three members nominated by LLDC Board (Phil Mead who is the Chair, Shanika Amarasekara and Gurpreet Dehal) and one member nominated by SELH (Gerry Murphy, LLDC's Deputy Chief Executive). The E20 Board is the formal Board of E20 Stadium LLP and also acts as an advisory board to LLDC Chief Executive on matters pertaining to the London Stadium. Decision making in relation to LLDC's expenditure on and income from the London Stadium follows LLDC's Scheme of Delegations. The E20 Board has no delegated authority.

London Stadium 185 Ltd (LS185) is a wholly owned subsidiary of E20 Stadium LLP. Its Board consists of: Lyn Garner (LLDC Chief Executive) who is the Chair, Gerry Murphy (LLDC Deputy Chief Executive), Mark Camley (LLDC Executive Director of Park Operations and Venues), Graham Gilmore (LS185 Chief Executive), Darren Raczkowski (LS185, Operations Director and Peter Swordy (LS185 Director of Health, Safety and Compliance). The E20 Chief Commercial Officer was a member of the Board until their departure in December 2023.

The scheme of delegation and terms of reference for the boards of E20 Stadium LLP and LS185 were approved by LLDC Board in May 2020 following consideration by the E20 Board. A revised scheme of delegation for E20 Stadium LLP and LS185 was approved by LLDC Board in May 2021 following approval by the E20 and LS185 Boards. A review of the terms of reference and scheme of delegation was undertaken in 2023 in line with a recommendation from an internal audit and approved by the LLDC Board in September 2023. The scheme of delegation was updated to reflect the removal of the E20 Chief Commercial Officer role and was approved by the LLDC Board in May 2024.

East Bank Governance

The **Investment Committee** is the lead governance body for the Corporation with oversight of the delivery of East Bank. It makes decisions on major procurements over £10m and recommendations to the Board on such transactions over £20m. In addition, the Regeneration and Communities Committee oversees the measures to deliver the East Bank strategic objectives, the Audit Committee receives updates on East Bank assurance and the Health, Safety and Security Committee oversees health, safety and well-being matters on the Stratford Waterfront construction site.

The East Bank governance structure comprises the East Bank Board which provides Board level leadership, collaboration, strategic direction and oversight with senior representation from the East Bank partners. In January 2022, the East Bank Board membership was revised to be the East Bank partners, with LLDC in attendance as required[8] and with the East Bank partners chairing on rotation. The East Bank Programme Board, which was established to provide oversight and direction for the overall programme and reported into the East Bank Board, has been on hold pending a review of its role in light of the revised East Bank Board terms of reference. The East Bank Strategic Objectives Board oversees the Strategic Objectives delivery programme and reports to the East Bank Board. As a multi-party project, the programme governance refers decisions back to partners' corporate governance structures as required and each partner also has their own internal project or programme governance arrangements.

A quarterly **Risk and Assurance Board** (RAB) focuses on construction delivery reviewing cost, schedule and risk information with an annual review of strategic objectives and risks to delivering the full business case with a view to informing the annual reporting to Government on East Bank progress. It has an independent Chair and representatives from LLDC, East Bank partners, the GLA and Government (represented by the Infrastructure and Projects Authority, albeit the position is vacant). The independent Chair also attends LLDC Investment Committee meetings.

The East Bank RAB is supported by an independent third line assurance provided by RSM Risk Assurance Services LLP[9] who undertake a programme of reviews on key areas of activity, reporting to the Risk and Assurance Board.

Second line commercial assurance is provided by Arcadis Consulting (UK) Limited and supported by in-house resources from PMO and Finance.

Vision and performance

In 2015/16 LLDC adopted a Five-Year Strategy for Queen Elizabeth Olympic Park and surrounding areas covering the years 2015 to 2020. This was refreshed in October 2016 to reflect the priorities of the new Mayor of London as well as progress made on delivery since it was published in 2015. The revised strategy was approved by the Board in November 2016. An updated Strategy to 2025 was approved at the May 2021 Board meeting in line with the Vision for the Park to 2030 which was approved by the Board in 2019/20.

Performance against measures and milestones included in the Annual Budget, and the Strategy is reported through quarterly reports to the Board and quarterly reports to the GLA on financial and service performance. The quarterly reports are published on the QEOP website and considered by the GLA-LLDC Finance and Policy Liaison meeting. In 2021/22, LLDC commenced an enhanced focus on programme management through Major Projects reporting: the performance of key projects relating to the delivery of the Strategy ahead of Transition are reviewed regularly by the Executive Management Team and reported to Board. Financial performance is also reported through quarterly management accounts which are considered by the Executive Management Team monthly and by the Investment Committee.

Standing orders, delegations and codes of conduct

Key governance documents for LLDC comprise:

[8] prior to this the LLDC, GLA and Foundation for FutureLondon were also members of the East Bank Board, with LLDC as the chair. UAL chaired the East Bank Board from January 2022 to June 2023, the V&A are the current chair.
[9] the contract was novated from RSM Consulting (UK) LLP in November 2020.

- Standing Orders, which set out arrangements for the conduct of meetings, recording of decisions and managing conflicts of interest, and also include the Members' Code of Conduct and Gifts and Hospitality Code.
- Scheme of Delegations, which sets out arrangements for delegation of decisions to committees and officers.
- Scheme of Planning Delegations, which sets out how LLDC will discharge some of its town and country planning functions and responsibilities through delegation to the Planning Decisions Committee and planning officers.
- Planning Code of Conduct, which sets out the approach of planning officers and the Planning Decisions Committee Members to planning decision-making.
- Financial Regulations, which set out the framework for managing LLDC's financial affairs.
- Procurement Code, which sets out policies in relation to the proper procurement of goods, services, supplies and works.

These documents have all been in place throughout 2023/24 and are available on LLDC's website.

The scheme of delegations was last updated in October 2022 with amendments in relation to signing contractual documents, legal agreements and authenticating the use of the LLDC seal for executing agreements as deeds. The scheme of planning delegations is being updated to reflect interim delegations related to the transfer of planning powers and will be considered by the LLDC Board in May 2024.

The procurement code was refreshed in October 2022 to reflect updated UK government procurement thresholds that now must comply with World Trade Organisation rules. It is underpinned by a procurement framework which provides LLDC employees with guidance, tools and templates to support them throughout the procurement lifecycle.

A staff code of conduct and other people management policies are published on LLDC's intranet site and issued to staff as part of their induction process.

The governance arrangements will continue to be reviewed and updated to ensure that the organisation's structures and decision-making processes remain appropriate to LLDC's changing role.

Risk management, fraud, and corruption

LLDC's risk management processes are based on embedding risk management in all aspects of its work programme and ensuring that programme-wide and project risks are identified, quantified, mitigated, and monitored effectively. The primary objective is to have effective strategies in place to control risks through reducing the likelihood of a risk arising, mitigating the likely impact of a risk should it arise, or – where possible – eliminating the risk.

In September 2018, the Board approved LLDC's Statement of Risk Appetite. The Statement is updated and reviewed regularly and was last reviewed by the Audit Committee in March 2023 and noted by the Board in May 2023. The Statement states that LLDC has a low tolerance around financial control and process risk and does not tolerate risks where LLDC's financial stability is compromised and where activities are deemed to be unlawful.

Risks and issues are managed at various levels across the organisation: risks and issues within a project are managed by project managers; risks and issues within a directorate are managed by the relevant executive director or director; and corporate risks are owned by the Executive Management Team. Risks are managed through LLDC's programme and project management reporting system, Execview.

Corporate-level risks and issues are identified through analysing the risk register and considering any other risks and issues impacting on LLDC. These are updated, reviewed and agreed by the Executive

Management Team. Updates on corporate risks and issues are reported to every Audit Committee meeting and to the Board through the corporate dashboard and discussed in an annual risk review.

LLDC has an Anti-Fraud, Bribery and Corruption Policy and a Whistle Blowing Policy, these are presented to the Audit Committee periodically. Updated versions of the Whistleblowing Policy and the Anti-Fraud, Bribery and Corruption Policy were reviewed by LLDC's Audit Committee at its March 2022 meeting: the Committee asked for further information about what policies they were benchmarked against and were approved at the Committee's July 2022 meeting. The revised Whistleblowing Policy includes details of a new whistleblowing telephone and online reporting service which has been procured by the GLA Group. LLDC will roll out refresher training on both policies in early 2024/25.In 2023/24, no LLDC employees raised any issues under these policies.

People Strategy & Diversity, Equity & Inclusion (DEI)

Despite an existing an ongoing period of organisational change and transition, LLDC will continue to deliver all objectives in line with our core values: Ambition, Responsibility, Excellence, and Collaboration. Our People Strategy was previously refreshed in 2021 to ensure that colleagues across LLDC are supported to work collaboratively and inclusively to deliver the vision, mission and objectives outlined in our Corporate Strategy, and with the expectation of a period of change and transition in mind. The People Strategy identified three strategic pillars, shaped through reference to our organisational context, emerging challenges and opportunities in the micro and macro environment, and with consideration as to how we best enable colleagues and the organisation to deliver our objectives. The existing strategic pillars are 'Inclusive Culture', 'Authentic Leadership' and 'Fit for Future'. The People Strategy continues to focus heavily on fostering a strong organisational mindset for learning and development and preparing our employees for whatever the future holds, both pre and post the evolution of the organisation, which is defined by our 'Fit for Future' strategic pillar.

A key pillar of the People Strategy is a focus on Inclusive Culture. This is both internal and external in nature, recognising that the inputs of LLDC colleagues, partners, networks and communities are all equally critical to the ongoing success of the London 2012 legacy. Within LLDC it is about supporting employees to be themselves and to bring their own diverse perspectives to the shaping and delivery of organisational objectives.

LLDC's Diversity, Equity and Inclusion (DE&I) Strategy, originally agreed in 2019, sets out LLDC's approach to advancing an internal culture that genuinely values difference, and in which inclusion and diversity practices are seamlessly integrated at every step. Over the last year, focus has been on capturing accurate and insightful data to enable the organisation to make more informed and evidence-based decisions on how to progress diversity, equity and inclusion across LLDC moving forward. Similarly, focus has been on creating an environment where different aspects of DEI are explored, which have been achieved through a series of events and activities that have been delivered by various internal groups and supported by our internal colleague networks. Given the current period of change and transition, and the need to evolve the organisational and people strategies into the future, work has been ongoing to review and refresh the DEI strategy alongside this. This will be further developed through the organisational development work that is planned to take place over the coming months through to, and beyond, LLDC's transition.

LLDC has a strong foundation on which to build. The approaches outlined in the current strategy will be further developed and enhanced to ensure that we continue to safeguard LLDC's reputation as an inspiring place to work and develop: an organisation which is able to reflect the communities it serves and promote positivity and inclusion, and one which, through its internal practices, supports the wider ambition for Queen Elizabeth Olympic Park to be a genuine place of opportunity.

Extract from Diversity, Equity & Inclusion (DE&I) Strategy

Statement: Our commitment

LLDC prioritises advancing an inclusive culture and establishing a diverse workforce, better reflecting the communities we serve. This strengthens our business, supports our values and enables us to attract the best talent and provide opportunity to all.

Strategic Themes:

Our commitment to Inclusion and Diversity is delivered through five Strategic Themes, each led by individual Executive Directors.

Inclusive culture
Difference is valued at LLDC - we have an inclusive culture that allows everyone to be themselves and get the best work / life balance

Recruitment
Our recruitment processes and approach ensure that the profile of our workforce is diverse and balanced

Supporting talent from within
A broad range of progression and development opportunities are available. Opportunities are well known by all employees and are inclusive by design

Leadership
LLDC leaders actively champion diversity and inclusion. In LLDC there is a culture of trust, focusing on outputs, where all employees feel there are a range of opportunities open to them

A place full of opportunity
Diverse businesses want to call the Park home. Local people are connected to a range of opportunities in education, employment and skills (external theme, overseen by the Regeneration and Communities Committee)

Modern Slavery Statement

LLDC's Modern Slavery Statement for 2023/24 was approved by the Board in September 2023 and is set out below.

London Legacy Development Corporation Modern Slavery and Human Trafficking Statement

This Statement sets out the steps that the London Legacy Development Corporation (LLDC, the Corporation) has taken to address the risks of slavery and human trafficking in our supply chains pursuant to section 54 of the Modern Slavery Act 2015. Our aim is to inform our partners, suppliers, staff and the public about LLDC's policy with respect to Modern Slavery, human trafficking, forced and bonded labour and labour rights violations in our supply chains and the steps taken to identify, prevent and mitigate the risks. It outlines the policies and processes we have in place; the areas we have identified as high risk and the actions we have taken to mitigate such risks and the plans we have in place to strengthen our commitment to the Act.

From 2021, ministerial government departments were required to publish individual statements, and this is being extended to large public sector bodies. In keeping with good practice, the LLDC continues to ensure it is compliant with the Act.

LLDC's structure, business and supply chains

London Legacy Development Corporation is a Mayoral Development Corporation, established on 1 April 2012, under the provisions of the Localism Act 2011, with the vision of creating a dynamic new metropolitan centre for London. LLDC is controlled by the Mayor of London and is part of the Greater London Authority (GLA) group.

Our supply chains are generally simple and involve predominantly UK companies. Nevertheless, we do source goods and services from further afield, particularly for construction programmes. We recognise the importance of taking appropriate steps to reduce the risk of Modern Slavery within our supply chains.

LLDC's policies in relation to slavery and human trafficking

The GLA has a Responsible Procurement Policy which LLDC has signed up to and reflects best practice to ensure that procurement activities meet all relevant legislative requirements including the Modern Slavery Act. The policy states that "we are committed to responsible and ethical business practice and expect similar standards from our suppliers and throughout our supply chain. We respect international principles of human rights including, but not limited to, those expressed in the UN Declaration of Human Rights, United Nations Guiding Principles, and the UK Government Modern Slavery Act 2015; and the relevant legislation in all of the countries where we procure our goods and services." The policy is available here.

As part of LLDC's standard Selection Questionnaire for above threshold procurements, prospective suppliers who are relevant commercial organisations as defined in the Act are asked to demonstrate compliance with the Act to LLDC.

LLDC's Whistle Blowing Policy includes Modern Slavery and people trafficking as matters regarded as malpractice.

LLDC has worked with the London Stadium operator, LS185, which is wholly owned by LLDC, to develop their own Modern Slavery statement, available here. The Modern Slavery Statement also covers subsidiaries in the LLDC Group: E20 Stadium LLP, Stratford East London Holdings Ltd, Stratford Waterfront Management Company Ltd and Stratford East London Developments Ltd and currently covers the Stratford Waterfront and Bridgewater Triangle Joint Venture but there is goal (below) to support the Joint Venture to develop its own Modern Slavery statement.

Risk analysis on where there is a risk of slavery and human trafficking taking place

The principal categories that LLDC deems as carrying material risks of human rights abuses are construction, catering and facilities management services such as cleaning and stewarding and security services. Further risk and opportunity assessments to identify other contracts and areas of spend, where there may be a high risk, will be undertaken in the coming year.

LLDC's due diligence processes in relation to slavery and human trafficking in its business and supply chains

LLDC continues to undertake due diligence into its supply chain processes to address the risk of Modern Slavery, human trafficking, forced and bonded labour and other human rights risks in the supply chain. Progress has been made with our major construction contracts on East Bank and as a priority in the coming year, attention will be paid to Modern Slavery risks in catering, facilities management services and stewarding, wherever lower pay is prevalent and where demand for unskilled labour in the supply chain may be met by third party agencies. Contractors will be encouraged to recruit directly wherever possible and to undertake regular audits of third-party agencies to check for the signs of human rights abuse.

LLDC's standard contracts include clauses that oblige contractors to comply with the Modern Slavery Act. This text is from LLDC's standard low value goods and services contract: "The Supplier shall in the performance of the Contract (at no additional cost to the Legacy Corporation) comply, and ensure that any sub-contractors comply, in all respects with relevant and binding UK laws or any other regulation or by-law (including, without limitation, with the Modern Slavery Act 2015 and the Anti-Slavery Policy) from time to time in force which is or may become applicable during the period the Contract is in force.

LLDC implemented changes to strengthen the Corporation's NEC3 contracts, including on East Bank, in relation to compliance by the contractor and their sub-contractors with the Modern Slavery Act and ensure that contractors met the requirements of a Certified Ethical Labour Scheme. The relevant clauses were inserted into contracts and bidders' Modern Slavery Statements were assessed as part of East Bank procurements. LLDC's Project Management Partner is responsible for ensuring that contractors are monitored in implementing these requirements. LLDC continues to work in partnership with GLA responsible procurement colleagues and share best practice.

LLDC continues an active membership with the Gangmasters and Labour Abuse Authority's (GLAA) Construction Protocol. The GLAA is an arm's length body of the Home Office who are authorised to investigate and prosecute offences of labour market exploitation. Joining gives LLDC access to a network, best practice and expert knowledge.

Effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.

The LLDC has an integrated annual exercise that is undertaken with employers on the Park in relation to payment of the London Living Wage and the non-exploitative use of zero hours contracts, now extended to include questions about the business' compliance with the Modern Slavery Act and their related due diligence work with supply chains. The responses are analysed and further information or monitoring visits will be requested by LLDC where required.

Mace, LLDC's East Bank project management partner's approach to monitoring Modern Slavery compliance in the supply chain includes ensuring that contactors sign up to a certified ethical labour scheme (e.g. Clearview and Hope for Justice) and join SEDEX, who specialise in mapping supply chains and identifying risks of where Modern slavery is most likely. Mace reports the status of all on site contractors at East Bank in relation to Modern Slavery to the Modern Slavery Group: The assessment by SEDEX has found that all of the contractors on site have a low risk rating for Modern Slavery so no further investigations are recommended. On site awareness raising and communications around modern slavery have been implemented at Stratford Waterfront.

During 2022, the Corporation invited Tier 1 suppliers to complete the Modern Slavery Assessment Tool, launched by the Cabinet Office. The Modern Slavery Assessment Tool is a risk identification and management tool which aims to help public sector organisations understand where there may be risks of Modern Slavery in the supply chains of goods and services that have been procured. The questionnaire measured performance in the following areas: Governance, Policies and Procedures, Risk Assessment and Management, Due Diligence and Key Performance Indicators. Once all invited contractors had completed the questionnaire, they were invited to attend a workshop held by the Supply Chain School on areas where they scored lowest. The first workshop was held on Due Diligence and should there be demand, workshops in other areas will also be recommended.

Training

Key employees in the Programme Management Office and Procurement team have received guidance from the GLA Group's Responsible Procurement team who have expertise in this field. Key employees have also joined webinars on the subject. The LLDC published a blog post on its intranet raising awareness on Modern Slavery and recommended optional training for all employees. A short update was also provided at an all-staff meeting.

Our key goals

LLDC reconfirms its commitment to better understanding its supply chains and working towards greater transparency and responsibility towards people working in them.

We will continue to work with our partners and suppliers to undertake supply chain due diligence and mitigate the risks to human rights in our supply chains. We will also ensure that these issues are considered as part of transition plans setting out how LLDC's functions will be undertaken when the Corporation moves into a new phase in 2025. As LLDC acquires knowledge and develops capability across all higher risk spend categories, the intention is to codify and communicate for wider use in the GLA Group those due diligence processes that are found to be the most successful.

In the coming year LLDC will pursue these key goals:

- Continue to deliver the Mayor's Responsible Procurement Policy.
- Ensure compliance with contractual requirements relating to modern slavery for our major construction contracts.

- Complete a further risk and opportunity assessment to identify other contracts and areas of spend, where there may be a high risk of poor working conditions, human rights abuses or negative impacts on security and crime.
- Complete an annual audit to ensure that key employers on the Park comply with the Modern Slavery Act.
- Active membership of the Gangmasters and Labour Abuse Authority (GLAA)
- Further raise internal awareness of Modern Slavery through ongoing training and communication, in line with approval and publication of this statement and the roll out the Home Office e-learning tool for public sector procurement to relevant colleagues.
- Enhanced modern slavery work through the construction management partner (Mace) with Tier 1 contractors on Stratford Waterfront site, including: promoting a confidential speak up line for employee and operatives to report issues (including modern slavery concerns); wider workers surveys including by mobile phone and in native languages; Modern Slavery Workshops to raise awareness with direct, contracted and sub-contracted workers; audits with contractors; and rolling out Clearview recruitment labour certification.
- Commence lessons learned on Modern Slavery work at East Bank as construction at Stratford Waterfront completes.
- Support the Stratford Waterfront and Bridgewater Triangle Joint Venture to develop a Modern Slavery Statement.
- Support London Stadium to update their Modern Slavery Statement.

Progress against these actions will be reported to the Audit Committee at least twice a year.

This Statement has been produced for Audit Committee and Board approval and will be published on the Corporation's website.

LLDC launched its first campaign on the Cabinet Office Modern Slavery Assessment Tool in 2022/23, with 24 large and potentially risky contracts identified: 17 of which were completed and 11 scored over 70%. Following this the Corporation has worked with members of the GLA Group Modern Slavery Group to identify areas where contractors, who completed and submitted an MSAT, scored low.

Over the course of 2023/24 the LLDC continued to invite suppliers who were still in contract and on site to attend various workshops held by the Supply Chain Sustainability School. No new LLDC suppliers were invited to submit an MSAT during 2023/24 with the plan to undertake the next round of engagement in 2024/25 following the completion of LLDC's programme for the re-procurement of Park Operator Contracts.

These new suppliers and any other relevant new contracts will now be invited to submit an MSAT for the 2024/25 campaign once they have been through the risk assessment process. In addition, many of the tier 1 contractors who were invited during the first campaign, the majority of whom were contractors on East Bank (LLDC's major construction programme which is due to complete in 2024/25), have now left site or are no longer under contract and as a result were not invited to improve on and re-submit a questionnaire or attend a workshop. Those still on site were invited to attend a workshop on Due Diligence in March 2024. Work on LLDC's MSAT campaign for 2024/25 will begin over the summer.

Financial and legal controls compliance

LLDC's financial management arrangements conform with the governance requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer in Local Government:

- The Chief Finance Officer of LLDC (designated in accordance with Section 127 of the Greater London Authority Act 1999) is Gerry Murphy, the Deputy Chief Executive and Executive Director of Finance, Commercial and Corporate Services and a member of the Institute of Chartered Accountants in England and Wales.

- The Chief Finance Officer sits on the Executive Management Team and is able to attend all Board and committee meetings. She prepares the budget and corporate plan, including leading internal review processes, and is party to all material business decisions. Financial advice is included on all Board papers and sign-off is required above the thresholds specified in the Scheme of Delegations.

- The execution of contracts and grant agreements is reserved to the Chief Executive, Chief Finance Officer, and any Board member, apart from the following:

  - specified 3 Mills Studio Agreements (up to a specific value and term) which have been delegated to senior members of the Park Operations and Venues team or to the 3 Mills Studio operator under a power of attorney;
  - contracts procured through the GLA Group Collaborative Procurement Board which have been delegated to TfL;
  - where the authentication of the use of the seal for freehold and leasehold disposals at Chobham Manor and at East Wick and Sweetwater of values up to £1.5m within approved budget has been delegated to specified senior officers in the Development directorate;
  - standard event hire agreements with a value of £50,000 or less require which have been delegated to senior members of the Park Operations and Venues team;
  - standard form employment contracts and secondment agreements which have been delegated to any one of the Chief Executive, the Deputy Chief Executive, the Director of People and Organisational Development, the Head of People and Organisational Development or the Senior People and Organisational Development Partner;
  - Here East consents and specified documents, leases and licences which have been delegated to any one of the Chief Executive, Deputy Chief Executive or Executive Director of Park Operations and Venues;
  - contracts valued up to £1m which have been delegated to any two members of the Executive Management Team (EMT), one must be the budget holder (up to their delegated authority limits and within approved budget); in addition, any Director, or the E20 Chief Commercial Officer, or any employee appointed in writing by the Chief Executive in accordance with Standing Orders can sign as the second signature.
  - contracts valued up to £50,000 which have been delegated to be signed by any one of: a Head of Service, Director, or EMT member from the relevant directorate.
  - non-disclosure agreements and Memoranda of Understanding can be signed by one of the Chief Executive, Deputy Chief Executive or an EMT member.
- The Chief Finance Officer is also responsible for financial controls, for corporate programme management, for performance measurement and for supporting the Audit Committee's work (including internal audit).

- The Chief Finance Officer is supported by a suitably qualified team which provides support on budget monitoring, financial and taxation management, and which includes a CIPFA-qualified Director of Finance with significant public-sector experience.

LLDC ensures compliance with relevant laws and regulations through the activities of an in-house commercial procurement team and a shared services arrangement with Transport for London's (TfL) legal team. This shared services arrangement came into effect on 1 May 2014. Legal advice is required for all significant decisions, whether taken by the Board or under delegated authority, and is recorded in Board papers. All contracts entered into by LLDC (unless the agreement is an un-amended LLDC standard contract or has been prepared by external legal advisers) must also be approved by the TfL legal team for signing through approval of the Contact Authorisation Form. Legal advice is also sought on some project approval documents (Project Initiation Documents and Business Cases) if the project is novel, contentious or repercussive; or not contained within the current approved budgets (i.e. a new project) regarding how the project approach complies with relevant legislation, how it is covered in LLDC's powers, any other legal implications and any legal instruments to be entered into as a result of this project.

Compliance with other legalisation (e.g. employment) is ensured by the working policies, procedures and practice of the relevant LLDC team. Policies are approved by the Executive Management Team following consultation where relevant with the Employee Forum and Management Forum and available for employees on LLDC's intranet.

Audit Committee and internal audit

The Audit Committee helps to raise the profile of internal control and risk management within LLDC through considering a standing item on internal control and risk management at each meeting and reporting back to LLDC's Board. It raises the profile of financial reporting issues within the organisation through a report at every meeting from the Deputy Chief Executive, which reports on key activities including those relating finance and governance and reporting back to LLDC's Board. The Audit Committee also helps to raise the profile of internal control, risk management and financial reporting by requesting information on individual areas of concern and asking the internal auditors to review particular areas of risk. Audit Committee meetings are held in public, and the papers are made available on LLDC's website which helps to enhance public trust in LLDC's financial governance.

The Audit Committee is made up of members of LLDC's Board. It includes members with both public and private sector experience with expertise in areas including finance, audit, law and governance.

In April 2015, the Mayor's Office of Policing and Crime (MOPAC) were appointed as LLDC's Internal Auditors as part of the Mayor of London's shared services agenda. The internal auditors work is reported to, and monitored and reviewed by, the Audit Committee. MOPAC assist in the promotion of good governance through implementation of the Internal Audit Plan, prepared by the Executive Management Team and approved by the Audit Committee.

The Internal Audit Plan includes individual audits on activities identified as areas of risk. When complete the reviews are reported to the relevant executive and the Audit Committee. LLDC's progress against agreed internal audit recommendations is monitored regularly and reported to the Audit Committee; MOPAC also perform follow up reports on previously completed audits and report these to the Audit Committee.

The Internal Auditors provide an annual report summarising their findings for the year, the 2023/24 annual report is on the agenda for the first Audit Committee meeting in 2024/25.

The Head of Internal Audit's overall opinion for 2023/24 is that LLDC has an adequate internal control environment which is generally operating effectively.

The full audits carried out as part of the 2023/24 Internal Audit plan are listed below with assurance ratings[10]

- Advisory Review of Financial Sustainability – Assurance rating not applicable for review only
- Advisory Review of the Handover of Planning Powers – Adequate Assurance
- Advisory Review of the People Change Programme – Adequate Assurance
- Reporting of LLDC Priority Themes (formerly reported as Responsible Procurement) -The fieldwork for this review is underway and will conclude in June 2024.

[10] Green – substantial: there is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives. Yellow – adequate: the control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met. Amber – limited: the control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives. Red – no assurance: a control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.

- LLDC Finance Review – Substantial Assurance
- LS185 Finance Review – Adequate Assurance

Completed follow up reports are set out below:

- Electronic Records Retention – Adequate Assurance
- LLDC and LS185 Payroll – Substantial Assurance
- Procure to Pay – Substantial Assurance
- Governance Arrangements for LLDC Subsidiaries – Substantial Assurance
- Cyber Risk – Adequate Assurance

Code of Corporate Governance

LLDC's code of corporate governance sets out LLDC's approach to openness, accountability and effective governance in line with the seven core principles set out in "Delivering Good Governance in Local Government: Framework" issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Council Chief Executives and Senior Managers (SOLACE) in 2016. This guidance replaced the previous guidance upon which LLDC's former code was based.

The code is published on LLDC website and was refreshed in March 204 and will be reviewed by the Audit Committee in July 2024.

The code sets out LLDC's policies and procedures and its behaviours and values. Performance against the code is reviewed on an annual basis and any areas for improvement identified and included in the Annual Governance Statement. Overall, LLDC performs well against the code: it is committed to the seven principles and has a framework of policies and procedures, behaviours and values in place which support good governance.

Work undertaken during 2023/24 includes:

- refreshing the links in the code to specific sections or policies on the website
- refreshing the transparency pages and including information about LLDC subsidiaries
- training on new subsidy regulations

Areas for further work identified for the next financial year include:

- delivering a refresher session on the code of corporate governance in June 2024 and including this in new joiner information
- refreshes of the whistleblowing, anti-fraud policies and gifts and hospitality
- training on company director responsibilities for subsidiaries

Greater London Authority (GLA) Corporate Governance

LLDC is a functional body of the GLA and complies with its annual budgeting process, engages with the London Assembly and its committees as required and also fulfils the requirements of any Mayoral directions given. There is an on-going dialogue with the Mayor's office to ensure that the activities of LLDC are aligned with the Mayor's general policy framework. LLDC is a signatory to the GLA Group Corporate Governance Framework Agreement March 2022 and has incorporated its requirements of the Agreement into its operational and governance arrangements.

Whistleblowing and complaints

LLDC's Whistleblowing Policy is on its intranet and website and sets out how colleagues, members of the public and partners are able to report any issues, concerns, or wrongdoing which they believe need to be brought to the attention of the management without fear of reprisal. The policy sets the standards that apply throughout the Corporation its entities and subsidiaries and incorporates the Corporation's legal obligations. The policy was approved at the July 2022 Audit Committee.

LLDC's Complaints Policy was last updated in April 2024. It sets out how LLDC handles complaints, the different stages of the procedure, and how complaints can be made to the Local Government Ombudsman if the complainant is not satisfied with LLDC's response. This includes a dedicated email address to receive complaints.

Meeting development needs of members and senior staff

High performing learning organisations are defined as ones that can continuously evolve, respond to change, and create innovative cultures that allow people to learn and grow through modern and agile practices. Ours, like the majority of most other organisations, operates against a backdrop of a rapidly changing operating environment and newly emerging trends both externally and internally that impact the way we provide, develop and facilitate learning across the organisation. This, combined with the period of change on which the organisation has recently begun its journey, has meant that we have needed to work in an agile and progressive way in regard to our learning and development activity.

Our previous Learning & Development strategy and organisational learning plan, whilst still relevant, has been the foundation on which we have built, with an enhanced focus on leadership and management development, and on building a coaching and learning culture across the organisation.

Our focus on leadership development resulted in the design and delivery of a new internal leadership development programme, titled 'SOARR', which sought to build out leadership behaviours and develop approaches to leadership and management in the context of organisational change, with the central goal of helping all colleagues to develop skills to lead themselves and others. The aim of the programme was to equip colleagues with the tools and knowledge they need to flourish, thrive and lead during times of change and uncertainty. The programme provided a strong foundation for the next phase of organisational learning and leadership development, which has included the introduction of Insights Discovery, for which the organisation has established accredited internal champions. A programme plan has been developed and the Insights activity will be rolled out and facilitated by our internal champions across LLDC over the coming year.

Our people are core to our success, and we want to enable our teams to perform to the best of their ability in their roles at LLDC, whilst also helping them to drive their own individual development and progress their careers, whether inside or outside of the organisation itself. We want our people to succeed, whatever form that takes, and so we have committed to supporting their career journeys, with particular focus on supporting career journeys and career development and movement during a period of organisational change. To enable this, a career transition programme has been established in partnership with an external organisation, which will support individuals who are affected by the organisation's proposals for change. This is further bolstered by internal coaching support and learning interventions, on which we will continue to build throughout the period of change and beyond.

We recognise that our learning and development strategy will need to be reviewed in accordance with the broader review of our organisational, people and DEI strategies, to ensure these are aligned as we move in to the future of the organisation. Our intention will always be to underpin this strategy with our purpose and values, and the revised strategy will aim to ensure that we match high performance with our values and culture and to create focus on maximising diversity by creating a truly inclusive approach and providing thoughtful, appropriate support to our people that will enable them to take control of their own development and future career.

Community and Innovation

LLDC's **Community** programme actively engages with local people and organisations through the delivery of; community projects and interim uses, consultations on development proposals, bringing together of local community networks and forums and hosting community events on the Park. This includes Elevate youth programme designed for young people, by young people, who continue to help shape plans on the Park and provide engagement opportunities with local young people. In addition, East

Ed is the strategic framework that brings together creative, high tech, knowledge driven institutions that form East Bank with teachers and young people. The programme aims to address the shortage of creative and future skills in east London and connect young people to future careers.

SHIFT is London's Living Testbed and the Innovation District. It is QEOP's new innovation agency focused on creating 'better urban futures' by facilitating innovation projects under themes of climate emergency, health and wellbeing, and mobility. It is a collective partnership endeavour and is overseen by a founding partners group consisting of: LLDC, UCL, UAL: LCF, Loughborough in London, Lendlease, Here East and Plexal. It facilitates a membership network based around the Park to achieve its ambitions on its core focus areas: tackling the climate emergency in cities; boosting health and wellbeing in cities; and upgrading mobility systems in cities. It reflects the collective shift that society needs to make to accelerate a thriving, fair and resilient future in our cities.

SHIFT is currently delivering a £1.5m Shared Prosperity Fund (backed by Department for Levelling Up, Housing and Communities and the Mayor of London). It has a dedicated team led by the Chief Innovation Officer, Abdul Rahim, appointed in July 2023.

Significant changes in the Board

Philip Glanville resigned as Mayor of the London Borough of Hackney from 22 September 2023 and ceased to be a member of the Board. Cllr Guy Nicholson, from the London Borough of Hackney was appointed to the Board on 8 March 2024.

Transition governance changes

From 1 April 2025, LLDC will have a reconstituted Board and governance structure with a Board and three committees (Investment; Audit; and Inclusive Economy). The reconstituted LLDC Board will have at least ten diverse members, appointed by the Mayor, including an independent chair, a young person, an elected representative nominated from Hackney, Newham and Tower Hamlets, and five independent members with significant track records in delivering inclusive growth across a range of skillsets.

Significant governance developments since the reporting date

A recruitment campaign for a new Chair and CEO to lead the organisation into its next phase of legacy was commenced in March 2024 so that successful candidates can be identified in good time and allow for a smooth handover as LLDC evolves. The campaigns will close after the Mayoral election in May with shortlisting and interviews in early summer. The Chair appointment is subject to the confirmation hearing process with the London Assembly and the aim is to complete the confirmation process before the end of July so the new Chair can be appointed over the summer. The new Chief Executive is expected to be offered the role by the end of July 2024. There will be a further recruitment of new Board members in autumn 2024 so that the new members can be appointed and inducted in good time to start on 1 April 2025.

Significant governance issues

Significant governance challenges for LLDC in the year ahead are set out below together with the proposed management response:

Issue	Proposed response
Ensuring LLDC has the right skills to deliver its objectives during a period of organisational change.	Continued transition workforce planning, focus on retention, employee engagement and wellbeing. Major Projects Reporting process enables Executive Management Team to identify resource issues and blockages to progress. Developing talent from within is a key strand of Diversity, Equity and Inclusion action plan and transition planning.

	Corporate prioritisation exercise undertaken to identify and areas to decrease activities or change practices to support reducing pressures.
Delivering a successful Transition.	Regular engagement with the Board, GLA and local Boroughs and employees. Effective transition governance structure in place. Close monitoring of Major Projects through Executive Management Team. Implementing learnings from Phase 1 employee consultation into Phase 2. Recruitment of new Chair and CEO to lead the organisation into its next phase of legacy completed by late summer 2024 to allow for a smooth handover as LLDC evolves.
Maintaining employee and corporate culture to respond to a changing role.	Workforce Transition planning and employee engagement. Delivery of the Diversity, Equity & Inclusion action plan. Regular employee engagement surveys.
Enabling an effective and high performing Board.	Annual meetings by the Chair with Board members. Continued succession planning for Board ahead of recruitment of new members in autumn 2025. Continuous improvement of quality of Board and Committee papers. Engagement in the development of governance structures for post-Transition.
Achieving more with less financially and ensuring a firm financial footing for future years.	Long term financial plan refined through discussion with the Board and Mayor of London. Enhanced focus on long term financial sustainability as part of the Corporation's Transition planning. Development of the Park Business Plan as part of wider plans to deliver financial sustainability.
Managing the risks to the successful delivery of the East Bank and ensuring that there is effective stakeholder engagement at all levels.	Project Principals meetings with LLDC and East Bank Project Management Partner senior leadership to drive project towards completion. East Bank Risk and Assurance Board, with an independent Chair reviews construction delivery of East Bank. Independent Chair also attends Investment Committee. Integrated three lines of defence model assurance framework in place to provide assurance to funders, partners and LLDC Board that the risks to the programme are being successfully managed. Governance structures in place include partners and funders.
Continuing to develop effective joint working with other parts of the GLA Group, including through shared services.	Proactive member of the GLA Group Collaboration initiatives. Effective shared service arrangements in place for legal, treasury management, secretariat services, internal audit provision, insurance services and for some categories of procurement.

Continuing enhancing the internal control environment.	Continuous review and enhancement of budgeting and business planning process. Regular audits of finance systems.
Resolving issues relating to delivery of E20 Stadium Business Plan.	E20 Stadium LLP Board members and funders considering commercial/restructuring options.
Ensuring effective operations at London Stadium following the LS185 acquisition and delivering progress in getting the London Stadium on a firm financial footing	Senior Management Group of LS185, E20 Stadium LLP, and LLDC executive provide oversight and monitor development of a commercial strategy for the Stadium.

LLDC will address these and other issues that arise, in order to enhance its governance arrangements, and will keep these under review to ensure fitness for function.

Lyn Garner

Chief Executive

May 2024

Peter Hendy

Chair

May 2024

Glossary of terms

Accruals basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial gains and losses

Actuaries assess financial and non-financial information provided by LLDC to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses can arise leading to a loss or gain because events have not coincided with the actuarial assumptions made for the last valuation; and/or the actuarial assumptions have changed.

Balances

The balances of LLDC represent the accumulated surplus of income over expenditure on any of the funds.

Capital Adjustment Account

The account accumulates (on the debit side) the write-down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (deferred charges). The balance on the account thus represents timing differences between the amount of the historical cost of fixed assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital expenditure

This is expenditure on the acquisition of a fixed asset, or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.

Capital financing charges

This is the annual charge to the revenue account in respect of interest and principal repayments and payments of borrowed money, together with leasing rentals.

Capital receipts

Income received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

Carrying amount

The balance sheet value recorded of either an asset or a liability.

CBE, MBE and OBE

CBE refers to the Commander of the Order of the British Empire award; MBE refers to the Member of the Order of the British Empire award and OBE to the Officer of the Order of the British Empire award.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services.

Contingent liabilities or assets

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in LLDC's accounts.

Creditors

Amounts owed by LLDC for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Current service cost

Current service cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits 'earned' by employees in the current year's employment.

Curtailment

Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

Debtors

These are sums of money due to LLDC that have not been received at the date of the Balance Sheet.

Defined benefit scheme

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Defined contribution scheme

A defined contribution scheme is a pension or other retirement benefit scheme into which an employer pays regular contributions as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Ministry of Housing, Communities and Local Government (MHCLG)

A department of central government with an overriding responsibility for determining the allocation of general resources to local authorities.

Depreciation

This is the measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset.

Exceptional items

Material items deriving from events or transactions that fall within the ordinary activities of LLDC, but which need to be separately disclosed by virtue of their size and/ or incidence to give a fair presentation of the accounts.

External audit

The independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure LLDC has made proper arrangements to secure value for money in its use of resources.

Expenditure

This is amounts paid by LLDC for goods received or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment since expenditure is deemed to have been incurred once the goods or services have been received even if they have not been paid for.

Fair value

Fair value is the price at which an asset could be exchanged in an arm's length transaction, less any grants receivable towards the purchase or use of the asset.

Finance lease

A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Financial regulations

These are the written code of procedures approved by LLDC, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

Fixed assets

Assets that yield benefits to LLDC and the services it provides for a period of more than one year. Examples include land, buildings and vehicles.

General fund

This is the main revenue fund of LLDC and includes the net cost of all services financed by Government and other trading income.

Impairment

A reduction in the value of a fixed asset below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a fixed asset's market value and evidence of obsolescence or physical damage to the asset.

Income

These are amounts due to LLDC for goods supplied or services rendered of either a capital or a revenue nature. This does not necessarily involve a cash payment. Income is deemed to have been earned once the goods or services have been supplied even if the payment has not been received (in which case the recipient is a debtor to LLDC).

Intangible fixed assets

These are fixed assets that do not have physical substance but are identifiable and controlled by LLDC. Examples include software, licenses and patents.

International Financial Reporting Standard (IFRS)

Defined Accounting Standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Leasing costs

This is where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist: finance leases and operating leases.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Net Realisable Value (NRV)

NRV is the open market value of the asset in its existing use (or open market value in the case of non-operational assets) less the expenses to be incurred in realising the asset.

Operating lease

This is a type of lease, usually of computer equipment, office equipment, furniture, etc. where the balance of risks and rewards of holding the asset remains with the lessor. The asset remains the property of the lessor and the lease costs are revenue expenditure to LLDC.

Prior period adjustments

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Provisions

Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and/or the timing of such costs is uncertain.

Public Works Loan Board (PWLB)

An arm of central government which is the major provider of loans to finance long term funding requirements for local authorities.

Related parties

Related parties are central government, other Local Authorities, subsidiary and associated companies, Members and all Executive Management Team members. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household, and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Reporting standards

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards (IFRS), International Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (UK GAAP) and Financial Reporting Standards (FRS).

Reserves

Amounts set aside for general contingencies, to provide working balances or earmarked to specific future expenditure.

Revaluation reserve

The reserve records the accumulated gains on the fixed assets held by LLDC arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

Revenue expenditure

Expenditure incurred on the day-to-day running of LLDC. This mainly includes employee costs, general running expenses and capital financing costs.

Revenue Expenditure Funded From Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the Comprehensive Income and Expenditure Statement.

Service Reporting Code of Practice (SeRCOP)

Prepared and published by CIPFA, the Service Reporting Code of Practice (SeRCOP) replaced the previous Best Value Accounting Code of Practice (BVACOP). It is reviewed annually to ensure that it develops in line with the needs of modern local government, transparency, best value and public services reform. SeRCOP establishes proper practices with regard to consistent financial reporting for services and in England and Wales, it is given legislative backing by regulations which identify the accounting practices it propounds as proper practices under the Local Government Act 2003.

Treasury management

This is the process by which LLDC controls its cash flow and its borrowing and lending activities.

Treasury Management Strategy (TMS)

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for LLDC.