LONDON LEGACY DEVELOPMENT CORPORATION

ANNUAL REPORT AND ACCOUNTS

2022/23

STATEMENT OF AUDITED ACCOUNTS

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Chair's foreword

Last year provided a wonderful opportunity to reflect on the successes of the last decade. The 10-year anniversary celebrations were something we can all look back on with great pride – and I would like to extend my thanks on behalf of the London Legacy Development Corporation Board (LLDC) to all those who made the events of last summer so special.

From the Mayor of London lighting the Anniversary Legacy Flame, to the largest ever Great Get Together, tens of thousands of people joined in celebrating 10 years since the London Olympic and Paralympic Games in 2012. Ten years on too, of course, from Her Majesty Queen Elizabeth II's appearance at the opening ceremony. All of us at LLDC are proud and honoured that the Park will forever carry Queen Elizabeth's name, and we, like the rest of the nation, mourned her passing in September.

As much as it is important to reflect and celebrate the legacy of 2012, which I'm pleased to say is thriving, there is so much about the next 10 years to be excited about.

East Bank remains a major focus here at Queen Elizabeth Olympic Park – the next chapter of the legacy project. It is a complex and demanding project, and continues to receive cross-party political support at local, London and national level, as well as effective collaboration between public and private sectors.

East Bank has made huge progress for all to see, and thousands more people are living on the Park, including the first of the student population arriving last year following the opening of UCL East's One Pool Street campus.

By the end of this year, the Stratford Waterfront construction project, consisting of Sadler's Wells East, BBC Music, the V&A East and University of the Arts London, will be coming to an end.

As with any major construction project, there have been challenges along the way. While the Covid-19 pandemic may seem a distant memory, the knock-on effect, coupled with design challenges, significant rising material and labour costs, and adverse weather in December have been big factors. I am confident that, once open, East Bank will take the legacy to the next level, attracting an additional 1.5 million visitors to the Park a year, and generating £1.5bn for the economy.

And while that should be celebrated, if there is one thing that we should remember from 2012, it is that there was a promise to improve the lives of local people.

That sentiment was never lost on Pam Alexander OBE, who sadly passed away in April this year. An LLDC Board member and former Planning Decisions Committee Chair, Pam had a passion for good design and high quality public open space, putting people at the heart of placemaking. Pam was vital in placing a major LLDC policy focus on the safety of women and girls – award-winning work that has led to the launch of the Women's Safety Stakeholder Group Charter.

That and other key work that happens on the Park wouldn't be possible without our people, who get on and deliver with our partners. On behalf of the Board, I would like to thank our chief executive Lyn Garner, her executive team, and all the staff at LLDC, for their continued outstanding work that has already delivered so much for east London. At a time of change, and some uncertainty on a personal basis for them, we continue to be grateful for their commitment and professionalism.

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.

I look forward to the next decade of the legacy, delivering even more for this special part of London.

Lord Peter Hendy
Chair
19 December 2023

Chief Executive's statement

After the fantastic 10-year anniversary celebrations of last year, which provided us with the perfect opportunity to look back on what has been achieved since the London 2012 Olympic and Paralympic Games, this year has all been about looking forward to the future of Queen Elizabeth Olympic Park and London Legacy Development Corporation (LLDC).

I have very fond memories of the events of last summer. It was great to see so much of the local community enjoy the festivities – whether that be as part of the Great Get Together, the 'Celebrating 10 Years' Festival site, East Summer School, the events at London Stadium or simply enjoying all that our venues and parklands have to offer.

It served as a reminder of what this part of east London now has and how transformational the last decade has been. But anyone who visited the Park last summer will only have needed to take a glance at the Stratford Waterfront site, which forms a major part of our education and cultural district, East Bank, to get a reminder of just how much there is to come and still to be done.

East Bank, LLDC's landmark project, is the next piece in the legacy jigsaw and the next three years are geared towards it being fully open.

Following topping out ceremonies for UAL's London College of Fashion building, the new V&A East Museum, BBC Music and Sadler's Wells East at Stratford Waterfront, the opening of UCL East's campus at One Pool Street was a significant moment in November. UCL East's flagship Marshgate building will welcome students for the first time in September 2023.

Along with Lendlease, UAL's London College of Fashion, Loughborough University, Here East, Plexal and LLDC, UCL is one of the founding partners of the Park's, and the world's, first Inclusive Innovation District, SHIFT, which launched in June 2022.

SHIFT brings together public, private, community and academic sectors to jointly explore creative solutions to everyday challenges in climate change, health and wellbeing and movement of people and things in cities. It is another example of our commitment to position the Park as a living testbed for new ideas and projects.

The V&A's iconic branding was put in place earlier this year while UAL's sign on the London College of Fashion building was installed in spring 2023. There was further positive news when the V&A announced it will be housing its recently acquired David Bowie archive at the V&A East Storehouse at Here East, one of the three East Bank sites.

The 80,000-item collection will be held as part of the David Bowie Centre for the Study of Performing Arts, which will open in 2025. The collection will prove to be a huge draw, not just for the V&A but for East Bank more widely, helping to cement its reputation as a must-visit international destination.

The East Bank buildings are scheduled to open in phases, with UAL's London College of Fashion and UCL East Marshgate opening in autumn 2023 and Sadler's Wells East in 2024. V&A East Storehouse, V&A East Museum and BBC will open in 2026.

Our work to deliver new homes continued throughout the year with the highlight being the completion of Chobham Manor, the first neighbourhood on the Park, which comprises 880 homes (75% family sized), a cafe, nursery, 1,500m^2 of open space and public realm. It is testament to the build quality of the development, and the design standards set by LLDC, that Chobham Manor has won two awards over the last year. Built by Taylor Wimpey and managed by L&Q, the development was awarded Best Large Development at the Evening Standard New Homes Awards 2022.

Added to the 302 homes built during the first phase of East Wick, there have now been almost 1,200 completions on LLDC-owned land. Works on East Wick Phase Two commence recently.

LLDC is keen to maximise both affordable housing and returns from development for the taxpayer, which is why we have changed our delivery approach with remaining LLDC-owned sites, seeking to enter into Joint Venture (JV) agreements with developers.

This approach led to LLDC forming a 50/50 JV partnership with the developer, Ballymore to deliver the transformation of the two waterfront sites, Bridgewater Triangle and Stratford Waterfront. The partnership will deliver almost 1,200 new homes – 575 at Bridgewater Triangle (50% affordable) and 600 at Stratford Waterfront (35% affordable).

At the turn of the New Year, LLDC went out to market, seeking a JV development partner to deliver the last major development site on the Park. The £675 million project will deliver a vibrant and distinctive new local centre at Pudding Mill Lane, which is an outstanding site, with its 5.1 hectares located in a prime position on the southern edge of the Park, which is also home to ABBA Voyage. The project has outline planning consent for 948 homes, of which 45% have been designated as affordable housing.

Notting Hill Genesis' reserved matters application for 190 homes in Hackney Wick was approved in July and procurement is concluding for a development partner to deliver approximately 450 homes at Rick Roberts Way.

There has never been any doubt that to build a legacy which has community at its heart, you need to build homes and provide routes to employment – what is here on the Park is living proof of that and East Bank will be another key driver for jobs.

Working with the East Bank partners and in collaboration with local boroughs, programmes and initiatives such as Build East and Good Growth Hub have continued to enjoy success with local communities also benefiting from the Community Infrastructure Levy funding through the Neighbourhood Priorities Fund, as well as the Carbon Offset Fund.

But to facilitate such dynamic work, we must keep making it as easy as possible for people who live on, or who want to visit the Park, to access it.

While work continues on various walking and cycling improvements across the Park, another important transport improvement was made when ground was broken on a £8.4million project to construct a new entrance to Stratford Station from Carpenters Estate. The joint project with the London Borough of Newham (LB Newham), Transport for London (TfL) and the Greater London Authority (GLA) will improve access and connections to the station and the surrounding area for residents and visitors to the area.

We want this part of east London to continue to thrive for many years to come which is why this year a lot of hard work has gone into putting together plans for the redevelopment of Stratford Station. Together with LB Newham, TfL and Network Rail, LLDC has submitted a Strategic Outline Business Case (SOBC) to the Department for Transport for the long-term redevelopment of the station and surrounding area.

A huge amount of the area's potential has been unlocked over the past decade, with the Park providing a major catalyst for change. That successful work, coupled with a rising local population – the Government projects an additional 500,000 people over the next 20 years to call east London home – has put a big strain on Stratford Station. TfL recorded that there were 128 million passenger movements through the station in 2019, up from 40 million in 2006. This growth has had a significant impact on the station's already limited capacity, resulting in unacceptable levels of passenger crowding, delays in entering the station and slow interchange within it.

Critical work is required, and I thank those who have already dedicated many hours to this very important project.

Redevelopment work would further improve access, allowing more people to come and go from the Park with ease. Indeed, a big proportion of the millions of people who visit the Park year on year do so to enjoy many of the top-class events that are on offer here.

The 2022/23 Premier League season was the first since the pandemic where fans faced no Covid-19 restrictions and that, along with West Ham United's success in Europe the previous season, has resulted in London Stadium regularly attracting capacity crowds.

The Copper Box Arena has had a busy year hosting heavyweight boxing and the Wheelchair Rugby League World Cup as well as top level basketball and netball with the venue hosting the home matches of London Lions and London Pulse.

The Park has become a major destination for E-Sports events with the Copper Box Arena hosting the 2023 League of Legends Mid-Season Invitational – an event watched by hundreds of thousands worldwide – and the London Aquatics Centre staging the Arena Games Triathlon, an amalgamation of real-life and virtual racing. The London Aquatics Centre remains the home training centre for Team GB's diving team.

ABBA Voyage, which opened in May 2022, has become a key attraction, bringing in an additional 1 million visitors since it started.

There has been yet another packed schedule this summer. Nigerian artist Burna Boy kicked off the activity at London Stadium in early June ahead of the return of Major League Baseball 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 drew to a close with UK Athletics Diamond League.

As part of our commitment to driving best value for taxpayers and local communities, there are procurement processes underway for a number of key operational contracts across the Park including at the Copper Box Arena, the London Aquatics Centre and ArcelorMittal Orbit.

This next year will bring LLDC closer to the next phase of its evolution. In September 2022, the Mayor of London agreed that LLDC's Town Planning Powers would return to the four Growth Boroughs of Newham, Tower Hamlets, Hackney and Waltham Forest by 1 December 2024.

The Mayor has also agreed that LLDC will maintain its status as a Mayoral Development Corporation as a functional body of the GLA beyond 1 April 2025, but with reduced functions, a reconstituted Board and governance structure, and a reduced area (subject to consultation).

Of course, regardless of any changes, LLDC's priorities remain clear: continue to build on the most successful legacy in the history of the Olympic and Paralympic Games and deliver for local people. Over the last year we have maintained that forward momentum, not just with bricks and mortar as more buildings and homes come out of the ground but with the networks and support that drive the creation of jobs, training, and a host of opportunities on and around the Park. The year ahead will see more of the same.

Lyn Garner

Chief Executive
19 December 2023

Members of the London Legacy Development Corporation

The Members of the London Legacy Development Corporation during the year ending 31 March 2023 are set out below. This includes Members who joined and left the Board during the course of the year.

Lord Hendy CBE (Chair)

Peter, Lord Hendy of Richmond Hill took up his role 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.

Pam Alexander OBE

Pam Alexander had a long career in housing, heritage, and economic regeneration. She was Chair of Commonplace Digital Ltd, using technology to broaden community engagement and participation, and of The Heritage Alliance, a membership body advocating for and supporting independent built and natural environment organisations. She was a Director of One CAM Ltd until it was abolished in January 2022, was an advisor to OnePlanet.com, a platform to integrate planning for zero carbon living, on the Planning Advisory Board of RPS Group, a Commissioner of the Commission for Creating Healthy Places, an Ambassador on the London Mayor’s Cultural Leadership Board, and a member of New London Architecture’s Sounding Board.

Pam had previously held many non-executive directorships including Chair of Covent Garden Market Authority at Nine Elms, NED of Crest Nicholson plc, Crossrail Ltd and Design Council, where she was Deputy Chair and Chair of Design Council Cabe, and chair of Peabody. Her executive career as Deputy CEO of the Housing Corporation then CEO of English Heritage and of the South-East England Development Agency followed 20 years as a civil servant in the then Department of the Environment.

In April 2023, LLDC was very saddened to hear that Pam had passed away.

Shanika Amarasekara MBE

Shanika Amarasekara is Chief Impact Officer at the British Business Bank, which is the UK Government Development Bank to facilitate access to finance for small and medium sized businesses. She joined as a founder member of the Senior Management Team, which set up and launched the bank in 2014, and was General Counsel until February 2021. Prior to this she worked as General Counsel at an institution established by a number of central banks to promote financial stability and economic development. Shanika previously held senior positions at RBS and Allen & Overy.

Cllr Rachel Blake

Rachel Blake was the Deputy Mayor for Adults, Health and Wellbeing at the London Borough of Tower Hamlets. She was elected to represent the Labour Party for Bow East Ward in May 2014 and appointed to Cabinet in July 2015. In Cabinet, she has worked on the community mobilisation response to the pandemic, preparing a new Health and Wellbeing Strategy, the production of a new Local Plan, a new Housing Strategy, a programme of 2000 new affordable homes and a Tackling Poverty programme. Prior to this position, she held a range of roles in Local, Regional and National Government working on Housing, Regeneration and Planning Policy. She is also a member of the Local Government Association Policy Board for Environment, Economy, Housing and Transport.

Rachel stepped down from the Board in May 2022.

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. As Cabinet Member for Housing, Philip oversaw the delivery of genuinely affordable homes, which he is continuing as Mayor, committing the Council to building a further 1,000 council homes for social rent between 2022 and 2026. Employment, skills and education are also a key priority for the Mayor; supporting schools, ensuring that we actively help young people into careers and that all residents, whatever their age, have the skills and support they need to get into employment, return to work or start a business – all contributing towards his agenda to bridge the gap between Hackney's residents and their growing local economy. His leadership on climate issues has seen Hackney recognised as the most ambitious local authority tackling the climate crisis.

Philip is a campaigning Mayor, standing up for Hackney's most vulnerable residents and for local government's important role in tackling inequality and poverty. He writes extensively on these subjects and has been part of the growing 'new municipalism' movement in local government. Philip is Chair of its Transport and Environment Committee, putting him at the forefront of regional attempts to tackle climate change. He has served on the LLDC Board since 2016 and is currently a Board member of the NHS North East London Integrated Care Board and London Councils Digital Champion. Philip previously worked for an HIV charity in Old Street and in various roles in Parliament. He was born in Hillingdon, moved to Worcester, before moving back to London in 1999 to go to university, and has lived in Hackney since 2003.

Sukhvinder Kaur-Stubbs

Sukhvinder Kaur-Stubbs Chairs the Regeneration Committee for LLDC. She supports the Executive teams in efforts to develop an inclusive economy. Sukhvinder is Chair in Common of Kingston Hospital

Foundation Trust and Richmond and Hounslow NHS Trust. In addition, she Chairs the independent Customer Challenge Group for Thames Water and is a member of the Board of the Regulator for Social Housing.

Sukhvinder is MD of Engage Us Ltd supporting public and private sector organisations to develop more trusting relationships with consumers and those they serve. She is an expert in managing diversity and building more inclusive cultures.

Jamie Kerr

Jamie Kerr is a Chartered Surveyor with more than 30 years' experience in property development and finance. He has particular knowledge around retail, transport related development, master planning and town centre reinvention and has worked for LCR and John Laing Plc as an Executive Director. He sits on the Board of the Solihull Urban Growth Company and has recently established Urban Development Partnerships to focus on the renewal of town centres.

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 a Independent Non Executive Director and Chair of the Operational Board of the Professional Footballers Association.

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 as Leader of Waltham Forest Council in 2021, overseeing the Council's 'Fair Deal' programme supporting residents to recover from the pandemic. In May 2022 Grace was re-elected as Leader and is now responsible for the council's 15 Minute Neighbourhoods strategy – adopting a more localised approach to services and improving the sustainability and livability of communities while changing the Councils' relationship with residents. Before this, 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. Grace is also the Shadow Lead for Children and Young People for London Councils, building on experience as Children's' Lead and her previous careers working in the civil service to tackle child poverty and as a teacher in London schools. Grace has regularly supported other Children's Cabinet leads as an LGA Mentor and contributed to Peer Reviews.

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 Co-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 became the first ever Paralympic Rowing Gold Medallist 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. 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 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 Chair of the British Paralympic Association's Athletes' Commission where she is also a Non-Exec Director. She Chaired the 2016 Inclusion summit at the Rio Games on behalf of the and the World Academy of Sport. 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 anything from crime diversion, community cohesion as well as physical and mental health benefits.

Helene was elected as a Non-Exec Director at the Sport & Recreation Alliance from 2017 - 2023, that brings together nearly 400 members of the sport and recreation sector to act as a voice for them to Government and support by providing advice and guidance at a grassroots level. 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.

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.

Mayor Lutfur Rahman

Lutfur Rahman became the Executive Mayor of Tower Hamlets in May 2022. He previously served as the borough's first directly elected Mayor from 2010-2015.

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 was appointed to the Board on 12 July 2022.

Changes to Board membership

Cllr Rachel Blake of the London Borough of Tower Hamlets stepped down from the Board in May 2022.

Following their re-elections in the local government elections in May 2022, the Mayor of the London Borough of Hackney, Phillip Glanville, the Mayor of the London Borough of Newham, Rokhsana Fiaz and Leader of Waltham Forest Council, Cllr Grace Williams were reappointed to the board in May 2022.

Following his election as Mayor of the London Borough of Tower Hamlets in May 2022, Lutfur Rahman was appointed to the Board on 12 July 2022.

Attendance at LLDC Board and Committee meetings during 2022/23

	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	**5**	**3**	**4**	**3**	**3**	**2**	**7**	**See note 1**
Lord Peter Hendy	3/5	-	0/4	-	3/3	-	-	
Pam Alexander	3/3	-	-	-	-	-	5/6	See note 2 and 4
Simon Blanchflower	5/5	-	4/4	-	3/3	2/2	-	
Shanika Amarasekara	4/5	3/3	3/4	-	-	-	-	
Cllr Grace Williams	4/5	-	-	-	-	-	-	
Gabrielle Appiah	5/5	-	-	-	-	-	6/7	See note 4
Gurpreet Dehal	4/5	3/3	4/4	-	-	-	1/1	See note 4
Phil Mead	5/5	3/3	4/4	-	-	2/2	-	
Helene Raynsford	4/5	3/3	-	2/3	-	1/2	-	
Mayor Rokhsana Fiaz	4/5	-	-	-	-	-	-	
Mayor Philip Glanville	4/5	-	-	-	-	-	-	
Mayor Lutfur Rahman	1/4	-	-	-	-	-	-	See note 3
Sukhvinder Kaur-Stubbs	5/5	-	3/4	3/3	3/3	-	-	See note 4
Jamie Kerr	5/5	-	-	-	3/3	-	7/7	
Jules Pipe	4/5	-	-	-	-	-	-	
Geoff Thompson	3/5	3/3	0/0	2/3	-	-	-	See note 4
Cllr Nick Sharman (LBH)	-	-	-	-	-	-	1/1	See note 5
Cllr Jessica Webb (LBH)	-	-	-	-	-	-	5/5	See note 5, 6 and 7
Cllr James Beckles (LBN)	-	-	-	-	-	-	2/2	See note 5
Cllr Rachel Tripp (LBN)	-	-	-	-	-	-	5/7	See note 6 and 7
Cllr Mohammed Gani (LBN)	-	-	-	-	-	-	3/5	See note 6 and 7
Cllr Dan Tomlinson (LBTH)	-	-	-	-	-	-	1/1	See note 5
Cllr Kabir Ahmed (LBTH)	-	-	-	-	-	-	1/5	See note 6 and 7
Cllr Marie Pye (LBWF)	-	-	-	-	-	-	7/7	See note 6 and 7
Piers Gough	-	-	-	-	-	-	6/7	
James Fennell	-	-	-	-	-	-	6/7	
Abdul Thahid	-	-	-	-	-	-	7/7	
Martha Grekos	-	-	-	-	-	-	4/7	

Notes:

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

1. During the 2022/23 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 illnesses 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 July 2022; Investment Committee in November 2022; Regeneration and Communities Committee in June 2022 and February 2023; and Health, Safety and Security Committee in December 2022. The Board meeting and Health, Safety and Security meeting scheduled for September 2022 were cancelled as they fell during the period of national mourning for HM Queen Elizabeth II.

2. Pam Alexander did not attend the January or March 2023 Board due to ill health.

3. Joined or left the Board during the financial year (Mayor Rahman joined the Board on 12 July 2022).

4. Joined or left a Committee during the financial year (Gabrielle Appiah joined the Planning Decisions Committee in April 2022. Sukhvinder Kaur-Stubbs served on the Planning Decisions Committee until 31 March 2022 and joined the Investment Committee on 1 April 2022; Pam Alexander stood down as a member and chair of the Planning Decisions Committee after the January 2023 meeting; Gurpreet Dehal stood down from the Investment Committee after its 21 February 2023 meeting and joined the Planning Decisions Committee on 22 February 2023; Geoff Thompson joined the Investment Committee on 21 March 2023.

5. Cllr Nick Sharman (LBH) and Cllr Dan Tomlinson (LBTH) left the Planning Decisions Committee in May 2022 as they did not stand in the local government elections. Their substitutes, Cllr Jessica Webb and Cllr Rachel Blake attended meetings until new nominations were received. Cllr Jessica Webb attended the May meeting, Cllr Rachel Blake sent apologies. Cllr James Beckles (LBN member), Cllr Rachel Blake (LBTH substitute member) and Cllr Terry Wheeler (LBWF substitute member) left the Planning Decisions Committee in June 2022.

6. On 10 June 2022, new members and substitute members were appointed to the Planning Decisions Committee: Cllr Jessica Webb (LBH new member) and Cllr Joseph Ogundemuren (LBH new substitute member); Cllr Mohamed Gani (LBN new member), Cllr Jenny Gray (new LBWF substitute member). Cllr Tripp (LBN member), Cllr Pye (LBWF member), Mayor Fiaz (LBN substitute member) and Cllr Garfield (new substitute member) did not need to be re-appointed. On 3 July 2022, Cllr Kabir Ahmed was (LBTH member) and Cllr Mohammed Abdul Wahid Ali (LBTH substitute member) were appointed.

7. Substitute on the Planning Decisions Committee (Cllr Joseph Ogundemuren is the substitute member for Cllr Jessica Webb (LBH); Mayor Rokhsana Fiaz and Cllr Joshua Garfield are the substitute members for Cllr Mohamed Gani and Cllr Rachel Tripp London (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). Cllr Garfield attended the October 2022 meeting for Cllr Tripp. Cllr Garfield attended the January 2023 meeting for Cllr Tripp.

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. 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 Mayor of London appoints the Members to LLDC's Board and allocates its budget. In addition, LLDC is required to prepare 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').

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.

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 have been 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 year that marked the 10-year anniversary of the London 2012 Olympic and Paralympic Games, LLDC has performed strongly, particularly following the disruption caused by the recent COVID-19 pandemic. As reported in the 2022/23 Quarter 4 Corporate Report[1], LLDC ended the financial year with a £5.3m net underspend. This was largely driven by the settlement of legal disputes at the London Stadium and underutilisation of LLDC's available revenue contingency but also by overperformance in its Trading operations, such as 3 Mills Studios, which exceeded income targets by operating at higher than anticipated occupancy levels, and lower costs from LLDC's office move to 5 Endeavour Square. However, as set out in its November 2022 budget submission, the wider macroeconomic environment continues to provide challenges for LLDC, particularly from the significant increase in price inflation mainly affecting development at East Bank and residential and utilities venue costs. Whilst LLDC is financially resilient to absorb some of these pressures, support is required from the GLA through additional revenue grant over the budget submission period (2023/24 to 2025/26)[2]. Further details of the Corporation's revenue and capital position are provided later in this report.

The operations of LLDC's **venues,** principally the ArcelorMittal Orbit, Copper Box Arena and London Aquatics Centre continued successfully during the year. Between April 2022 and March 2023 there were

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[1] Corporate Performance Report – March 2023 (see link here)

[2] see LLDC's budget submision here

just under 230,000 visitors to the Copper Box Arena and over 785,000 visitors to the London Aquatics Centre. The pool re-opened on 19 April following the gas leak incident which was covered in the last report. There were also just under 87,000 visitors to the ArcelorMittal Orbit between April and December 2022, after which it was closed until early March for essential maintenance. As in previous years, 3 Mills Studios continued to perform strongly as the studios and other ancillary space remained in high demand. LLDC completed its major refurbishment of Custom House, the Screening Room and the Gin Still at the site, funded through contributions from Government grant and Community Infrastructure Levy.

The **London Stadium** hosted several successful events in 2022/23, including the Hella Mega tour and Red Hot Chili Peppers concerts as well as other events such as Monster Jam, Soccer Aid, the London Halal Food Festival and Wing Fest. Work also completed to prepare the Stadium for Premier League Football, which included completion of works on the West Stand. The new stand is much more cost and time efficient to adapt for concerts, athletics and baseball. West Ham United played their first match of the season against the league champions Manchester City on 7 August. The Mayor of London also announced a long-term strategic partnership with Major League Baseball to hold major events in London over the next five years including regular season games in 2023, 2024 and 2026, further enhancing London Stadium's reputation as a world-class multi-use venue.

At **East Bank** – LLDC's flagship project to deliver a world-class cultural and education district on the Park – construction work on the Corporation delivered Stratford Waterfront site continued. This project is bringing together the Victoria and Albert Museum (V&A), Sadler's Wells Theatre and the BBC alongside the UAL's London College of Fashion (UAL) 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 will 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. The four building structures on Stratford Waterfront are all now well progressed following the topping out of the UAL and V&A buildings in 2021/22, topping out ceremonies for the BBC and Sadler's Wells buildings took place earlier in 2022/23. Construction work at the University College London's (UCL) new campus, UCL East, completed and the facility opened to students in 2022. Pool Street opened in 2022, Marshgate in 2023.

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 2023/24 budget submission (November 2022) was based on a construction Anticipated Final Cost (AFC) of £615.2m reflecting an additional £40.0m of construction costs. The £40m overspend has been driven by late changes as a result of delays in the design review process, arising from errors and omissions in the Stage 4 design and the need to protect the architectural design intent, design co-ordination issues and the finalisation of Partner requirements. The effect of these was to prolong the contractor design periods beyond 2022 and cause construction works to become concentrated towards the end of the delivery programme in 2023. As reported in LLDC's Quarter 4 Corporate Performance Report, the AFC had increased to £629.6m as at 31 March 2023, £5.1m higher than the current baseline budget. The main drivers of this were increases in the cost of design development integration issues on site, consequential delay and prolongation and contractor settlements.

It was announced in 2022/23 that following a procurement process, Ballymore and LLDC have formed a joint venture to deliver the **Stratford Waterfront and Bridgewater Triangle** residential sites. LLDC (via its subsidiary, Stratford East London Developments Limited) will be investing equity into the joint venture delivery vehicle alongside Ballymore. The 50/50 joint venture will mean that LLDC takes an equal share of both the risk and returns arising from the developments. The equity requirement and associated returns are reflected in LLDC's budgets. The first joint venture Board meeting was held in Quarter 4 of 2022/23.

Elsewhere on the Park, construction of the final homes on the **Chobham Manor** development completed in 2022/23; all 880 units are now built and occupied. LLDC's share of sales receipts from the development was £8.5m in 2022/23.

At **East Wick and Sweetwater**, a joint venture between Balfour Beatty and Places for People, early works for Phase 2 began in 2022/23 with the hoarding erected and tree removal, but main works are now in train. LLDC's share of sales receipts from Phase 1 of the development was £1.6m in 2022/23.

On LLDC's other key residential development sites:

- Notting Hill Genesis are to develop 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. The vacant possession process for the site completed during the year and the site handed over to the contractor, satisfying start on site conditions linked to the GLA affordable housing grant.

- 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 was launched in January 2023 and is expected to conclude (with appointment of the partner) in the second quarter of 2024.

- LLDC and London Borough of Newham completed a land swap to consolidate landholdings on the **Rick Roberts Way** site giving LLDC ownership of a developable parcel fronting Stratford High Street. Rick Roberts Way 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. Rick Roberts Way is expected to provide approximately 450 homes. Procurement to select a developer for the site progressed during 2022/23 with contract award in 2023/24.

LLDC delivered a range of **socio-economic activities** during 2022/23 targeted particularly at young people. LLDC's flagship free community event – the Great Get Together – returned to the Park in July 2022, as part of the celebrations to mark 10 years since the London 2012 and Paralympic Games. Activities included live music from the BBC Introducing Stage, the London School of Samba Parade, Circus acts, street theatre and an acoustic area jam-packed with up-and-coming local singers, musicians and poets. East Bank and other partners brought a participatory area with creative activities, and there was a range of sports to try including cycling and rowing on the waterways.

The Good Growth Hub (GGH) is designed to be a focal point for local people seeking Park based careers and for employers including East Bank partners, looking to recruit diverse, local talent, aiming to give information, advice, and guidance to over 2,500 local people and help over 450 people into work and support over 850 businesses to adopt inclusive working practices over the next 5 years. During 2022/23, the GGH increased the number of high-quality employment and training opportunities accessible to local residents including the launch of a pre-employment training programme to support the recruitment of 28 roles at the new Young V&A site in Bethnal Green. It also delivered a range of activities to support school children to engage early with the GGH during the Future Me, Future Youth conference and with local boroughs and partners to build capacity, share best practise and work towards shared goals and ambitions.

The SHIFT testbed programme has seen progress in various key areas this year. The team successfully commenced its first digital trial for the Urban Data Commons (UDC) platform and finalised its SHIFT trial agreement to enable this. Internal and external consultations were conducted to refine the company's digital and impact strategies. The team completed plans for an event series and membership model. A funding bid for Shared Prosperity Funding was also submitted to enable scalability and accelerate impact.

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. Key activities towards this ambition during this year include:

- Report to January 2023 LLDC Board, updating on progress towards NZC2030, and the associated costs and challenges of doing so.
- Pursuing funding options to support LLDC's NZC ambitions, specifically, the Mayor of London's "Net Zero Accelerators" fund.
- Building LLDC's sustainability requirements into the LLDC Park Operations and Venues operational contracts procurements – requiring contractors to support LLDC's 1.5°C aligned targets.

LLDC's agreed 2023/24 budget included a climate budget to sit alongside the financial budget. The climate budget (in the first year) set out actions being taken across the group, their impact and the resource allocated to reduce scope 1 and scope 2 emissions. 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. Actual spend on these projects will be reflected in the LLDC's accounts as incurred.

Work has continued during the year on the planned **Transition** 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 a large part of LLDC's direct role in this will be complete by 2025. With a robust prioritisation of its workload, key objectives will have been delivered by 2025 and plans will be in place for the delivery of ongoing functions and the long-term operation and oversight of the Park. The Corporation will be 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.

For the long-term financial sustainability of the restructured body, LLDC's objective[3] 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 and focussing on increasing commercial income opportunities. There are no financial implications for the 2022/23 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 and contributions from East Bank partners towards development costs. As detailed in LLDC's Treasury Management Strategy Statement 2022/23 (approved by the Board on 17 May 2022), LLDC's borrowing limit is currently £520m increasing to £550m in 2023/24; 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 2022/23, LLDC drew £43.2m in loan funding from the GLA. The total outstanding loan balance due to the GLA as at 31 March 2023 is therefore £442.3m (from £399.1m as at 31 March 2022). Additional funding during the year for LLDC's capital programme came from £65.5m of capital receipts (including contributions from East Bank partners towards the cost of their buildings[4]) and £108.7m of capital grants from the GLA.

Overall, as reported in LLDC's Quarter 4 2022/23 Corporate Performance Report, the net capital expenditure for the year was £25.1m (on an accruals basis), which was less than budgeted (£76.4m). LLDC's gross capital expenditure for the year was £196.0m against a budget of £247.9m reflecting mainly

[3] Set by the Mayor of London

[4] Note this includes £25.6m from UAL, which is funded by a loan facility from LLDC, repayments of which are expected to begin in 2023/24.

timing differences on capital projects, most particularly East Bank and Hostile Vehicle Mitigation (HVM) works on the Park. Capital income of £170.9m was largely consistent with the budget of £171.5m.

LLDC's **investment property portfolio** was revalued at 31 March 2023 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 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 £133.4m, a net decrease of £33.9m from the prior year. This is largely due to:

- 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).

A fundamental review of the accounting and presentation of investment properties was undertaken for last year's accounts, resulting in the following changes:

- LLDC's **residential development plots** were reclassified as inventories[5] 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) were reclassified as inventories.

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 2023:

- Inventories of £290.6m, as set out in Note 17; and
- East Bank provision of £244.3m, as set out in Note 28.

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 £26.3m (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 2022/23 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 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 2023 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 2023, the Stadium's fair value is assessed to be nil due to the level of costs included in E20 Stadium LLP's long-term forecasts.

[5] Inventories in this context represent 'work in progress'.

In 2016/17, E20 Stadium LLP recognised 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. Following an update to International Accounting Standard 37 (Provisions, Contingent Liabilities and Contingent Assets), a detailed review of the provision and its underlying assumptions (including the discount rates applied) was undertaken in last year's accounts. The updated methodology differed from that adopted previously as follows:

- It now 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 no longer included in the calculation.
- The calculation is now based on cashflows for the remaining 92-year term of the West Ham United Football Club concession agreement (note the calculation includes cashflows relating to the UK Athletics agreement up to its expiry in 40 years); previously the cashflow was calculated in perpetuity.
- A discount rate is now adopted to reflect a risk-free rate (based on gilt rates at the reporting date).

The approach will lead to increased 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 profit for the year to 31 March 2023 of £13.8m. However, this includes:

- Income from the settlement of a number of disputes (included within 'Exceptional income');
- A reduction in the onerous contracts provision, largely driven the change in prevailing government guilt rate since last year.

Once these items, and others including capital investment in the Stadium, are excluded, the underlying operating position for the group is a loss of £15.8m (2021/22: £13.7m), largely as a result of higher utility prices. The total group outturn is a profit of £13.8m (2021/22: loss of £43.7m) largely due to changes in the discount rate used in calculating the onerous contract provision – see Note 14. This is shown in the following table:

2022/23	E20 Stadium LLP Group
	£'000
Total Group (profit)/loss per E20 Stadium LLP income statement	**(13,784)**
Remove:	
Depreciation and impairment	(10,383)
Purchases recharged within the Group	(4,575)
Exceptional income (net of exceptional costs)	7,386
Financing costs	(8,920)
Total net change in provisions	46,123
Underlying Group operating (profit)/loss	**15,847**

LLDC has delivered significant **revenue savings** in recent years and a further £2.9m additional income/savings and efficiencies were incorporated into the approved budget for the 2022/23 financial year. Against this target, LLDC delivered total income/savings of £2.0m (£0.8m less than the target). LLDC delivered additional income, mainly from 3 Mills Studios and interim uses of the Corporation's development sites. However, this income was more than offset by additional inflationary pressures on LLDC's operations, in particular at the London Aquatics Centre and Copper Box Arena, largely utilities costs.

LLDC's discretionary cost base is very limited, largely due to savings delivered in previous years. Savings delivered in 2022/23 include reductions across communications and marketing budgets, accommodation savings arising from LLDC's main office relocation and reductions in surface water discharge costs due to the reprofiling of development programmes.

Land ownership

The majority of Queen Elizabeth Olympic Park land is owned by LLDC with further land 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.

At the start of 2022/23, the Aquatics Centre was closed following a chlorine gas leak which occurred in March 2022. The Aquatics Centre re-opened on 19 April 2023 and continued to operate successfully throughout the year, with over 785,000 visits to the venue.

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 2022/23 the Arena hosted a wide range of events including successful seasons for the home teams London Lions (basketball) and London Pulse (netball), the Vitality Netball International Series, championship boxing, matches for the Rugby League World Cup wheelchair tournament and e-gaming events. There were just under 230,000 visits to the Arena in 2022/23.

LLDC retains the freehold of the London Aquatics Centre and the Copper Box Arena and engages Greenwich Leisure Limited (GLL) as the operator of both venues. Under the 10-year arrangement, which expires in March 2024, GLL meet the majority of operating costs and receives the income. Net cumulative surpluses are shared between LLDC and GLL and LLDC is responsible for the maintenance of these venues.

Procurements for operators for the two venues commenced in 2022/23 for appointment in 2023/24.

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, premiership rugby, Major League Baseball and major concerts.

E20 Stadium LLP entered into 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. 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. In the year, Here East tenants included: British

Telecommunications (broadcasting BT Sport), Studio Wayne McGregor, Loughborough University in London, Plexal, Scope, MatchesFashion.com and University College London Bartlett School of Architecture.

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 1,065,000 visits to the ArcelorMittal Orbit, with just under 87,000 visits in 2022/23. In December 2022, the attraction closed for essential maintenance repairs to the lift. Following remedial works undertaken by the Park's facilities management provider, the attraction re-opened in early March 2023.

LLDC retains the freehold of the ArcelorMittal Orbit which is leased to Equans and sub-leased to Orbit Live Limited (OLL) to manage and operate.

The Podium building adjacent to the ArcelorMittal Orbit contains The Last Drop café and hospitality suite. Equans pay LLDC a rent, estates and service charges for the premises, with a potential turnover share. The contract with Equans runs to December 2023 and LLDC is currently in procurement for operating and tenant for AMO/Last Drop.

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, which expires in July 2053. The Timber Lodge underlease was awarded to Change Please, a social enterprise working with homeless people, and successfully reopened in the autumn of 2021. All of Change Please profits go into giving people experiencing homelessness, a living wage job, housing, training, onwards opportunities and a fresh shot at a life. Change Please pay LLDC a rent, estates and service charges for the premises, with a turnover share.

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. The majority are in Hackney Wick and to the 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, 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, plus an option to extend for further 26 years.

The Clock Mill forms part of this site and is let to 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 March 2024, with a rolling contract thereafter. LLDC is planning to undertake a procurement in 2023/24 to test the market for a potential sublease disposal.

LLDC completed a £10.0m river wall flood defence project around the Three Mills island site. LLDC continues to invest in the site with grants secured from 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. The works are creating new lettable spaces to support businesses from creative industries aligned to TV and film production to make greater use of the busy screen production campus and will help deliver a world-class cultural and creative production hub throughout the Thames Estuary Production Corridor. The renovations are sensitively transforming several of the site's heritage industrial buildings, including the Grade II listed Custom House and the historic Gin Still building, into over 10,000sqft of modern creative workspaces, enabling the Studios' ambitions and capacity to further support British and International TV drama and film production.

Development platforms

LLDC owns several development platforms, listed as follows:

Chobham Manor

LLDC has a development agreement in place with Chobham Manor LLP, which is a Limited Liability Partnership between L&Q (London and Quadrant) and Taylor Wimpey. The agreement is to deliver a new residential neighbourhood at Chobham Manor, just south of Lee Valley VeloPark. The development is now complete and comprises of 880 new homes of which 75 per cent are family homes with three or more bedrooms and 35 per cent are affordable (up from 28 per cent, following some changes made two years ago). The affordable element comprises affordable rent, social rent and intermediate housing.

All residential units are now sold and occupied; the commercial units and community facility are also now complete and trading.

East Wick and Sweetwater

LLDC entered into an agreement 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 started recently. 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 will be home to UAL's London College of Fashion, Sadler's Wells, Victoria and Albert Museum, and the BBC as well as residential, retail and public realm space. All partner institutions have signed binding Agreements for Lease with LLDC, with the lease durations ranging from 199 to 399 years. Construction has continued on the partner buildings following approval of the planning application in June 2019, the buildings are due to start to open from 2023. The residential development will be delivered alongside Bridgewater Triangle under a 50/50 joint venture between LLDC and Ballymore.

Bridgewater Triangle

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. 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 a 50/50 joint venture between LLDC and Ballymore.

UCL East

Also, part of the East Bank project, 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 Marshgate and their mixed-use Pool Street West building. Pool Street West opened in 2022 and Marshgate is now complete and operational for students for the 2023/24 academic year. UCL has a 299-year lease for the Pool Street West site and a 15-year lease for the rest of the site that will shortly become a long lease (299 years) following practical completion of the Marshgate academic facility shell and core works.

Pudding Mill Lane

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, Bridgewater Triangle and Rick Roberts Way. Overall, the combined sites will deliver 50% affordable housing. LLDC submitted a revised outline planning application for this 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. At least 50% of these homes will be affordable, and it is proposed that the site will include additional affordable homes to help deliver the LLDC's portfolio requirements. 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 homes, including 100% affordable homes, 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 and John F Hunt started on site at the end of March 2023 with the enabling works. Main works are due to commence shortly.

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.

2022/23	Actual £000	Budget £000	Variance £000
Total net revenue expenditure	31,766	37,036	(5,270)
Trading net (surplus) / deficit	*1,211*	*(111)*	*1,322*

LLDC recorded net expenditure of £31.8m for the year, which was £5.3m lower than budget. This is mainly the result of:

- Additional income within Park Operations and Venues relates to partner and Government contributions towards the costs of the events held to celebrate the 10th anniversary of the Olympic and Paralympic Games (the remainder was funded by GLA revenue grant).
- A positive variance in LLDC's Trading activites, mainly relating to 3 Mills Studios, which exceeded income targets by operating at higher than anticipated occupancy levels.
- An underspend on LLDC's office move to 5 Endeavour Square (and dilapidations at the previous office at 1 Stratford Place).
- A positive variance to budget for the London Stadium, reflecting:

- Settlement of a number of disputes, offset by;
- Significantly increased utility costs reflecting market prices; electricity prices, which form the majority of utility costs, have been fixed for 2023/24 at a lower rate;
- Increased West Ham match day costs, which have remained higher than budget due to increases in London Living Wage and other rates, inflation, additional matches, delays in the in-housing stewarding project and fan behaviour;

LLDC continually seeks to manage its cost base down and has been 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 2023 is summarised in the following table.

	£000	£000
Long term assets	168,450	189,976
Cash and cash equivalents	66,755	66,838
Inventories	290,662	161,871
Net current assets/(liabilities)	(363,118)	(237,383)
Net pension liabilities	(2,044)	(32,695)
Other long term liabilities	(496,163)	(505,194)
Net assets	**(335,459)**	**(356,587)**
Represented by:		
Usable reserves	(19,449)	(10,379)
Unusable reserves	354,908	366,964
Total reserves	**335,459**	**356,587**

Long term assets

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.

The investment property portfolio was valued as at 31 March 2023 by JLL – external, independent property valuers, who 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 £167.2m at the end of last year to £133.4m as at 31 March 2023.

LLDC's inventory balance at 31 March 2023 is £290.7m, which has increased by £128.8m since the prior year, largely due to the in-year spend on the East Bank buildings – see Note 17.

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 obligation under the Olympic Park Transport Environment Management Strategy (OPTEMS) and Section 106 schemes were in 2022/23 invested through the GLA Group Investment Syndicate (GIS). The GIS is an operation jointly controlled by the participants for the investment of pooled monies belonging to those participants and operated by the GLA as Investment Manager under the supervision of the Syndics (the participants' respective Chief Financial Officers or their representatives).

The other current participants include the GLA, London Fire Commissioner, the London Pensions Fund Authority and The Mayor's Office for Policing and Crime.

Pooling resources allows the GLA's Group Treasury team to make larger individual transactions and exploit the greater stability of pooled cash flows to obtain better returns. A risk sharing agreement ensures risk and reward relating to each instrument within the jointly controlled portfolio are shared in direct proportion to each participant's investment.

As at 31 March 2023 the value of LLDC's cash and cash equivalents was £66.8m (31 March 2022: £66.8m). The balance held with the GIS at 31 March 2023 is £46.8m (31 March 2022: £45.7m), with the balance of £19.9m (31 March 2022: £21.2m) being held within LLDC's bank accounts (see Note 16). As at 31 March, £55.3m (31 March 2022: £49.1m) of cash and cash equivalent balances related to Section 106 liabilities and CIL liabilities.

LLDC does not 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 2022/23, LLDC also received £13.1m 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 £32.7m (as at 31 March 2022) to £2.0m as at 31 March 2023, largely due to a change in the financial assumptions used by the actuary (in particular, the discount rate, which has increased from 2.6% to 4.8%). The gross liability is £42.6m, which is offset by scheme assets of £40.6m.

A total of £19.4m (net) has been credited to the Comprehensive Income and Expenditure Statement in 2022/23 of which £34.9m is related to the re-measurement of the net defined benefit liability, which is offset by service costs (£4.8m), net interest charged on the deferred liability and administration expenses (£0.8m). 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 2023, LLDC had drawn down loan funding to the value of £442.3m. This loan will be repaid from capital receipts generated from the exploitation of LLDC's ownership of development platforms on and around the Park. Interest payable on the loan is based on a 50-year Public Works Loan Board rate and is funded by GLA grant.

£55.7m 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. This position remains despite any surpluses reported in prior years.

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 2023 is £244.3m – see Note 28.

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 £19.4m in the General Fund (2021/22: £10.4m). 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 long-term financial model, as updated for the 2022/23 outturn, the net cash position of LLDC's activities in the coming three years is expected to be as follows:

Capital

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Capital expenditure	**196.0**	**215.1**	**46.4**	**33.0**	**490.5**
Funded by:					
- Capital receipts	(108.7)	(49.0)	(0.1)	(5.0)	**(162.8)**
- Other grants / funding	(44.0)	(105.3)	(22.0)	(20.4)	**(191.8)**
- Borrowing from GLA	(43.2)	(60.8)	(24.3)	(7.5)	**(135.8)**
Total funding	**(196.0)**	**(215.1)**	**(46.4)**	**(33.0)**	**(490.5)**

Revenue

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Revenue Income	(21.1)	(18.7)	(12.3)	(11.4)	**(63.6)**
Revenue Expenditure	52.4	65.7	43.0	34.2	**195.3**
Financing Cost	12.0	13.2	15.1	15.8	**56.1**
Net expenditure	**43.2**	**60.2**	**45.7**	**38.6**	**187.7**
Funded by:					
- GLA funding (core activities)	(33.4)	(39.3)	(30.7)	(22.8)	**(126.0)**
- GLA funding (financing)	(12.0)	(13.2)	(15.1)	(15.8)	**(56.1)**
- Reserves	2.1	(7.7)	-	-	**(5.6)**
Net revenue position	**-**	**-**	**-**	**-**	**-**

Changes to accounting policies

There are no changes to accounting policies in 2022/23.

Commentary on key projects

East Bank

At Stratford Waterfront, construction work has continued during 2022/23. Following the topping out of V&A and UAL buildings in 2021/22, marking the building reaching its full height, topping out ceremonies took place for the BBC and Sadler's Well's Buildings in 2022/23. Construction of the public realm is also underway. The programme of procurement of package contractors completed, with the last of 38 procurements selected awarded in April 2022.

A procurement exercise was launched in 2020/21 and, in 2022/23, Ballymore was appointed as the joint venture partner to develop the Stratford Waterfront residential land alongside the Bridgewater Triangle development site at Pudding Mill.

Work at the East Bank UCL East's One Pool Street site completed, and the facility opened to students in 2022. Construction works for UCL East's Marshgate site have completed, and the building handed over from the contractors to UCL. UCL is now operational and opened for students for the 2023/24 academic year.

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.

LLDC continues to work with partners to develop collaborative projects and proposals to help deliver the programme's strategic objectives. During 2022/23, the East Bank Impact Report was published, setting out the work that has been done by East Bank partners to deliver benefits in and around the Park, to the local economy and to the partners as they become embedded in East London; it also starts to tell the story of East Bank's impact in numbers, focussing on the construction and preopening programme. The report can be found here.

Chobham Manor development

The development now comprises of 880 new homes of which 75 per cent are family homes with three or more bedrooms and 35 per cent are affordable (up from 28 per cent, following some changes made two years ago). 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.

In 2022/23 LLDC recognised £8.5m of capital receipts arising from its share of proceeds from sales of homes on the Chobham Manor site. This development zone was classified as inventories in LLDC's accounts but is now fully disposed of at 31 March 2023, see Note 17.

East Wick and Sweetwater

East Wick and Sweetwater Projects Limited (a joint venture between Places for People and Balfour Beatty PLC) was appointed by LLDC in February 2015 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 per cent 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. Construction works of Phase 2 have now commenced following the completion of early works in 2022/23.

In 2022/23, LLDC recognised £1.6m of capital receipts from Phase 1 of this development, which is classified as inventories in LLDC's accounts along with Phase 2 now that work has started on site (see Note 17). 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 13.

Build East, the Construction Training Centre at East Wick opened to learners at the beginning of June 2021 as the hub for the Park's Training Association. The Training Association is an industry-led collaboration between two functional bodies (TfL and LLDC) working together through the Mayor's Construction Academy. A range of pre-employability training programmes have been designed to support under-represented groups to access apprenticeships and employment opportunities. Build East is a green skills centre of excellence that is operated by a sector-leading training provider: The Skills Centre. It services opportunities from Stratford Waterfront employers as well as those on the wider Park developments and beyond.

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.

Procurement for a developer completed in 2020/21 with Notting Hill Genesis selected. The scheme will now deliver 100% affordable housing (previously 50%). The Development Agreement was completed in July 2022. The Reserved Matters Application was submitted in January 2022 and the Planning Decisions Committee resolved to grant planning permission in 2022/23. Vacant possession completed in 2022/23 and the site is now handed over to the contractor; this satisfied start on site conditions linked to the GLA affordable housing grant.

3 Mills Studio River Wall Works

The river wall and flood defence works completed in 2020/21 along with follow on work to remove and replace damaged brickwork and repointing of the brickwork wall. Final follow up work to complete parapet and handrail works and the towpath finish work completed in 2021/22, with construction works on the improvements at Gin Still and Customs House completed in 2022/23.

Prospects and outlook

Looking forward, LLDC has several key milestones to achieve in 2023/24:

LLDC will progress its residential projects to provide new homes for people who want to live in the area, including affordable and family homes. These projects 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.

Procurement to select a developer for Rick Roberts Way is due to complete to allow the appointed developer to submit a detailed Planning Application in early 2024. Procurement for a joint venture partner for Pudding Mill will continue for an appointment to be made in early 2024/25. Commencement of Phase 2 construction works for East Wick and Sweetwater is due to commence in 2023/24.

New facilities created as part of the East Bank project will not only strengthen the Park's offer for local, national and international visitors, but also create a home for skilled artists, designers, academics, engineers, scientists, architects and craftspeople – and the global companies that need this talent. In 2023/24 UCL's Marshgate Campus and University of Arts London's London College of Fashion will both open to students for the start of the 2023/24 academic year. The construction work on the other East Bank partner buildings will progress in preparation of planned handover in 2023/24.

A programme of major events had been scheduled for 2023/24, including concerts, athletics and Major League Baseball at the London Stadium, before the Stadium moves back into football mode for the start of the 2023/24 Premier League season. Events scheduled on the Park include the return of LLDC's free community event, the Great Get Together, and the return of UK Black Pride to the Park.

Procurement exercises to appoint new operational contractors will conclude in 2023/24. LLDC will continue to work towards improved financial sustainability for the London Stadium and the Park, including through commercial opportunities.

LLDC will continue to work with the four Boroughs and the GLA to deliver the next phase of LLDC (previously known as the Transition programme). In 2022/23 a Mayoral Decision was made for a reconstituted Board and governance structure and a reduced geographical development area (subject to consultation) from 1 December 2024 and the removal of town planning powers from the same date. The Mayoral Decision also formally approved the transfer of LLDC's town planning functions to relevant Boroughs from the same date. A Mayoral Consultation on the reduced geographical development area commenced in 2022/23 and will be completed in 2023/24 and allow a Mayoral Decision on the outcome. LLDC will also: progress work with DLUHC[6] to make the necessary legislative changes to support a reduced area and the hand back of Town Planning powers; continued focus on workforce planning, future functions of LLDC and supporting its people through change; in collaboration with Boroughs, progress work to hand back Town Planning powers (by December 2024), and, to develop and integrate Inclusive Economy work.

LLDC has access to sufficient funding through the GLA to complete the development programme set out in its 2023/24 budget submission and capital strategy. The Corporation's 2023/24 budget was approved by LLDC Board and the Mayor in February 2023 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.

[6] Department for Levelling Up, Housing & Communities

Performance Measures

The following performance indicators demonstrate how LLDC has used its resources to deliver against its five strategic objectives during 2022/23.

Measure	Progress to 31 March 2023
Chobham Manor development complete: all 880 units built and occupied.	Completed.
East Wick and Sweetwater Phase 2 construction commences	Phase 2 enabling and ground works have begun on site with the hoarding erected and tree removal but principal contractor works are delayed to 2023/24.
Planning consent granted for Pudding Mill Lane.	The planning application was approved at Planning Decisions Committee in October 2022, subject to a Section 106 Agreement (to complete in early 2023/24).
Rick Roberts Way: Land swap concluded with London Borough of Newham (LBN); commence development partner procurement.	Land swap concluded with LBN and developer procurement underway.
Developer selected for Stratford Waterfront and Bridgewater residential development; joint venture established. Planning consent granted for Bridgewater Triangle.	Following a procurement process, Ballymore and LLDC have formed a joint venture to deliver Stratford Waterfront and Bridgewater Triangle. Planning for Bridgewater Triangle consent in place.
Hackney Wick Neighbourhood Centre: commencement of construction.	Vacant possession complete and site handed over to the contractor; this satisfied start on site conditions linked to the GLA affordable housing grant. Scheme now delivering 100% affordable housing.
Progress Aquatics Triangle and Chobham Farm developments.	A purchaser for the Chobham Farm North site was approved and they are currently undertaking site surveys with a view to exchange in due course. Aquatics Triangle procurement strategy to be considered in due course.
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.
Successful operation of Build East: 50 apprenticeships per annum, 500 people trained in demand led construction skills.	During the year, 88 apprentices were trained and 1,674 people were trained in demand led construction skills, including pre-employment courses, upskilling the construction workforce delivered at the centre and eSkills online and onsite training. All learners associated with Build East lived in an East London post code.
Successful operation of the Good Growth Hub, the physical facility to consolidate and scale the East Works, including meeting engagement targets.	The Good Growth Hub has been operating well and progress against targets for year 2 will be reported early in 2023/24. Commencement of delivery of the STEP programme, with 10 young people starting individual 12-month placement; recruitment of an extra 10 placements complete for commencement this year. Employer recruitment for the next STEP programme has completed with expressions of interest received from 60 employers.

Measure	Progress to 31 March 2023
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 each month but one in 2022/23.
Delivery of Town Planning programme, including: Annual monitoring report publication Supplementary Planning Documents (SPDs) for Planning Obligations and Carbon Offset adopted and published	The Annual Monitoring Report was published in 2022/23. Drafts of the revised SPDs were completed and approved in 2022/23.
Maintain a safe and well-maintained Park, making adjustments in line with any changes to guidelines relating to COVID-19 and attracting visitors: the estimate is set at the pre-COVID level of 6.2m, noting that delivery of this estimate may be impacted by any new COVID restrictions. Manage and maintain the quality of the Park and venues, including retaining Green Flag status.	LLDC maintained safe and high- quality parklands as lockdown measures changed, supported by on Park, web, and social media communications. There was a total of just over 4.7m visitors from April 2022 to March 2023. In 2019/20 there were just over 6.0m visitors to the Park. LLDC are also looking at methods of recording visitor numbers as visitor figures from venues exceeded visitor figures recorded by CCTV and Park wi-fi. The Park was awarded Green Flag Status for the ninth consecutive year in 2022/23.
Park operational contracts tenders issued to the market.	Good progress has been made on reprocurement of operational contracts: appointment of the preferred bidder for the security contact was made in 2022 and the contract is now operational; the horticulture grounds maintenance contract is in evaluation (and has subsequently been awarded); procurement exercises for operating the Copper Box Arena, the London Aquatics Centre, the ArcelorMittal Orbit and the Podium are underway.
Delivery of 10-year anniversary celebrations for London 2012 Support safe delivery of major events including the summer concerts at the Stadium (Hella Mega tour, Foo Fighters, Red Hot Chilli Peppers) and Commonwealth Games Track Cycling	Anniversary celebrations completed successfully with well attended events across the Park, including the Mayoral Anniversary Flame Lighting and the Celebrating 10 Years Festival Site and a successful marketing and communications campaign. Major events held successfully in 2022/23 include: the Hella Mega tour and Red Hot Chili Peppers concerts at the London Stadium and the Commonwealth Games Track Cycling at the Lea Valley VeloPark.
Delivery of the Great Get Together and any smaller community events on the Park.	Successful delivery of Great Get Together with a record attendance for the event.
Continue Stadium operations including football, summer concerts and athletics.	The Stadium has continued to host Premier League and European football, as well as the successful series of concerts in Summer 2022.
Continue construction of East Bank Stratford Waterfront cultural and educational buildings to programme.	Construction work has continued. Following the topping out of the UAL and V&A buildings in 2021/22, topping out ceremonies for the BBC and Sadler's Wells buildings took

Measure	Progress to 31 March 2023
	place earlier in 2022/23. Construction of the public realm is also underway.
UCL continue construction of their new university campus, UCL East, on programme.	Work at the East Bank UCL East's One Pool Street site completed, and the facility opened to students this year. Construction works for UCL East's Marshgate site are progressing, successfully opened for the new academic year (2023/24).
Continue to work with East Bank partners to ensure delivery of the East Bank strategic objectives and to maximise the value of the cluster.	The Benefits Delivery Plan for the East Bank Strategic Objectives 2022/23 has been agreed and all partners are working together to deliver this. The 2021/22 Impact Report was published in 2022/23 setting out work done by East Bank partners to deliver benefits in and around the Park .
Complete works at 3 Mills Studios: Custom House; Screening Room; and Gin Still.	Construction works for the Custom House, Screening Room, and Gin Still completed. Future strategy for the Studios agreed.
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 2023.
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 3 RIDDOR[7] reportable incidents in 2022/23 and just over 3.4 million construction hours worked, a rate of 0.09 reportable accidents per 100,000 hours worked.
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 is working on a charter with stakeholders, as well as an action plan to deliver on the recommendations of the report. The project won 'Highly Commended for Best Project' at the Royal Town Planning Institute 2022 Awards for Planning Excellence.
Progress LLDC's Transition strategy.	Following the Board's approval for the proposed approach to Transition at the March 2022 meeting, the Mayor of London approved the approach in September 2022. The consultation on the revised MDC boundary for the future phase of LLDC has commenced for completion in 2023/24 and discussions with Government on the legislative programme are ongoing.

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. Procurement complete.	R

[7] Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013

Summary	Impact	Mitigation	Current RAG
Risk relating to meeting Long Term Model requirements 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. Affordable housing grant from GLA secured.	R
Risk that the Stadium restructuring will not sufficiently improve the financial position of the Stadium.	Financial and reputational impacts.	E20 Stadium LLP Board and funders considering commercial options. Stadium operations brought in house. 5-year improvement plan in place.	R
Risk that HMRC rules against LLDC's Corporation Tax application.	Financial impact.	Tax and legal advice, engagement with HMRC, submitted application and awaiting response.	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, ensure 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.	R
Risk relating to Rick Roberts Way programme, including meeting planning deadlines.	Financial and programme impacts.	Close working between LLDC functions, monitoring of economic climate, manage procurement programme to ensure that this runs to programme, flag any issues early.	R

Summary	Impact	Mitigation	Current RAG
Current national economic position and the projections over the coming months have the potential to have a negative impact on LLDC's objectives and activities.	Budget pressures and a reduction in benefits for the Park and surrounding area.	Close monitoring, engagement with GLA finance, project management of individual projects.	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.	A
Delivering the next phase of LLDC successfully.	Negative impacts on regeneration of the area; reputational impacts.	Transition strategy being delivered updates presented to Board. Close working with key stakeholders.	A
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.	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
Risk relating to sustainability objectives and responding to the climate emergency.	Missing opportunities and reputational impacts.	Delivery of sustainability programme, close work with partners, monitoring and reporting on KPIs.	A

Corporate Issues

Below is a summary of the corporate issues that were presented to LLDC Audit Committee in March 2023.

Summary	Action Plan
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 GLA, central government and with Equans.
Red Issue relating to East Bank philanthropic funding.	Fundraising strategy in development with GLA.
Green issue relating to COVID19 crisis.	Crisis management plans in place, recovery plans being formulated.
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.
Red 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.	Engagement with resident associations. Information on the website about FEC.
Amber issue relating to impact of residential tax on property developers.	Close working with the GLA; potential engagement with HMT.

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 2023.

Gerry Murphy
Deputy Chief Executive
19 December 2023

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

Opinion

We have audited the financial statements of London Legacy Development Corporation (the ‘Corporation’) of and its subsidiaries (the ‘Group’) for the year ended 31 March 2023 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- Corporation and Group Movement in Reserves Statement,
- Corporation and Group Comprehensive Income and Expenditure Statement,
- Corporation and Group Balance Sheet,
- Corporation and Group Cash Flow Statement
- the related notes 1 to 30 including a summary of significant accounting policies, and G1 to G17 to the Group Accounts**.**

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

In our opinion the financial statements:

- give a true and fair view of the financial position of London Legacy Development Corporation and Group as at 31 March 2023 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and the Comptroller and Auditor General’s AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Deputy Chief Executive’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Corporation’s ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Deputy Chief Executive with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and Corporation’s ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report and Accounts 2022/23 other than the financial statements and our auditor’s report thereon. The Deputy Chief Executive is responsible for the other information contained within the Annual Report and Accounts 2022/23**.**

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Group and Corporation
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and
- Accountability Act 2014 (as amended)
- we are not satisfied that the Group and Corporation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in these respects.

Responsibility of the Deputy Chief Executive

As explained more fully in the Statement of the Deputy Chief Executive's Responsibilities set out on page 37, the Deputy Chief Executive is responsible for the preparation of the Statement of Accounts, which includes the financial statements**,** in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Deputy Chief Executive determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Deputy Chief Executive is responsible for assessing the Group and Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Group and Corporation either intends to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Corporation and determined that the most significant are:

- Local Government Act 1972,
- Local Government Act 2003,
- The Local Audit and Accountability Act 2014 (as amended),
- The Accounts and Audit Regulations 2015,
- Greater London Authority Acts 1999 and 2007.

In addition, the Group and Corporation has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment legislation, tax legislation, general power of competence, procurement and health & safety.

We understood how London Legacy Development Corporation is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management/head of internal audit/those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Group and the Corporation's committee minutes, and through the inspection of other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We assessed the susceptibility of the Group and the Corporation's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance (through improper recognition of revenue), incorrect classification of capital spend and management override of controls to be our fraud risks.

To address our fraud risk around the manipulation of reported financial performance through improper recognition of revenue, we challenged the assumptions and corroborated the income to appropriate evidence.

To address our fraud risk of inappropriate classification of capital spend we tested the gross expenditure and financing & investment expenditure by lowering the threshold and reviewing a larger random sample of revenue expenditure below our testing threshold and reviewed unusual journals related to revenue expenditure posted around the year-end, such as items originally recorded as capital expenditure and subsequently re-classified to revenue.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. In addition, we assessed whether the judgements made in making accounting estimates were indicative of a potential bias and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in January 2023**,** as to whether the London Legacy Development Corporation had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the London Legacy Development Corporation put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the London Legacy Development Corporation had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Whole of Government Accounts consolidation pack and the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of London Legacy Development Corporation. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements.

Until we have completed this procedure, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of London Legacy Development Corporation, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and Corporation and the Group and Corporation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Brittain
Ernst + Young LLP

Andrew Brittain (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
London
19 December 2023

Comprehensive Income and Expenditure Statement

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)**

For the year ended 31 March 2022

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	2/4	(2)	2,022	2,020
Development	2/4	(67,010)	60,890	(6,120)
Executive Office	2/4	(211)	2,349	2,138
Finance, Commercial and Corporate Services	2/4	(1,730)	11,586	9,856
Park Operations and Venues	2/4	(322)	2,128	1,806
Planning Policy & Decisions	2/4	(1,358)	3,455	2,097
Regeneration and Community Partnerships	2/4	-	2,340	2,340
Stadium	2/4	(564)	630	66
East Bank	2/4	-	1,006	1,006
GLA Grant	2/4	(46,418)	-	(46,418)
Corporate Items	2/4	-	-	-
Net cost of services		**(117,615)**	**86,406**	**(31,209)**
Financing and investment income	7	(22,121)	-	(22,121)
Change in fair value of investment properties	13	-	(41,020)	(41,020)
Impairment of investment in joint venture	14	-	20,859	20,859
Financing and investment expenditure	8	-	38,560	38,560
Capital grants and contributions	9	(102,167)	-	(102,167)
(Surplus) or deficit on provision of services before tax		**(241,903)**	**104,805**	**(137,098)**
Corporation tax	10	-	8,913	8,913
Deferred tax	10	-	3,017	3,017
(Surplus) or deficit on the provision of services after tax		**(241,903)**	**116,735**	**(125,168)**
Deferred tax asset on the net defined benefit liability	10	(3,360)	-	(3,360)
Remeasurement of the net defined benefit liability/asset	19	-	(8,432)	(8,432)
Total comprehensive income and expenditure		**(245,263)**	**108,303**	**(136,960)**

Balance Sheet

	Notes	31 March 2023 £000	31 March 2022 £000
Long term assets			
Intangible assets	11	74	285
Property, plant and equipment	12	5,220	5,458
Investment property	13	133,385	167,244
Long term debtors	15	28,367	9,630
Deferred Tax Asset	10	1,404	7,358
Current assets			
Short term debtors	15	31,899	43,184
Cash and cash equivalents	16	66,755	66,838
Inventories	17	290,662	161,871
Total assets		**557,766**	**461,869**
Current liabilities			
Short term creditors	18	(388,836)	(275,684)
Corporation Tax Liability		(6,181)	(4,884)
Long term liabilities			
Long term borrowing	18	(442,309)	(399,594)
Long term creditors	18	(53,854)	(105,600)
Retirement benefit obligation	19	(2,044)	(32,695)
		(498,207)	**(537,889)**
Total liabilities		**(893,224)**	**(818,457)**
Net assets		**(335,459)**	**(356,587)**
Reserves			
Usable reserves	21	(19,449)	(10,379)
Unusable reserves	21	354,908	366,964

Movement in Reserves Statement

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	-	-	13,748
Other comprehensive income and expenditure	From CIES		-	(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)**

As at 31 March 2022

	Notes	General Fund	Total usable reserve	Unusable reserves	Total unusable and other reserves	Total reserves
		£000	**£000**	**£000**	**£000**	**£000**
Balance at 31 March 2021		2,836	2,836	490,766	490,766	493,602
Movement in reserves during 2021/22						
Deficit on the provision of services	From CIES	(125,168)	(125,168)	0	-	(125,168)
Other comprehensive income and expenditure	From CIES		0	(11,792)	(11,792)	(11,792)
Total comprehensive income and expenditure		**(125,168)**	- **(125,168)**	**(11,792)**	**(11,792)**	**(136,960)**
Adjustments between accounting and funding basis under regulations	22	111,954	- 111,954	(111,954)	(111,954)	-
Decrease/(Increase) in 2021/22		**(13,214)**	- **(13,214)**	**(123,746)**	- **(123,746)**	**(136,960)**
Balance at 31 March 2022		**(10,380)**	**(10,380)**	**366,964**	**366,964**	**356,585**

Statement of Cash Flows

	Notes	31 March 2023 £'000	Restated 31 March 2022 £'000
Surplus/(Deficit) on the provision of services		(13,748)	125,168
Adjustments to net (deficit) for non-cash movements	20	29,640	(131,927)
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	20	(118,072)	(102,167)
Net cash flows from operating activities		**(102,180)**	**(108,926)**
Investing activities	20	54,470	77,453
Financing activities	20	47,625	35,430
Net increase/(decrease) in cash and cash equivalents		**(83)**	**3,957**
Cash and cash equivalents at the start of the year		66,838	62,881
Cash and cash equivalents at the end of the year		**66,755**	**66,838**

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 2022/23 financial year and its position at 31 March 2023. The Group financial statements have been prepared in accordance with the Code.

b) Basis of accounting

The accounts are made up to 31 March 2023.

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 2022/23.

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 17 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) is the second member of the partnership.

LLDC assumed full control of E20 on 30 November 2017, following Newham Legacy Investment Limited's retirement from the partnership. On this date, LLDC increased its share of the partnership to 99% with the other 1% (non-controlling) share held by Stratford East London Holding Limited, a wholly owned subsidiary of LLDC which is currently dormant.

In January 2019, LLDC acquired the Stadium operator, London Stadium 185 Limited, via E20. Accordingly, the full financial results of London Stadium 185 Limited for 2022/23 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 joint venture is now established as Stratford East London Partners (SELP) LLP and its current members are SELD and Ballymore Stratford East Limited. Both SELD and SELP began trading during 2022/23; accordingly, SELD's financial results are consolidated into the LLDC Group Accounts.

Stratford Waterfront Management Company Limited (SWMC)

LLDC has established a management company for the Stratford Waterfront site (part of the East Bank project). This subsidiary, SWMC, is wholly owned by LLDC but, to date, no transactions have been processed through this entity.

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 2023 is £133.4m – see Note 13.	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 £13.3m charge to the CIES. Conversely, a 10% increase in the valuation would result in a £13.3m 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 are 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 2023 is £290.6m – see Note 17, 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 £29.0m charge to the CIES. Conversely, a 10% increase in the valuation would result in a £29.0m 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 2023 is £244.3m – see Note 28.	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 2023 (net of partner contributions) would result in a £24.4m charge to the CIES. Conversely, a 10% decrease would result in a £24.4m 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. Correction of prior period accounting errors

LLDC has reclassified the *'inventory purchases not set against the East Bank provision'* and the *'residential inventory purchases'* from *'Investing activities'* in the Statement of Cash Flows and its supporting notes (Note 20) to *'Adjustments to net deficit for non-cash movements'*. This correction is in line with IAS 7 (Statement of Cash Flows), which requires the classification of inventory movements as operating activities in the Statement of Cash Flows and affects the prior-year accounts. There are no changes to the values and the reclassification does not affect any other statements or notes in the accounts.

The impact of the prior period adjustment is set out in the following tables:

Statement of Cash Flows

	31 March 2022 audited accounts	PYA1 Reclassification of Inventory Purchases not set against provision (East Bank)	PYA1 Reclassification of Inventory purchased (Residential)	Restated 31 March 2022
	£'000	£'000	£'000	£'000
Surplus/(Deficit) on the provision of services	125,168			125,168
Adjustments to net (deficit) for non-cash movements	(24,315)	(90,007)	(17,605)	(131,927)
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	(102,167)			(102,167)
Net cash flows from operating activities	**(1,314)**			**(108,926)**
Investing activities	(30,159)	90,007	17,605	77,453
Financing activities	35,430			35,430
Net increase/(decrease) in cash and cash equivalents	**3,957**			**3,957**
Cash and cash equivalents at the start of the year	62,881			62,881
Cash and cash equivalents at the end of the year	**66,838**	-	-	**66,838**

Statement of Cash Flows – Notes

Adjustments to net deficit for non – cash movements

	31 March 2022 audited accounts	PYA1 Reclassification of Inventory Purchases not set against provision (East Bank)	PYA1 Reclassification of Inventory purchased (Residential)	Restated 31 March 2022
	£'000	£'000	£'000	£'000
Depreciation of property plant and equipment	436	-	-	436
Amortisation of intangibles	305	-	-	305
Movement in Pension Liabilities	5,880	-	-	5,880
Reversal of impairment on investment in joint venture	20,859	-	-	20,859
Cash Payments for employer's contributions to pension funds	(1,240)	-	-	(1,240)
(Increase)/ Decrease in trade and other debtors	(24,808)	-	-	(24,808)
Increase/(decrease) in trade and other creditors	7,258	-	-	7,258
Increase/(decrease) in deferred tax liability	3,017	-	-	3,017
Increase/(decrease) in bad debt provision	113	-	-	113
Increase/(decrease) in provisions	(53,057)	-	-	(53,057)
Changes in Fair Value of Investment Property	(41,020)	-	-	(41,020)
Stadium Lease Premium	(5)	-	-	(5)
Inventory Disposals (Residential)	60,106	-	-	60,106
Inventory net change to net realisable value	(2,159)	-	-	(2,159)
Net book value of non-current assets disposal	-	-	-	-
Property, plant and equipment assets written out	-	-	-	-
Inventory purchases not set against provision (East Bank)	-	(90,007)	-	(90,007)
Inventory purchases (Residential)	-	-	(17,605)	(17,605)
Adjustment to net deficit for non-cash movements	**(24,315)**	**(90,007)**	**(17,605)**	**(131,927)**
Adjust for items included in the net deficit on the provisions				
of services that are investing or financing activities				
Cash received for the disposal of investment properties	-	-	-	-
Capital grants and contributions credited to the deficit on the provision of services	102,167	-	-	102,167

Investing Activities

	31 March 2022 audited accounts	PYA1 Reclassification of Inventory Purchases not set against provision (East Bank)	PYA1 Reclassification of Inventory purchased (Residential)	Restated 31 March 2022
	£'000	**£'000**	**£'000**	**£'000**
Purchase of property, plant and equipment, investment property and intangible assets	(22,515)	-	-	(22,515)
Property, plant, and equipment assets written out	-	-	-	-
Disposal of investment properties	-	-	-	-
Investment in joint venture	(20,859)	-	-	(20,859)
Inventory purchases not set against provision (East Bank)	(90,007)	90,007	-	-
Inventory purchases (Residential)	(17,605)	-	17,605	-
Capital grant received and other capital receipts	120,826	-	-	120,826
Net cash outflow from investing activities	**(30,159)**	**90,007**	**17,605**	**77,453**

2. Gross income

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

	31 March 2023	31 March 2022
	£000	**£000**
Grants received	(44,597)	(46,418)
Gross disposal proceeds from the sale of inventory	(13,061)	(66,893)
Planning fees	(637)	(580)
Recharges	(3,263)	(2,923)
Events income	(159)	(98)
Other	(1,598)	(704)
	(63,314)	**(117,616)**

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 from the planned sale of residential properties on the Chobham Manor and East Wick and Sweetwater developments.

3. 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).

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)**			

2021/22	Net Expenditure in the Comprehensive Income and Expenditure Statement	Adjustments for revenue items reported below Net Cost of Services	Other differences	Net Expenditure Chargeable to the General Fund Balances (Management Reporting)
Subjective analysis	**£'000**	**£'000**	**£'000**	**£'000**
Communication, Marketing and Strategy	2,020	-	-	2,020
Development	(6,120)	6,519	(679)	(280)
Executive Office	2,138	-	83	2,221
Finance, Commercial and Corporate Services	9,856	(4,426)	281	5,712
Park Operations and Venues	1,806	(3,467)	7,127	5,466
Planning Policy & Decisions	2,097	-	-	2,097
Regeneration and Community Partnerships	2,340	-	13	2,353
Stadium	66		16,303	16,369
East Bank	1,006	(938)	(113)	(46)
Management Reporting Total	**15,209**	**(2,312)**	**23,015**	**35,912**
GLA Grant	(46,418)			
Net Cost of Services	**(31,209)**			
Other income and expenditure (GF Only)	17,995			
Other income and expenditure (non-GF)	(111,954)			
Surplus	**(125,168)**			
Other income and expenditure (non-GF)	111,954			
Movement on General Fund balance	**(13,216)**			
Opening General Fund Balance at 31 March 2021	**2,836**			
Closing General Fund at 31 March 2022	**(10,380)**			

4. Gross expenditure

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

	31 March 2023	31 March 2022
	£000	**£000**
Staff costs:		
Wages and salaries	8,758	7,561
Social security costs	1,102	913
Pension costs	4,321	4,237
Other staff costs	270	275
Grants and contributions	221	390
Consultancy and Strategy Development costs	3,405	2,560
Accommodation costs	1,790	1,442
Legal fees	1,949	1,577
Communications, events and marketing	2,274	733
Agency and seconded staff costs	1,137	511
REFCUS	156	417
REFCUS - Recharges	180	295
Insurance	2,187	1,972
IT and Stationery	1,039	1,236
Security	(3)	1
Travel	9	15
Gross costs from disposal of inventories	12,553	60,106
Net (increase)/decrease to net realisable value for East Bank inventory	-	(2,159)
Amortisation	440	305
Depreciation	593	436
Increase/decrease in provision for doubtful debts	(141)	116
Impairment of financial assets	24	(113)
Increase/(decrease) in provision	42,180	1,872
Project costs expensed	-	1,225
Other	223	483
Total	**84,667**	**86,406**

LLDC's contributions towards the cost of the cultural and education buildings (University of the Arts London, V&A, Sadler's Wells and BBC) 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 – see Note 27 for further details. The in-year movement on the provision reflects the additional costs to completion of the East Bank buildings reflected in this note.

Gross costs from the disposal of inventories relates to the planned sale of residential properties on the final sales of Chobham Manor (majority sold in 2021/22) and East Wick and Sweetwater developments. Note these include direct costs incurred by LLDC but also an element of 'deemed cost' in accordance with IAS 2 (Inventories).

5. External audit fees

External audit fees are made up as follows:

	31 March 2023	31 March 2022
	£'000	**£'000**
Auditors' remuneration		
for statutory audit services	67	85
for non-statutory audit services	-	-
for non- audit services	-	-
Total	**67**	**85**

6. 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 2023	31 March 2022
£	**Number**	**Number**
50,000 - 54,999	20	10
55,000 - 59,999	7	6
60,000 - 64,999	15	12
65,000 - 69,999	8	8
70,000 - 74,999	11	7
75,000 - 79,999	4	7
80,000 - 84,999	5	4
85,000 - 89,999	4	4
90,000 - 94,999	4	7
95,000 - 99,999	4	1
100,000 - 104,999	4	1
105,000 - 109,999	-	-
110,000 - 114,999	1	2
115,000 - 119,999	2	2
120,000 - 124,999	1	-
125,000 - 129,999	4	4
130,000 - 134,999	5	-
135,000 - 139,999	-	3
140,000 - 144,999	1	2
145,000 - 149,999	1	-
150,000 - 154,999	-	-
155,000 - 159,999	-	-
160,000 - 164,999	-	2
165,000 - 169,999	1	-
170,000 - 174,999	-	-
175,000 -179,999	-	1
180,000 - 184,999	1	2
185,000 - 189,999	1	-
190,000 - 194,999	1	-
195,000 - 199,999	-	-
200,000 - 204,999	-	-
205,000 - 209,999	-	-
210,000 - 214,999	-	-
215,000 - 219,999	-	-
220,000 - 224,999	-	-
225,000 - 229,999	-	-
230,000 - 234,999	-	-
235,000 - 239,999	-	-
240,000 - 244,999	-	-
245,000 - 250,000	-	1
250,000 - 254,999	-	-
255,000 - 259,999	-	-
260,000 - 264,999	-	-
265,000 - 269,999	-	-
270,000 - 274,999	-	-
275,000 - 279,000	-	-
280,000 - 284,999	1	-

Senior employees' remuneration

LLDC's Executive Management Team
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 Venues	168	-	-	-	20	**188**
Anthony Hollingsworth	Director of Planning Policy and Decisions Team	142	-	-	-	17	**159**
Paul Brickell	Executive Director of Regeneration and Community Partnerships (2)	134	-	-	-	16	**150**
Ed Stearns	Director of Communication, Marketing and Strategy	134	-	-	-	16	**150**
Irene Man	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 Engagement (5)	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.

2 The roleholder now works as 0.8 FTE

3 Maternity leave from August 2022

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 appointmenr to the Executive Management Team in September 2022

LLDC's Executive Management Team (continued)

Year to 31 March 2022

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	206	41	2	-	30	**279**
Colin Naish	Executive Director of Construction	187	-	-	-	22	**210**
Gerry Murphy	Deputy Chief Executive Officer	183	-	1	-	22	**206**
Rosanna Lawes	Executive Director of Development	176	-	1	-	21	**198**
Paul Brickell	Executive Director of Regeneration and Community Partnerships	163	-	-	-	20	**182**
Mark Camley	Executive Director of Park Operations and Venues	163	-	-	-	20	**182**
	Director of Planning Policy and Decisions Team	138	-	-	-	17	**155**
	Director of Planning Development (1)	135	-	-	-	16	**152**
	Director of Communication, Marketing and Strategy	128	-	-	-	15	**143**
	Finance Director (1)	117	-	-	-	14	**131**
	Director of Human Resources (2)	99	-	-	-	12	**111**
	Head of Planning - Transformation (1)	86	-	-	-	10	**96**
	Head of Education, Careers and Youth Engagement (1)	78	-	-	-	9	**87**

In accordance with The Accounts and Audit Regulations 2015 only employees whose salary (including fees and allowances) is £150,000 or more per year are disclosed by name

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

2 The roleholder worked as a 0.8 FTE

Board members

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

Board members (continued)
Year to 31 March 2022

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**
Keith Edelman	Chair of the Audit Committee	21	-	-	-	-	**21**
Nicky Dunn	Chair of E20 Stadium LLP	21	-	-	-	-	**21**
Geoff Thompson MBE	Member	14	-	-	-	-	**14**
Pam Alexander	Member	28	-	-	-	-	**28**
Sonita Alleyne	Chair of the Regeneration and Communities Committee	7	-	-	-	-	**7**
Sukhvinder Kaur-Stubbs	Member	28	-	-	-	-	**28**
Baroness Grey-Thompson	Member	7	-	-	-	-	**7**
Shanika Amarasekara	Member	27	-	-	-	-	**27**
Simon Blanchflower	Chair of the Health and Safety Committee	29	-	-	-	-	**29**
Jamie Kerr	Member	14	-	-	-	-	**14**
Gabrielle Appiah	Member	7	-	-	-	-	**7**
Gurpreet Dehal	Member	6	-	-	-	-	**6**
Phil Mead	Member	6	-	-	-	-	**6**
Helene Raynsford	Member	-	-	-	-	-	**-**
Rachel Blake	Member	-	-	-	-	-	**-**
Jules Pipe	Mayor's Representative	-	-	-	-	-	**-**
Clare Coghill	Member	-	-	-	-	-	**-**
Grace Williams	Member	-	-	-	-	-	**-**
Rokhsana Fiaz OBE	Member	-	-	-	-	-	**-**
Philip Glanville	Member	-	-	-	-	-	**-**

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 2023	31 March 2022	31 March 2023	31 March 2022
£0 - £20,000	2	4	10	14
£20,001 - £40,000	-	1	-	28
£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	-	-	-	-

7. Financing and investment income

	31 March 2023	31 March 2022
	£000	**£000**
Interest income on deposits	(238)	(7)
Income in relation to investment property	(26,690)	(22,113)
Financing and investment income	**(26,928)**	**(22,120)**

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 (£3.2m) and interest charged on LLDC's loan to E20 Stadium LLP (£8.9m). The increase in interest income on deposits is largely due to the increase in interest rates during the reporting period.

8. Financing and investment expenditure

	31 March 2023	31 March 2022
	£000	**£000**
Net interest on the net defined benefit liability/asset	817	745
Expenditure in relation to investment property	21,882	19,469
Interest costs on borrowing	12,211	11,213
Impairment losses	8,920	7,133

This includes the cost of operating LLDC's venues (to generate the income above), interest costs of £12.2m relating to the GLA loan facility used to fund LLDC's capital programmes (note these costs are fully funded by the GLA, see Note 2) and impairment losses relating to the interest charged on LLDC's loan to E20 Stadium LLP (above).

9. Taxation and non-specific grant income

	31 March 2023	31 March 2022
	£000	£000
Other capital grants and contributions	(118,072)	(102,167)
Taxation and non-specific grant income	**(118,072)**	**(102,167)**

Capital grants and contributions in 2022/23 is largely the funding received by LLDC from the GLA towards LLDC's capital projects (£108.7m), contributions from Government grant and Community Infrastructure Levy towards the major refurbishment at 3 Mills Studios (£3.6m), Section 106 funding towards capital development programmes (£0.6m) and recharged services provided by LLDC to other organisations including E20 Stadium LLP (£0.2m).

10. Corporation tax

a) *Corporation tax*

	31 March 2023	31 March 2022
	£'000	£'000
Net surplus/(deficit) on provision of services before tax	2,568	137,098
Remeasurement of the net defined benefit liability/asset	(9,864)	9,065
Non-taxable income/non-deductible expenditure	105,478	23,164
Disposals and Group Losses	20,710	(70,504)
Profits chargeable to corporation tax (pre-losses)	**118,892**	**98,823**
Loss brought forward	61,947	51,911
Corporation tax	**10,820**	**8,913**

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

	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)
Property, plant and equipment	-	-	-
Intangible assets	-	-	-
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**

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 19% .

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 comparators are shown in the following table:

	Balance at 31 March 2021 (Restated)	Movement in period	Balance at 31 March 2022
	£'000	**£'000**	**£'000**
Deferred tax assets			
Investment property	6,465	13,505	19,970
Property, plant and equipment	446	23	469
Capital losses carried forward	1,825	576	2,401
Total	**8,736**	**14,104**	**22,840**
Deferred tax liabilities			
Investment property	(8,736)	(17,121)	(25,857)
Total	**(8,736)**	**(17,121)**	**(25,857)**
Net deferred tax liability recognised in the surplus on the provision of services after tax	**-**	**(3,017)**	**(3,017)**
Deferred tax assets			
Pension	7,015	3,360	10,375
Net deferred tax asset recognised in other comprehensive income and expenditure	**7,015**	**3,360**	**10,375**

11. Intangible assets

	Computer Software	Licences	Total
	£000	**£000**	**£000**
Cost			
At 1 April 2021	252	778	1,029
Additions	149	172	321
Disposals	-	-	-
At 31 March 2022	**401**	**949**	**1,350**
At 1 April 2022	401	949	1,350
Additions	114	115	229
Disposals	-	-	-
At 31 March 2023	**515**	**1,065**	**1,579**
Amortisation			
At 1 April 2021	107	652	760
Charged during the period	155	150	305
Disposals	-	-	-
At 31 March 2022	**262**	**803**	**1,065**
At 1 April 2022	262	803	1,065
Charged during the period	227	213	439
Disposals	-	-	-
At 31 March 2023	**489**	**1,016**	**1,504**
Net book value at 31 March 2022	**140**	**146**	**285**
Net book value at 31 March 2023	**26**	**48**	**74**

12. 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 2021 (Restated)	1,985	2,687	924	2,208	7,808
Additions	-	-	325	445	770
Disposals	-	-	-	-	0
At 31 March 2022	1,985	**2,687**	**1,249**	**2,653**	**8,578**
At 1 April 2022	1,985	2,687	1,249	2,653	8,578
Additions		0	196	160	356
Disposals	-	-	-	-	0
At 31 March 2023	**1,985**	**2,687**	**1,445**	**2,813**	**8,934**
Depreciation					
At 1 April 2021 (Restated)	-	2,070	607	-	2,681
Charged during the period	-	110	326	-	436
Disposals	-	-	-	-	0
At 31 March 2022	**-**	**2,180**	**933**	**-**	**3,117**
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**
Net book value at 31 March 2022	**1,985**	**505**	**317**	**2,653**	**5,458**
Net book value at 31 March 2023	**1,985**	**111**	**310**	**2,814**	**5,220**

13. Investment property

	31 March 2023	31 March 2022
Valuation	**£'000**	**£'000**
Opening balance at 1 April	167,246	104,802
Additions:		
Subsequent expenditure	36,750	21,424
Transfers from inventories	3,461	-
Transfers to inventories	(23,089)	
Changes in fair value	(50,982)	41,020
Total Investment property	**133,385**	**167,246**

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) • Hackney Wick Neighbourhood Centre	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 2023 by JLL Limited. The investment property portfolio is now valued at £133.4m, a net decrease in fair value of £33.9m 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 has 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 2023	31 March 2022	Change	Basis
	£000	£000	£000	
London Aquatics Centre and Copper Box Arena	9,890	9,685	205	Greenwich Leisure Limited was appointed as the operator of the London Aquatics Centre and Copper Box Arena under a 10 year arrangement. These venues (including the car parks) are valued on the basis of the estimated future income the venues will produce until 2024. The operating contracts thereafter are currently being re-procured and will be reflected in future valuations.
Here East (former Press and Broadcast Centre)	14,700	13,880	820	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	4,500	5,580	(1,080)	The valuation of the Multi Storey Car Park is based on the rental income streams, which includes events and adhoc revenue.
Stadium	1,500	1,500	-	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 £1.5m.
ArcelorMittal Orbit	3,260	3,455	(195)	The ArcelorMittal Orbit and The Last Drop are valued on the basis of the earnings that could be generated from operating the attraction.
Queen Elizabeth Olympic Park (excl. East Bank)	79,435	105,977	(26,542)	The valuation of Queen Elizabeth Olympic Park is based on residual appraisal. The includes residential development plots where development has not yet commenced.
3 Mills Studios	26,300	28,850	(2,550)	The 3 Mills Studios site is held on a lease with 83 years outstanding. It has been valued on the investment method, assuming the buildings are let as offices and warehouses, and have adopted a market rent.
LTGDC transferred assets	7,950	10,545	(2,595)	These sites have been valued as industrial land to be developed, which has increased in value, using comparable evidence to establish market value, for all bar one property, where an estimated rental value was used.
Other assets	8,350	24,173	(15,823)	Other sites including Timberlodge and Kiosks, have been valued using a expected rental values applying an appropriate yield and comparable market value information from similar sites. The net increase in market value is mainly due to increased rental income.
Queen Elizabeth Olympic Park - East Bank	(22,500)	(36,400)	13,900	East Bank public realm and Carpenters Land Bridge
Total	**133,385**	**167,245**	**(33,860)**	

Fair Value Hierarchy

Details of LLDC's investment properties and information about the fair value hierarchy as at 31 March 2023 are as follows:

Asset	Fair Value as at 31 March 2023	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 and Copper Box Arena	9,890	-	9,890	-
Here East (former Press and Broadcast Centre)	14,700	-	14,700	-
Multi Storey Car park	4,500	-	4,500	-
Stadium	1,500	-	-	1,500
ArcelorMittal Orbit	3,260	-	-	3,260
Queen Elizabeth Olympic Park (excl. East Bank)	79,435	-	79,435	-
3 Mills Studios	26,300	-	-	26,300
Hackney Wick (LTGDC transferred assets)	4,750	-	4,750	-
5 Hancock Rd (LTGDC transferred assets)	3,200	-	-	3,200
Other assets	8,350		-	8,350
Queen Elizabeth Olympic Park - East Bank	(22,500)	-	-	(22,500)
Total	**133,385**	**-**	**113,275**	**20,110**

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 2023:

- Hackney Wick (LTGDC transferred asset) has been transferred from Level 1 to Level 2 based on the valuation being determined using the agreed sale terms of the asset between LLDC and Notting Hill Genesis.
- 5 Hancock Road (LTGDC transferred asset), 3 Mills Studios and Other Assets have been transferred from Level 1 to Level 3 as the measurement technique uses significant unobservable inputs 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 (London Aquatics Centre, Copper Box Arena, 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 a 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, 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.

14. 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.

In January 2019, LLDC acquired 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 2022/23 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. The underlying operating position for the Stadium is a profit of £27.6m (2021/22: £40.4m) – see table on page 19. The total Group outturn is a profit of £27.3m (2021/22: profit of £43.7m) largely due to changes in the discount rate used in calculating the onerous contract provision – see Note 14. This is shown in the following table:

	E20 Stadium LLP	London Stadium 185 Ltd	E20 Stadium LLP Group
	£000	**£000**	**£000**
Revenue	(6,300)	(31,126)	(14,370)
Cost of sales	17,837	16,233	11,292
	11,537	**(14,893)**	**(3,078)**
Other operating expenses	3,746	15,456	18,925
Depreciation and impairment	15,237	816	10,383
Exceptional costs	1,177	-	1,177
Exceptional income	(8,563)	-	(8,563)
Purchases recharged within the Group	-	-	4,575
Provisions:			
Increase in existing provisions	53,601	-	53,601
Effect of the change in provision discount rate	(97,934)	-	(97,934)
Provision utilised in the year	(6,353)	-	(6,353)
Operating (Profit)/Loss	**(27,553)**	**1,379**	**(27,268)**
Financing costs - interest payable	8,920	-	8,920
Financing costs - provision (unwinding the discount	4,564	-	4,564
Total (Profit)/Loss for the year	**(14,069)**	**1,379**	**(13,784)**

During 2022/23, E20 Stadium LLP commenced legal proceedings against Allen & Overy, for their role in drafting the London Stadium concession agreement. This dispute was settled in August 2022 before a court hearing scheduled in October of the same year. The details of the settlement are confidential; however, the related transactions are recognised in the 2022/23 financial statements (within exceptional income).

In addition, during the year, E20 Stadium LLP and West Ham United Football Club were in dispute over sums due to E20 Stadium LLP under the West Ham Concession Agreement in relation to a multi-faceted share transaction in WH Holdings Limited in November 2021. In December 2021, E20 Stadium LLP issued a Non-Payment Notice to the Club. On 1 August 2022, the Club paid E20 Stadium LLP £2,588,223, in full and final settlement of sums due in relation to the share transfers component of the transaction by relevant shareholders plus interest. On 7 March 2023, a further payment was made to E20 Stadium LLP in relation to other components of the transaction, though the Club continue to dispute this aspect of the matter. The related transactions are recognised in the 2022/23 financial statements (within exceptional income).

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.

Last year (2021/22), following an update to International Accounting Standard 37 (Provisions, Contingent Liabilities and Contingent Assets), a detailed review of the provision and its underlying assumptions (including the discount rates applied) was undertaken. The updated methodology differed from that adopted previously as follows:

- It now 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 no longer included in the calculation.
- The calculation is now based on cashflows for the remaining 92-year term of the concession agreement (note the calculation includes cashflows relating to the UK Athletics agreement up to its expiry in 40 years); previously the cashflow was calculated in perpetuity.
- A discount rate is now adopted to reflect a risk-free rate (based on Government gilt rates at the reporting date).

The revised approach can lead to increased volatility if the technical assumptions upon which the provision is based change – for example, the discount rate, which is based on the prevailing government gilt rate. Annual changes in the provision, including those in the prior year due to the change in approach, are necessarily reflected in the partnership's income statement (and, therefore, the LLDC Group Comprehensive Income and Expendiure Statement).

E20 Stadium LLP's forecasts also impact upon the Stadium's valuation as at 31 March 2023. 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 2023 the Stadium's fair value is assessed to be £nil (31 March 2022 £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 2022: £nil). Furthermore, the funding provided to E20 Stadium LLP during the year by way of equity funding (£26.3m) is impaired as at 31 March 2023 based on E20 Stadium LLP's current financial forecasts.

	31 March 2023	31 March 2022
	£'000	**£'000**
Opening balance at 1 April	-	-
Investment during the year	26,267	20,859
Impairment	(26,267)	(20,859)
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 joint venture is now established as Stratford East London Partners (SELP) LLP and its current members are SELD and Ballymore Stratford East Limited. Both SELD and SELP began trading during 2022/23; accordingly, SELD's financial results are consolidated into the LLDC Group Accounts. LLDC's has £1 share capital in SELD, which receives its funding as borrowings direct from the GLA.

15. Short and long-term debtors

	31 March 2023	31 March 2022
	£000	**£000**
Short term		
Central Government bodies	6,886	7,009
Other Local Authorities	70	361
Other entities and individuals	24,943	35,814
Long term		
Other entities and individuals	28,367	9,630
Total long term debtors	**28,367**	**9,630**

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.

The non-current debtor at 31 March 2023 of £28.4m relates to the remaining amount available to University of the Arts London under a £40m loan facility. This funding is for the cost of the fit-out of their building at Stratford Waterfront and is repayable over 20 years.

16. Cash and cash equivalents

	31 March 2023	31 March 2022
	£000	**£000**
Cash in hand and at bank	19,905	21,184
Investments	46,850	45,654
Total cash and cash equivalents	**66,755**	**66,838**

17. Inventories

	31 March 2023	31 March 2022
	£'000	**£'000**
Balance at 1 April	**161,871**	**112,208**
Purchases (Residential)	4,228	17,605
Purchases (East Bank)	140,105	145,185
Transfer to Investment Properties	(3,461)	-
Transfer from Investment Properties at Fair Value	23,089	
Recognised as an expense in the year (Residential): disposals	(12,553)	(60,106)
Purchases offset against grant provision (East Bank)	(22,618)	(55,179)
Increase/(decrease) to net realisable value (recognised in CIES - East Bank)	-	2,159
Balance at 31 March	**290,662**	**161,871**
Split:		
Residential	25,038	10,273
East Bank	265,624	151,598
Balance at 31 March	**290,662**	**161,871**

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:

- *Residential development assets:* Development with a view to sale has commenced at Chobham Manor 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 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.

    - *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.

- 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 will be 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.

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

18. Current and non-current liabilities

	31 March 2023	31 March 2022
	£000	**£000**
Current		
Central government bodies	(618)	(585)
Other local authorities	(12,211)	(11,556)
Other entities and individuals	(131,406)	(38,759)
Provisions	(244,601)	(224,784)
Corporation Tax Liability	(6,181)	(4,884)
Total current liabilities	**(395,017)**	**(280,567)**
Non-current		
Long-term borrowing	(442,309)	(399,594)
Section 106 contributions	(53,401)	(48,499)
Deferred income (East Bank)	-	(56,642)
Stadium rent premium	(454)	(459)
Long term creditors	**(496,163)**	**(505,194)**
Retirement benefit obligation (pension liability)	(2,044)	(32,695)
Total non-current liabilities	**(498,207)**	**(537,889)**

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 2023, LLDC had drawn down funding to the value of £442.3m. Interest payable in the year to 31 March 2023 is £12.2m (which is fully-funded by the GLA through revenue grant – see Note 2). In prior years, included within long-term borrowing was a London Enterprise Partnership loan for the Hackney Wick Station project, this is due to be 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 (expected during the 2023/24 financial year). 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).

19. 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 2022/23 was 12% (2021/22: 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 £1.4m were paid in 2022/23 (2021/22: £1.2m). There were 168 active members as at 31 March 2023 (133 as at 31 March 2022). There were 167 deferred pensioners and 15 actual pensioners at 31 March 2023.

Principal assumptions used by the actuary

	31 March 2023	31 March 2022
Expected return on assets	**%**	**%**
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.6	22.9
Women	24.4	24.9
Longevity at 65 for future pensioners:		
Men	23.5	24.0
Women	25.8	26.2
Rate of inflation	4.8%	2.6%
Rate of increase in salaries	3.9%	4.1%
Rate of increase in pensions	2.9%	3.1%
Rate for discounting scheme liabilities	4.8%	2.6%

The term of the employer's liabilities is estimated at 30 years.

Amounts charged to the Comprehensive Income and Expenditure Statement

	31 March 2023	31 March 2022
	£000	**£000**
Service cost	4,771	4,689
Total included in net cost of services	**4,771**	**4,689**
Net interest on the defined liability	817	745
Administration expenses	11	10
Total included in deficit on provision of services before tax	**828**	**755**
Remeasurement of the net defined benefit liability/asset	(34,875)	(8,432)
Deferred tax asset on the net defined benefit liability	9,864	(3,360)
Total	**(19,412)**	**(6,348)**

Reconciliation of present value of the defined benefit obligation

	31 March 2023	31 March 2022
	£000	**£000**
Opening balance	**70,694**	**67,967**
Current service cost	4,771	4,689
Contributions by scheme participants	1,001	905
Change in financial assumptions	(41,371)	(3,171)
Change in demographic assumptions	-	(1,412)
Experience loss/(gain) on defined benefit obligations	6,014	608
Estimated benefits paid net of transfers in	(302)	(292)
Interest cost	1,812	1,400
Closing defined benefit obligation	**42,619**	**70,694**

Reconciliation of fair value of scheme assets

	31 March 2023	31 March 2022
	£000	**£000**
Opening balance	**37,999**	**31,044**
Interests on assets	995	655
Return on assets less interest	(482)	3,621
Other actuarial gains/(losses)	-	836
Administration expenses	(11)	(10)
Contributions by scheme participants	1,001	907
Contributions by the Legacy Corporation including unfunded benefits	1,375	1,240
Estimated benefit paid (net of transfers in and including unfunded)	(302)	(294)
Fair value of scheme assets as at 31 March	**40,575**	**37,999**

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

	31 March 2023	31 March 2022
	£000	**£000**
Present value of the defined benefit obligation	(42,619)	(70,694)
Fair value of plan assets	40,575	37,999
Net liability arising from defined benefit obligation	**(2,044)**	**(32,695)**

Local Government Pension Scheme assets comprised:

	31 March 2023		31 March 2022	
	£000	**%**	**£000**	**%**
Equities	23,861	59%	20,889	56%
Target Return Portfolio	7,544	19%	8,266	22%
Infrastructure	5,134	13%	3,846	10%
Property	3,984	10%	3,369	9%
Cash	52	0%	1,253	3%
Total	**40,575**	**100%**	**37,623**	**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	41,630	42,619	43,640
Projected service cost	1,568	1,642	1,719
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	42,699	42,619	42,540
Projected service cost	1,643	1,642	1,641
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	43,579	42,619	41,690
Projected service cost	1,720	1,642	1,567
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	43,772	42,619	41,496
Projected service cost	1,712	1,642	1,574

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 £1.4m.

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 2023, 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 £53,539 in the year to 31 March 2023 (2022: £35,124).

20. Cash flow notes

a) Adjustments to net deficit for non-cash movements

	31 March 2023	Restated 31 March 2022
	£'000	**£'000**
Depreciation of property plant and equipment	594	436
Amortisation of intangibles	439	305
Movement in Pension Liabilities	5,599	5,880
Reversal of impairment on investment in joint venture	26,267	20,859
Cash Payments for employer's contributions to pension funds	(1,375)	(1,240)
(Increase)/ Decrease in trade and other debtors	(7,297)	(24,808)
Increase/(decrease) in trade and other creditors	36,685	7,258
Increase/(decrease) in deferred tax liability	7,251	3,017
Increase/(decrease) in bad debt provision	(155)	113
Increase/(decrease) in provisions	19,817	(53,057)
Changes in Fair Value of Investment Property	50,982	(41,020)
Stadium Lease Premium	(5)	(5)
Inventory Disposals (Residential)	12,553	60,106
Inventory net change to net realisable value	-	(2,159)
Inventory purchases not set against provision (East Bank)	(117,488)	(90,007)
Inventory purchases (Residential)	(4,228)	(17,605)
Adjustment to net deficit for non-cash movements	**29,640**	**(131,927)**

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	118,072	102,167

b) Investing activities

	31 March 2023	Restated 31 March 2022
	£'000	**£'000**
Purchase of property, plant and equipment, investment property and intangible assets	(37,335)	(22,515)
Investment in joint venture	(26,267)	(20,859)
Capital grant received and other capital receipts	118,072	120,826
Net cash outflow from investing activities	**54,470**	**77,453**

c) Financing activities

	31 March 2023	31 March 2022
	£'000	**£'000**
Movement on Borrowings	42,715	26,358
Movement on OPTEMS fund	8	2
Movement on S106 fund	4,902	9,070
Net cash flow from financing activities	**47,625**	**35,430**

21. 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 £19.5m 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 2023	31 March 2022
	£'000	**£'000**
General funds	(19,449)	(10,379)
Balance on usable reserves at 31 March	**(19,449)**	**(10,379)**

Unusable reserves

	31 March 2023	31 March 2022
	£'000	**£'000**
Capital Adjustment Account	349,770	341,099
Pensions Reserve	4,869	25,656
Accumulated Absences Account	269	211
Balance on unusable reserves at 31 March	**354,908**	**366,966**

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 2023	31 March 2022
	£'000	**£'000**
Balance as at 1 April	341,099	457,171
Charges for depreciation and amortisation	1,033	741
Capital grants and contributions applied	(118,072)	(102,167)
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	12,553	57,948
Increase/decrease in provisions	42,180	1,872
Capital receipts received during the year	(13,061)	(66,893)
Revenue expenditure funded from capital under statute	336	712
(Revaluation)/Impairment charged to the Comprehensive Income and Expenditure Statement	77,249	(20,161)
Deferred tax liability on revaluation charged to the Comprehensive Income and Expenditure Statement	(3,910)	3,017
Corporation tax adjustment	(458)	-
Corporation Tax liability for the year	10,820	8,913

Pensions Reserve

	31 March 2023	31 March 2022
	£'000	**£'000**
Balance as at 1 April	25,656	33,244
Remeasurements of the net defined benefit liability/asset	(34,875)	(8,432)
Deferred tax (asset) on the net defined benefit liability	9,864	(3,360)
Reversal of charges relating to retirement benefits	5,599	5,444
Employer's pension contribution and direct payments to pensioners payable in the year	(1,375)	(1,240)

Accumulated Absences Reserve

	31 March 2023	31 March 2022
	£'000	**£'000**
Balance as at 1 April	211	351
Settlement or cancellation of accrual made at the end of the preceding year	(211)	(351)
Amounts accrued at the end of the current year	269	211
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		
		211

22. 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 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**

For the year ended 31 March 2022

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable
	£'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	(741)	-	-	**(741)**	741
Movements in the market value of investment property	41,020	-	-	**41,020**	(41,020)
Disposals of investment property	(0)	-	-	**(0)**	0
Disposals of inventories and increase/decrease to net realisable value	(57,948)	-	-	**(57,948)**	57,948
(Increase)/decrease in provisions	(1,872)	-	-	**(1,872)**	1,872
Current and Deferred tax liability movements	(11,930)	-	-	**(11,930)**	11,930
Impairment of joint venture investment	(20,859)	-	-	**(20,859)**	20,859
Capital grants and contributions applied	102,167		-	**102,167**	(102,167)
Revenue expenditure funded from capital under statute	(712)	-	-	**(712)**	712
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	66,893	(66,893)	-	**-**	-
Use of the Capital Receipts Reserve to finance new capital expenditure		66,893	-	**66,893**	(66,893)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(5,444)	-	-	**(5,444)**	5,444
Employer's pensions contributions and direct payments to pensioners payable in year	1,240	-	-	**1,240**	(1,240)
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	140	-	-	**140**	(140)
Total adjustments	**111,954**	**-**	**-**	**111,954**	**(111,954)**

23. 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 81 years. The Studios are managed by Knight Frank LLP on behalf of LLDC.

ArcelorMittal Orbit: The ArcelorMittal Orbit was managed by Engie on behalf of LLDC until August 2022 when it was sublet to Orbit Live Limited. The revenues from the ArcelorMittal Orbit mainly comprise ticketing sales, catering sales and fees, charges relating to private functions and special events (until August 2022) and rental income thereafter. Engie were paid a management fee.

The Podium: The Podium adjacent to the ArcelorMittal Orbit contains The Last Drop cafe and hospitality suite (also sublet to Orbit Live Limited In August 2022). LLDC is paid a rent and service charges for the premises.

London Aquatics Centre and Copper Box Arena: The Copper Box Arena, a multi-use arena, and the London Aquatics Centre, a world-class swimming facility, are both operated by Greenwich Leisure Limited. 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 awarded to Change Please Foundation who pay LLDC a rent, estate and service charge for the premises with a turnover share. 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. LLDC became responsible for the four kiosks in the south park during the year; these are operated by Company of Cooks.

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. LLDC receives rental and service charge income from these properties.

On-park properties: On-park properties are predominantly located on Pudding Mill Lane and Rick Roberts Way. LLDC receives rental income from these properties.

Other Trading: Other Trading includes attractions on the Park (such as the forthcoming High Ropes attraction) as well as telecoms/Wi-Fi is income received for masts located on LLDC property, including the Park.

Operation		31 March 2023		31 March 2022	
		£'000	£'000	£'000	£'000
3 Mills	Turnover	(8,120)		(7,051)	
	Expenditure	6,249		5,110	
	EFM	-		-	
	Deficit/(Surplus)		(1,871)		(1,942)
ArcelorMittal Orbit	Turnover	(762)		(677)	
	Expenditure	941		750	
	EFM	155		169	
	Deficit/(Surplus)		334		242
The Podium	Turnover	(427)		(365)	
	Expenditure	4			
	EFM	158		173	
	Deficit/(Surplus)		(265)		(192)
London Aquatics Centre	Turnover	(1,062)		(57)	
	Expenditure	2,306		994	
	EFM	1,332		1,468	
	Deficit/(Surplus)		2,576		2,405
Copper Box Arena	Turnover	(13)		(79)	
	Expenditure	669		110	
	EFM	856		921	
	Deficit/(Surplus)		1,512		952
Timber Lodge	Turnover	(127)		(47)	
	Expenditure	34		17	
	EFM	82		92	
	Deficit/(Surplus)		(11)		62
Off-Park Assets	Turnover	(91)		(266)	
	Expenditure	44		71	
	EFM	-		-	
	Deficit/(Surplus)		(47)		(195)
Kiosks	Turnover	(44)		(36)	
	Expenditure	-		-	
	EFM	21		12	
	Deficit/(Surplus)		(23)		(24)
On Park Properties	Turnover	(657)		(976)	
	Expenditure	(66)		320	
	EFM	-		-	
	Deficit/(Surplus)		(724)		(656)
Other Trading	Turnover	(275)		(51)	
	Expenditure	5		1	
	EFM			-	
	Deficit/(Surplus)		(270)		(50)
Net (surplus) or deficit on trading operations			**1,211**		**601**

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 13).

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 2023	31 March 2022
	£'000	**£'000**
Income in relation to investment property	(11,578)	(9,605)
Expenditure in relation to investment property	12,790	10,208
Net deficit on trading operations charged to financing and investment	1,211	601

24. 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 2023 and 2022 were as follows:

	31 March 2023	31 March 2022
	£'000	**£'000**
Income		
Greater London Authority[1]	(20)	(81)
E20 Stadium LLP[2]	(3,405)	(3,691)
London Borough of Hackney[3]	(60)	-
London Borough of Newham[5]	(3)	(128)
Network Rail[6]	(331)	(90)
London Stadium 185[7]	(700)	(1,015)
Lee Valley Regional Park Authority[8]	(151)	-
Old Oak and Park Royal Development Corporation(OPDC)[9]	(29)	-
London Youth Game [10]	(1)	-
British Broadcasting Corporation[12]	-	(176)

	31 March 2023	31 March 2022
	£'000	**£'000**
Expenditure		
Greater London Authority[1]	213	145
E20 Stadium LLP[2]	596	136
London Borough of Hackney[3]	166	13
London Borough of Tower Hamlets[4]	32	39
London Borough of Newham[5]	129	260
Network Rail[6]	109	28
London Stadium 185[7]	204	12
Lee Valley Regional Park Authority[8]	70	-
Corporation(OPDC)[9]	132	-
London Youth Game [10]	0	-
Thames Water Utilities[11]	120	-

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 on the Board of E20. LLDC Board Members Shanika Amarasekara, Gurpreet Dehal and Phil Mead are E20 Stadium LLP Board Members.

3. LLDC Executive Management Team member Philip Glanville is the Mayor of Hackney. LLDC Board member Jules Pipe was the Mayor of Hackney until July 2016.

4. LLDC Board Member Rachel Blake is a Councillor in the London Borough 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. Former LLDC Board member Baroness Grey-Thompson was a Board Member of the British Broadcasting Corporation.

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 2022/23 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 2023	Income 31 March 2022	Expenditure March 2023	Expenditure March 2022	Nature of Relationship
	£,000	£,000	£,000	£,000	
Deloitte	-	-	311	82	Executive Director of Development Rosanna Lawes' partner is a Director of Deloitte
Future of London	-	-	5	10	LLDC Chief Executive Officer Lyn Garner is the Chair of Future of London
MACE	(130)		11,965	10,829	LLDC Chair Sir Peter Hendy's son is an employee of Mace.
Commonplace Digital Ltd	-	-	38	31	Board Member Pam Alexander was a Chair of Commonplace Digital Ltd.
LDA Design Consulting Ltd	-	-	548	139	Executive Director of People and Organisational Development Sarah Perry's husband is a director at LDA Design Consulting Ltd.
Rosetta Art Centre	-	-	2	-	Regeneration and Community Partner Vivian Murinde is a member of Board of Trustees at Rosetta Arts Centre.
Film London	-	-	1	-	Regeneration and Community Partner Mark Camley is a member of Taskforce in Film London.

Related parties – Outstanding balances

Outstanding balances with related parties as at 31 March 2023 and 2022 are as follows:

Organisation	Debtors 31 March 2023	Debtors 31 March 2022	Creditors 31 March 2023	Creditors 31 March 2022
	£,000	**£,000**	**£,000**	**£,000**
E20 Stadium LLP	(1,898)	(1,727)	-	-
Greater London Authority	(69)	-	-	-
London Stadium 185	(7,783)	(1,126)		
London Borough of Newman	(203)	(153)	-	-
Network Rail	(51)	(72)	-	-
British Broadcasting Corporation	-	(8)	-	-
Lee Valley Regional Park Authority	(22)	-	-	-
Old Oak and Park Royal Development Corporation(OPDC)	(35)	-	-	-

25. Operating leases

a) Leases as lessee

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

	31 March 2023	31 March 2022
	£'000	**£'000**
Within one year	2,301	2,108
Between 1-5 years	2,988	4,034
Over 5 years	32,556	33,085
	37,845	**39,226**

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 2023	31 March 2022
	£'000	**£'000**
Rent payable in year	1,479	1,324
	1,479	**1,324**

b) Leases as lessor

Details of properties leased include:

- London Aquatics Centre and Copper Box Arena: Greenwich Leisure Limited has been appointed as the operator of the London Aquatics Centre and Copper Box Arena under a 10-year arrangement.
- Stadium Island: leased to E20 Stadium LLP under a 102-year lease arrangement.
- Here East: leased to iCITY (London) Limited over a 200-year lease.
- Multi Storey Car Park: proportion of spaces leased to iCITY (London) Limited.
- On and Off Park rentals: currently leased by a mixture of industrial, commercial and residential tenants.
- Queen Elizabeth Olympic Park: various café and kiosks leased across the Park, including the Podium and Timber Lodge.

- ArcelorMittal Orbit and The Last Drop sub-let to Orbit Live Limited.

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**

Amounts recognised in the Comprehensive Income and Expenditure Statement:

	31 March 2023	31 March 2022
	£'000	**£'000**
Rent receivable in year	5,276	5,079
	5,276	**5,079**

26. 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 2023	31 March 2022
	£'000	**£'000**
Opening capital financing requirement	**283,357**	**267,660**
Capital Investment		
Property plant and equipment	356	770
Investment property	36,750	21,424
Inventories	144,333	162,790
Intangible assets	229	321
Revenue expenditure funded from capital under statute	336	712
Sources of finance		
Government grants and other contributions	(131,133)	(170,319)
Closing capital financing requirement	**334,228**	**283,357**

Explanation of movement in year

Sources of finance	**31 March 2023**	**31 March 2022**
	£'000	**£'000**
Opening capital financing requirement	283,358	267,660
Increase/(decrease) in underlying need to borrow	50,871	15,698
Closing capital financing requirement	**334,228**	**283,358**

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.

27. Financial instruments

Categories of financial instruments

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

	31 March 2023	31 March 2022
	£'000	**£'000**
Financial assets		
Current		
Financial assets at amortised costs	17,547	10,483
Net cash and cash equivalents	66,755	66,838
Non-current		
Financial assets at amortised costs	28,367	9,630
Total financial assets	**112,669**	**86,951**
Financial liabilities		
Current		
Financial liabilities at amortised costs	(5,031)	(3,094)
Non-current		
Financial liabilities at amortised costs	(496,163)	(448,092)
Total financial liabilities	**(501,194)**	**(451,186)**

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

	2022/23 Financial liabilities measured at amortised costs	2022/23 Financial assets at amortised costs	2021/22 Financial liabilities measured at amortised costs	2021/22 Financial assets at amortised costs
	£'000	**£'000**	**£'000**	**£'000**
Interest expense	12,211	-	11,213	-
Interest income	-	(238)	-	(7)
Total in Surplus or Deficit in Provision of Services	**12,211**	**(238)**	**11,213**	**(7)**

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:

	2022/23 Carrying amount	2022/23 Fair value	2021/22 Carrying amount	2021/22 Fair value
	£'000	**£'000**	**£'000**	**£'000**
Financial assets	-	-	-	-
Financial assets at amortised cost	45,914	45,914	20,113	20,113
Cash and cash equivalents	66,755	66,755	66,838	66,838
Financial liabilities at amortised costs				
Borrowings	(442,309)	(442,309)	(399,094)	(445,784)
Short-term creditors	(5,031)	(5,031)	(3,094)	(3,094)
Long-term creditors	(53,854)	(53,854)	(48,998)	(48,998)
Total financial liabilities	**(501,194)**	**(501,194)**	**(451,186)**	**(497,876)**

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 long-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 as a result of Covid-19. LLDC has deemed the level of impairment as at 31 March 2023 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 £46.9m in the GLA Group Investment Syndicate (GIS) 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 2023		
£'000	**Gross value**	**Impairment value**	**Net Value**
Deposits with financial institutions	66,517	-	66,517
Accrued interest on deposits	238	-	238
Debtors with subsidiary	9,681	-	9,681
Trade debtors	7,935	(69)	7,866
Loans to third parties	28,367	-	28,367
Total exposure	**112,739**	**(69)**	**112,669**

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.

	2022/23	2021/22
	£'000	**£'000**
Maturing in 1 - 2 years	(16,304)	(12,021)
Maturing in 2 - 5 years	(71,444)	(43,710)
Maturing in 5 - 10 years	(164,415)	(221,167)
Maturing in more than 10 years	(244,000)	(171,653)
Long term financial liabilities with more than one year to mature	**(496,163)**	**(448,551)**
Total financial liabilities	**(496,163)**	**(448,551)**

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.

28. 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 (University of the Arts London, V&A, Sadler's Wells and BBC) at Stratford Waterfront 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. Changes to the provision are recognised in the Comprehensive Income and Expenditure Statement (within East Bank gross expenditure).

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

	East Bank provision
Balance at 31 March 2022	**(224,491)**
Additional provisions made	(42,430)
Amounts used	22,618
Balance at 31 March 2023	**(244,304)**
Long Term	
Balance at 31 March 2022	**-**
Additional provisions made in year	-
Amounts used in year	-
Balance at 31 March 2023	**0**
Short Term	
Balance at 31 March 2022	**(224,491)**
Additional provisions made in year	(42,430)
Amounts used in year	22,618
Balance at 31 March 2023	**(244,304)**

As at 31 March 2023, LLDC is also recognising a provision of £0.3m for potential compensatory costs relating to the closure of one of LLDC's venues during 2022/23. The total provisions are shown in the following table:

	East Bank provision	Other Provisions	Total
Balance at 31 March 2022	**(224,491)**	**(293)**	**(224,784)**
Additional provisions made	(42,430)	(254)	(42,684)
Amounts used	22,618	-	22,618
Unused amounts reversed	-	250	250
Balance at 31 March 2023	**(244,304)**	**(297)**	**(244,601)**

29. 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.

E20 Stadium LLP taxable losses

LLDC has an ongoing query with HM Revenues and Customs relating to the use of taxable losses generated in prior years by E20 Stadium LLP. As the final outcome of this is currently unknown, and not wholly within the control of LLDC, it is recognised here as a contingent liability. At this time, it is not practicable to estimate the financial impact of this matter.

30. Events after the reporting period

In determining the value of LLDC's East Bank properties classified as inventories as at 31 March 2023, 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, the reported construction AFC increased by £5.3m (to £634.9m at 30 June 2023) caused by further slippage in building delivery dates, new design issues, and settlements with key contractors in excess of AFC allowances. This increase reflects circumstances that have arisen after the reporting date but before these accounts were authorised for issue and are therefore being disclosed as a non-adjusting event within these accounts. Note that 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

LLDC is a member of E20 Stadium LLP, a former joint venture with Newham Legacy Investments Limited. The E20 Stadium partnership is the legal entity that holds a 102-year leasehold interest in the Stadium Island site and is responsible for the transformation works and 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.

On 30 November 2017, LLDC took full control of E20 Stadium LLP; accordingly, from 1 December 2017, E20 Stadium LLP became classified as a subsidiary of LLDC.

LLDC has another subsidiary, Stratford East London Holdings Limited, which was established on 1 December 2017, from which date it became the second member of E20 Stadium LLP. 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.

On 21 January 2019, LLDC acquired the Stadium operator, London Stadium 185 Limited, via its subsidiary E20 Stadium LLP. This gives LLDC full control of the London Stadium operations, enabling it to better maximise the commercial opportunities at the Stadium and further reduce its operating costs. Accordingly, the financial results of London Stadium 185 Limited as at 31 March 2023 are consolidated into LLDC's Group Accounts (via the E20 Stadium LLP 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 joint venture is now established as Stratford East London Partners (SELP) LLP and its current members are SELD and Ballymore Stratford East Limited. Both SELD and SELP began trading during 2022/23; accordingly, SELD's financial results are consolidated into the LLDC Group Accounts. LLDC's has £1 share capital in SELD, which receives its funding as borrowings direct from the GLA.

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 2023

		Gross Income	Gross Expenditure	Net Expenditure
	Notes	£'000	£'000	£'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)**

For the year ended 31 March 2022

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	G1/G2	(2)	1,892	1,890
Development	G1/G2	(67,010)	60,890	(6,120)
Executive Office	G1/G2	(66)	2,342	2,276
Finance, Commercial and Corporate Services	G1/G2	1,535	11,586	13,121
Park Operations and Venues	G1/G2	(219)	2,128	1,909
Planning Policy & Decisions	G1/G2	(1,358)	3,455	2,097
Regeneration and Community Partnerships	G1/G2	-	2,340	2,340
Stadium	14/G1/G2	(6,803)	36,780	29,977
East Bank	G1/G2	-	1,006	1,006
GLA Grant	G1/G2	(46,418)	-	(46,418)
Net cost of services		**(120,341)**	**122,419**	**2,077**
Financing and investment income	G3	(14,151)	-	(14,151)
Change in fair value of investment properties	13	-	(41,020)	(41,020)
Financing and investment expenditure	G4	-	45,493	45,493
Capital grants and contributions	G5	(102,222)	-	(102,222)
(Surplus) or deficit on provision of services before tax		**(236,715)**	**126,891**	**(109,823)**
Corporation tax	10	-	8,913	8,913
Deferred tax	10	-	3,017	3,017
(Surplus) or deficit on the provision of services after tax		**(236,715)**	**138,822**	**(97,893)**
Deferred tax asset on the net defined benefit liability	10	(3,360)	-	(3,360)
Remeasurement of the net defined benefit liability/asset	19	-	(8,432)	(8,432)
Total comprehensive income and expenditure		**(240,075)**	**130,390**	**(109,685)**

Group Balance Sheet

	Notes	31 March 2023 £'000	31 March 2022 £'000
Long term assets			
Intangible assets	G9	74	285
Property, plant and equipment	G10	6,715	7,703
Investment property	G11	132,709	166,732
Other Investments		1,843	-
Long term debtors	G6	28,367	9,630
Deferred Tax Asset		1,404	7,358
		171,112	**191,709**
Current assets			
Short term debtors	G6	23,404	37,634
Cash and cash equivalents	G7	76,228	70,576
Inventories	G17	290,662	161,871
Corporation Tax Asset		-	-
		390,294	**270,081**
Current liabilities			
Short term creditors	G8	(417,591)	(300,738)
Corporation Tax Liability		(6,181)	(4,884)
		(423,772)	**(305,622)**
Long term liabilities			
Long term borrowing	G8	(444,156)	(399,594)
Long term creditors	G8	(228,372)	(330,830)
Retirement benefit obligation	19	(2,044)	(32,695)
		(674,572)	**(763,119)**
Reserves			
Usable reserves	G12	16,431	11,908
Unusable reserves	G12	520,508	595,043

Group Movement in Reserves Statement

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)**

As at 31 March 2022

	Notes	General Fund	Total usable reserves	Unusable reserves	Total unusable and other reserves	Total reserves
		£'000	**£'000**	**£'000**	**£'000**	**£'000**
Balance At 1 April 2021		**4,143**	**4,143**	**712,611**	**712,611**	**716,755**
Movement in reserves during 2021/22						
Deficit on the provision of services	From GCIES	(97,893)	(97,893)	-	-	(97,893)
Other comprehensive income and expenditure	From GCIES		-	(11,792)	(11,792)	(11,792)
Total comprehensive income and expenditure		**(97,893)**	**(97,893)**	**(11,792)**	**(11,792)**	**(109,685)**
Adjustments between accounting and funding basis under regulations	G13	105,757	105,757	(105,757)	(105,757)	-
Transfer to reserve		(100)	(100)	-	-	(100)
Decrease/(Increase) in 2021/22		**7,764**	**7,764**	**(117,549)**	**(117,549)**	**(109,785)**

Group Statement of Cash Flows

	Notes	31 March 2023 £'000	Restated 31 March 2022 £'000
Surplus/(Deficit) on the provision of services		35,046	97,893
Adjustments to net (deficit) for non-cash movements	G14	(39,787)	(126,502)
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	G14	(118,543)	(102,221)
Net cash flows from operating activities		(123,284)	(130,830)
Investing activities	G14	79,463	99,019
Financing activities	G14	49,471	35,430
Net increase/(decrease) in cash and cash equivalents		5,652	3,623
Cash and cash equivalents at the start of the year		**70,576**	**66,953**
Cash and cash equivalents at the end of the year		**76,228**	**70,576**

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 2023	31 March 2022
	£'000	**£'000**
Grants received	(44,597)	(46,418)
Gross disposal proceeds from the sale of inventory	(13,061)	(66,893)
Planning fees	(637)	(580)
Recharges	(828)	(612)
Events income	(137)	(96)
Other	(14,299)	(5,743)
	(73,560)	**(120,341)**

G2. Group Gross Expenditure

	31 March 2023	31 March 2022
	£'000	**£'000**
Staff costs:		
Wages and salaries	11,972	10,794
Social security costs	1,464	943
Pension costs	4,462	4,278
Other staff costs	244	276
Grants and contributions	221	390
Consultancy and Strategy Development costs	3,575	2,400
Accommodation costs	3,215	2,266
Legal fees	438	1,463
Communications, events and marketing	2,169	631
Agency and seconded staff costs	956	333
REFCUS	156	417
REFCUS - Recharges	180	295
Insurance	1,756	516
IT and Stationery	1,039	1,236
Security	(3)	1
Travel	11	16
Gross costs from disposal of inventories	12,553	60,106
Net (increase)/decrease to net realisable value for East Bank inventory	-	(2,159)
Amortisation	440	305
Depreciation	1,409	1,376
Increase/decrease in provision for doubtful debts	(86)	114
Impairment of financial assets	24	(112)
Increase/(decrease) in provision	(8,506)	21,252
Project costs expensed	-	1,225
Impairment	9,567	3,684
Other	5,591	10,373
Total	**52,849**	**122,420**

G3. Group financing and investment income

	31 March 2023	31 March 2022
	£'000	**£'000**
Interest income on deposits	(238)	(7)
Income in relation to investment property	(17,147)	(14,144)
Financing and investment income	**(17,384)**	**(14,151)**

G4. Group financing and investment expenditure

	31 March 2023	31 March 2022
	£'000	**£'000**
Net interest on the net defined benefit liability/asset	817	745
Expenditure in relation to investment property	36,694	30,469
Interest costs on borrowing	12,220	11,213
Financing costs - Provision (unwinding of discount)	4,564	3,065

G5. Group taxation and non-specific grant income

	31 March 2023	31 March 2022
	£'000	**£'000**
Other capital grants and contributions	(118,543)	(102,221)
Taxation and non specific grant income	**(118,543)**	**(102,221)**

G6. Group short term and long-term debtors

	31 March 2023	31 March 2022
	£'000	**£'000**
Short term		
Central Government bodies	6,113	(216)
Other Local Authorities	336	290
Other entities and individuals	16,955	37,559
Total short term debtors	**23,404**	**37,634**
Long term		
Other entities and individuals	28,367	9,630
Total long term debtors	**28,367**	**9,630**

G7. Group Cash and Cash Equivalents

	31 March 2023	31 March 2022
	£'000	**£'000**
Cash in hand and at bank	29,378	24,922
Investments	46,850	45,654
Total cash and cash equivalents	**76,228**	**70,576**

G8. Group current and non-current liabilities

	31 March 2023	31 March 2022
	£'000	**£'000**
Current		
Central government bodies	(897)	5,683
Other local authorities	(12,211)	(10,766)
Other entities and individuals	(149,032)	(64,615)
Short Term Provisions	(255,451)	(231,040)
Corporation Tax Liability	(6,181)	(4,884)
Total current liabilities	**(423,772)**	**(305,622)**
Non-current		
Long-term borrowing	(444,156)	(399,594)
Section 106 contributions	(53,400)	(48,499)
Stadium rent premium	5	5
Deferred Income	-	(56,642)
Long Term Provisions	(174,977)	(225,694)
Long term creditors	**(672,528)**	**(730,424)**
Retirement benefit obligation (pension liability)	(2,044)	(32,695)
Total non-current liabilities	**(674,572)**	**(763,119)**

G9. Group Intangible Assets

	Computer Software	Licences	Total
	£'000	**£'000**	**£'000**
Cost			
At 1 April 2021	254	495	751
Additions	149	171	320
Disposals	-	-	-
At 31 March 2022	**403**	**666**	**1,071**
At 1 April 2022	403	666	1,071
Additions	114	114	228
Disposals	-	-	-
At 31 March 2023	**517**	**780**	**1,299**
Amortisation			
At 1 April 2021	107	370	477
Charged during the period	155	150	305
Disposals	-	-	-
At 31 March 2022	**262**	**521**	**782**
At 1 April 2022	262	521	782
Charged during the period	227	213	440
Disposals	-	-	-
At 31 March 2023	**491**	**732**	**1,223**
Net book value at 31 March 2022	**140**	**146**	**285**
Net book value at 31 March 2023	**26**	**48**	**74**

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 2021	1,985	8,012	924	2,203	13,128
Additions	-	1	325	445	771
Disposals	-	-	-	0	-
At 31 March 2022	1,985	**8,013**	**1,249**	**2,648**	**13,898**
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**
Depreciation					
At 1 April 2021	-	4,205	609	-	4,819
Charged during the period	-	1,052	326	-	1,378
Disposals	-	-	-	-	-
At 31 March 2022	**-**	**5,257**	**935**	**-**	**6,197**
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**
Net book value at 31 March 2022	**1,985**	**2,754**	**314**	**2,648**	**7,701**
Net book value at 31 March 2023	**1,985**	**1,612**	**310**	**2,808**	**6,715**

G11. Group Investment Property

	31 March 2023	31 March 2022
Valuation	**£'000**	**£'000**
Opening balance at 1 April	166,734	104,664
Additions:		
- Subsequent expenditure	36,586	21,050
- Transfers from Inventories	3,461	-
Transfers to inventories	(23,089)	-
Changes in fair value	(50,982)	41,020
Total Investment property	**132,709**	**166,734**

G12. Reserves

Usable reserves

At the end of the financial year, LLDC's Group had usable reserves of £16.4m in the General Fund.

	31 March 2023	31 March 2022
	£'000	**£'000**
General funds	16,431	11,908
Balance usable reserves at 31 March	**16,431**	**11,908**

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 2023	31 March 2022
	£'000	**£'000**
Capital Adjustment Account	515,370	569,176
Pensions Reserve	4,869	25,656
Accumulated Absences Account	269	211
Balance unusable reserves at 31 March	**520,508**	**595,043**

Capital Adjustment Account

	31 March 2023	31 March 2022
	£'000	£'000
Balance as at 1 April	569,176	679,016
Charges for depreciation and amortisation	11,415	5,348
Capital grants and contributions applied	(118,543)	(102,222)
Amounts of inventories written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	12,553	57,948
Increase/decrease in provisions	(3,943)	24,358
Capital receipts received during the year	(13,061)	(66,893)
Revenue expenditure funded from capital under statute	336	711
(Revaluation)/Impairment charged to the Comprehensive Income and Expenditure Statement	50,982	(41,020)
Deferred tax liability on revaluation charged to the Comprehensive Income and Expenditure Statement	(3,910)	3,017
Corporation tax adjustment	(458)	-
Corporation Tax liability for the year	10,820	8,913
Balance at 31 March	**515,370**	**569,176**

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 2023	31 March 2022
	£'000	£'000
Balance as at 1 April	25,656	33,244
Remeasurements of the net defined benefit liability/asset	(34,875)	(8,432)
Deferred tax (asset) on the net defined benefit liability	9,864	(3,360)
Reversal of charges relating to retirement benefits	5,599	5,444
Employer's pension contribution and direct payments to pensioners payable in the year	(1,375)	(1,240)
Balance at 31 March	**4,869**	**25,656**

Accumulated Absence Reserve

	31 March 2023	31 March 2022
	£'000	£'000
Balance as at 1 April	211	351
Settlement or cancellation of accrual made at the end of the preceding year	(211)	(351)
Amounts accrued at the end of the current year	269	211
Balance at 31 March	**269**	**211**

G13. Adjustments between accounting basis and funding under regulations

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)**

For the year ended 31 March 2022

	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	(5,367)	-	-	**(5,367)**	5,367
Movements in the market value of investment property	41,020	-	-	**41,020**	(41,020)
Disposals of investment property	(0)	-	-	**(0)**	0
Disposals of inventories and increase/decrease to net realisable value	(57,948)	-	-	**(57,948)**	57,948
(Increase)/decrease in provisions	(24,358)	-	-	**(24,358)**	24,358
Current and Deferred tax liability movements	(11,930)	-	-	**(11,930)**	11,930
Capital grants and contributions applied	102,222		-	**102,222**	(102,222)
Revenue expenditure funded from capital under statute	(711)	-	-	**(711)**	711
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	66,893	(66,893)	-	**-**	-
Use of the Capital Receipts Reserve to finance new capital expenditure		66,893		**66,893**	(66,893)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(5,444)	-	-	**(5,444)**	5,444
Employer's pensions contributions and direct payments to pensioners payable in year	1,240	-	-	**1,240**	(1,240)
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	140	-	-	**140**	(140)
Total adjustments	**105,757**	**0**	**0**	**105,757**	**(105,757)**

G14. Cash Flow Notes

Adjustments to net deficit for non-cash movement

	31 March 2023	Restated 31 March 2022
	£'000	**£'000**
Depreciation of property plant and equipment	1,408	1,376
Amortisation of intangibles	440	305
Movement in Pension Liabilities	5,599	5,880
Cash Payments for employer's contributions to pension funds	(1,375)	(1,240)
(Increase)/ Decrease in trade and other debtors	(4,360)	(22,770)
Increase/(decrease) in trade and other creditors	35,800	8,517
Increase/(decrease) in deferred tax liability	7,251	3,017
Increase/(decrease) in bad debt provision	(154)	(113)
Increase/(decrease) in provisions	(26,306)	(30,612)
Property, plant and equipment assets written out	-	(278)
Changes in Fair Value of Investment Property	50,982	(41,020)
Other non-cash movements	91	100
Inventory disposals (non-East Bank)	12,553	60,106
Inventory net change to net realisable value	-	(2,159)
Inventory purchases not set against provision (East Bank)	(117,488)	(90,007)
Inventory purchases (Residential)	(4,228)	(17,605)
Adjustment to net deficit for non cash movements	**(39,787)**	**(126,502)**
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	118,543	102,221

Investing activities

	31 March 2023	Restated 31 March 2022
	£'000	**£'000**
Purchase of property, plant and equipment, investment property and intangible assets	(37,237)	(21,861)
Investment in joint venture	(1,843)	-
Capital grant received and other capital receipts	118,543	120,880
Net cash outflow from investing activities	**79,463**	**99,019**

Financing activities

	31 March 2023	31 March 2022
	£'000	**£'000**
Movement on Borrowings	44,562	26,358
Movement on OPTEMS fund	8	2
Movement on S106 fund	4,902	9,070
Net cash flow from financing activities	**49,471**	**35,430**

G15. Financial Instruments

Categories of financial instruments

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

	31 March 2023	31 March 2022
	£'000	**£'000**
Financial assets		
Current		
Financial assets at amortised costs	12,918	10,576
Net cash and cash equivalents	76,228	70,576
Non-current		
Financial assets at amortised costs	28,367	9,630
Financial liabilities		
Current		
Financial liabilities at amortised costs	(7,562)	(8,234)
Non-current		
Financial liabilities at amortised costs	(497,551)	(448,092)
Total financial liabilities	**(505,113)**	**(456,326)**

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

	2022/23 Financial liabilities measured at amortised costs	2022/23 Financial assets at amortised costs	2021/22 Financial liabilities measured at amortised costs	2021/22 Financial assets at amortised costs
	£'000	**£'000**	**£'000**	**£'000**
Interest expense	12,211	-	11,213	-
Interest income	-	(238)	-	(7)
Total in Surplus or Deficit in Provision of Services	**12,211**	**(238)**	**11,213**	**(7)**

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:

	2022/23 Carrying amount	2022/23 Fair value	2021/22 Carrying amount	2021/22 Fair value
	£'000	**£'000**	**£'000**	**£'000**
Financial assets				
Financial assets at amortised cost	41,285	41,285	20,206	20,206
Cash and cash equivalents	76,228	76,228	70,576	70,576
Total financial assets	**117,513**	**117,513**	**90,782**	**90,782**
Financial liabilities at amortised costs				
Borrowings	(444,156)	(442,309)	(399,594)	(445,784)
Short-term creditors	(7,562)	(7,562)	(8,234)	(8,234)
Long-term creditors	(53,395)	(53,395)	(48,498)	(48,498)
Total financial liabilities	**(505,113)**	**(503,266)**	**(456,326)**	**502,516**

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 long-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.

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 2023			
£'000	**Gross value**	**Impairment value**	**Net Value**
Deposits with financial institutions	75,990		75,990
Accrued interest on deposits	238		238
Debtors with joint-venture group	9,681		9,681
Trade debtors	3,306	(69)	3,237
Loans to third parties	28,367	-	28,367
Total exposure	**117,582**	**(69)**	**117,513**

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.

	2022/23	2021/22
	£'000	**£'000**
Maturing in 1 - 2 years	(16,304)	(12,021)
Maturing in 2 - 5 years	(71,444)	(43,710)
Maturing in 5 - 10 years	(166,252)	(221,167)
Maturing in more than 10 years	(243,550)	(171,189)
Long term financial liabilities with more than one year to mature	**(497,551)**	**(448,087)**
Total financial liabilities	**(497,551)**	**(448,087)**

G16. Provisions

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 2022	**(231,950)**	**(224,491)**	**(293)**	**(456,734)**
Additional provisions made	(53,601)	(42,430)	(254)	(96,285)
Amounts used	6,353	22,618	-	28,971
Unused amounts reversed	-	-	250	250
Effect of the change in discount rate	97,934	-	-	97,934
Unwinding of discount	(4,564)	-	-	(4,564)
Balance at 31 March 2023	**(185,828)**	**(244,304)**	**(297)**	**(430,428)**
Long Term				
Balance at 31 March 2022	**(225,694)**	**-**	**-**	**(225,694)**
Additional provisions made in year	(53,601)	-	-	(53,601)
Reclassification	98			98
Effect of the change in discount rate	108,784	-	-	108,784
Unwinding of discount	(4,564)	-	-	(4,564)
Balance at 31 March 2023	**(174,977)**	**0**	**0**	**(174,977)**
Short Term				
Balance at 31 March 2022	**(6,256)**	**(224,491)**	**(293)**	**(231,040)**
Additional provisions made in year	-	(42,430)	(254)	(42,684)
Reclassification	(98)			(98)
Amounts used in year	6,353	22,618	-	28,971
Unused amounts reversed in year	-	-	250	250
Effect of the change in discount rate	(10,850)	-	-	(10,850)
Balance at 31 March 2023	**(10,850)**	**(244,304)**	**(297)**	**(255,451)**

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.

Last year (2021/22), following an update to International Accounting Standard 37 (Provisions, Contingent Liabilities and Contingent Assets), a detailed review of the provision and its underlying assumptions (including the discount rates applied) was undertaken. The updated methodology differed from that adopted previously as follows:

- It now 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 no longer included in the calculation.
- The calculation is now based on cashflows for the remaining 92-year term of the concession agreement (note the calculation includes cashflows relating to the UK Athletics agreement up to its expiry in 40 years); previously the cashflow was calculated in perpetuity.
- A discount rate is now adopted to reflect a risk-free rate (based on Government gilt rates at the reporting date).

The revised approach can lead to increased volatility if the technical assumptions upon which the provision is based change – for example, the discount rate, which is based on the prevailing government gilt rate. Annual changes in the provision, including those in the prior year due to the change in approach, are necessarily reflected in the partnership's income statement (and, therefore, the LLDC Group Comprehensive Income and Expendiure Statement).

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 (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. Changes to the provision are recognised in the Comprehensive Income and Expenditure Statement (within East Bank gross expenditure)

G17. Inventories

	31 March 2023	31 March 2022
	£'000	**£'000**
Balance at 1 April	**161,871**	**112,208**
Purchases (Residential)	4,228	17,605
Purchases (East Bank)	140,105	145,185
Transfer to Investment Properties	(3,461)	-
Transfer from Investment Properties at Fair Value	23,089	-
Recognised as an expense in the year (Residential): disposals	(12,553)	(60,106)
Purchases offset against grant provision (East Bank)	(22,618)	(55,179)
Increase/(decrease) to net realisable value (recognised in CIES - East Bank)	-	2,159
Balance at 31 March	**290,662**	**161,871**
Split:		
Residential	25,038	10,273
East Bank	265,624	151,598
Balance at 31 March	**290,662**	**161,871**

Split:		
Inventory valued at at lower of cost and net realisable value	122,874	52,705
Inventory valued at the lower of cost and replacement cost	167,787	109,166
Balance at 31 March	**290,662**	**161,871**

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 inclusions 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 2022/23.

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 2023 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 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 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. It was originally introduced as LLDC had not been included in organisations listed in the flexibilities introduced in the Coronavirus Act 2020 and its associated Regulations[4] which enabled specified organisations to hold remote formal decision-making meetings. 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, given that it may not have been practicable to convene in-person public meetings due to the ongoing and changing Coronavirus situation, LLDC adopted a new Remote Decision-Making Scheme from May 2021[6].

Under the 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 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

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[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

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 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 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 continues to monitor the situation and continued use of the Remote Decision-Making Scheme. At its July 2022 meeting, the Board noted that the use of the Remote Decision-Making Scheme was regularly monitored, particularly in light of the recent rise in Covid cases.

During the year ended 31 March 2023 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.

- **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.

- **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].

- **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.

- **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

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.

[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/

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 is currently being undertaken and will be reported to the Board in September 2023.

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.

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, 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), Nathan Homer (E20 Chief Commercial Officer), Graham Gilmore (LS185 Chief Executive), Darren Raczkowski (LS185, Operations Director and Peter Swordy (LS185 Director of Health, Safety and Compliance).

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 is currently underway in line with a recommendation from an internal audit (see later). This will be considered by the E20 Board in summer 2023.

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 land transactions and 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, UAL took over as Chair of the East Bank Board from LLDC and the Board membership was also revised to be the East Bank partners, with LLDC in attendance as required[8]. The role of the East Bank Programme Board, which provides oversight and direction for the overall programme, resolving any escalated issues from the Stratford Waterfront and UCL East project boards, is being reviewed in light of the revised East Bank Board terms of reference. The East Bank Strategic Objectives Board (now called the East Bank Partners Programme Board) oversees the Strategic Objectives delivery programme and reports to the East Bank Board. As a multi-party project, the

[8] Prior to this the LLDC, GLA and Foundation for FutureLondon were also members of the East Bank Board. From June 2023, the V&A will Chair the East Bank Board.

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 PMO.

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 adopted 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 monthly 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:

- 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.

[9] The contract was novated from RSM Consulting (UK) LLP in November 2020.

- 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 2022/23 and are available on LLDC's website.

The scheme of delegations was 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 approved by the Board in July 2022.

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 Autumn 2023. In 2022/23, no LLDC employees raised any issues under these policies.

People Strategy & Inclusion and Diversity

LLDC will continue to deliver all objectives in line with our core values: Ambition, Responsibility, Excellence, and Collaboration. Our People Strategy was 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. Our People Strategy identifies 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. These strategic pillars are 'Inclusive Culture', 'Authentic Leadership' and 'Fit for Future'. The People Strategy focuses 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 half year, focus has been given to developing a revised Diversity, Equity and Inclusion action plan, which will focus on creating equitable and inclusive career development opportunities across the organisation and supporting talent from within, as well as increasing education and awareness of the multitude of different factors that contribute to an inclusive workplace. Greater focus will also be given to the capture of accurate and insightful data, allowing the organisation to make more informed and evidence-based decisions on how to progress diversity, equity and inclusion across LLDC.

LLDC has a strong foundation on which to build. The approaches outlined in this strategy will seek to safeguard, and enhance, its 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 2021/22 was approved by the Board in September 2021 and is set out below. A revised Statement updating on LLDC's progress and priorities has been approved by the Board in September 2023.

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.

While LLDC is not a "commercial organisation" as defined by the Act, so has no requirement to publish a statement, LLDC recognises that it is good practice to ensure that the Corporation 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 owned 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 OJEU procurements, prospective suppliers who are relevant commercial organisations as defined in the Act are asked to demonstrate compliance with the Act to LLDC.

LLDC has updated its Whistle Blowing Policy to include modern slavery and people trafficking as a matter regarded as malpractice.

LLDC has worked with the London Stadium operator, LS185, which is ultimately owned by LLDC, to develop their own Modern Slavery statement, available here. The Modern Slavery Statement also covers subsidiaries in LLDC Group: Stratford East London Holdings Ltd, Stratford Waterfront Management Company Ltd and Stratford East London Developments Ltd.

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 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 LLDC) 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 has implemented changes to strengthen LLDC'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 meet the requirements of a Certified Ethical Labour Scheme. The relevant clauses have been inserted into new contracts and bidders' Modern Slavery Statements are assessed as part of East Bank procurements. LLDC's East Bank 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 have reported that other organisations are considering using similar contractual clauses as LLDC to embed the certified labour scheme in supply chains.

LLDC contributed to the GLA Group's brief to procure an assurance provider to work across the group to develop a robust assurance process for the Group, and sat on the evaluation panel to select the successful provider. The provider has developed a handbook for use with key suppliers to ensure Modern Slavery risks are being mitigated in high-risk areas e.g., construction sites, cleaning workforce, track labour, and other sectors to include on-the-ground, empirical evidence of modern slavery prevention measures. Recommendations in the handbook have informed the action plan below.

LLDC has signed up to 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 annual exercise we undertake with employers on the Park in relation to payment of the London Living Wage and the non-exploitative use of zero hours contracts is now extended to include questions about the business's 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.

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. Training on Modern Slavery for relevant employee was undertaken in 2018/19 and a Modern Slavery update was given to an all staff briefing, in addition to the roll out for all LLDC employees to undertake the Home Office Modern Slavery e-learning tool in September 2023.

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 transitions. 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.
- Run an online analysis of key suppliers' modern slavery compliance through The Transparency in Supply Chains Platform (Tisc) and follow up where compliance scores are low.
- Key suppliers to be risk assessed using the Cabinet Office Risk Assessment Template
- Undertake an exercise asking key suppliers to complete the Government's Modern Slavery Assessment Tool, by the end of 2021 and develop an improvement plan based on recommendations by April 2022, link here.
- 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 of the emerging Home office e-learning tool for public sector procurement.
- 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.
- Ensure modern slavery requirements are built into re-procurement of operator contracts from 2022.

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 continued to make progress in 2022/23 on delivering the Modern Slavery action plan through its Modern Slavery Group which includes officers from LLDC's finance, regeneration, procurement and PMO teams, representation from LLDC's construction Project Management Partner, as well as support from TfL's Responsible Procurement Lead. The LLDC is also a regular attendee at the GLA Group Modern Slavery Group.

Following the success of the first launch of the Cabinet Office Modern Slavery Assessment Tool (MSAT), the LLDC has worked with members of the GLA Group Modern Slavery Group to identify areas where contractors, who completed and submitted an MSAT, scored low. The LLDC and GLA Group Modern Slavery Group agreed as a collective to invite contractors who scored low on the MSAT to optional topic specific workshops with the aim of educating contractors on how to be more aware of Modern Slavery in their supply chains. To date, two workshops have been run by the Supply Chain Sustainability School on Due Diligence, Other optional workshops will be offered to contractors as and when available.

Discussions are still on-going as to the feasibility of asking new and existing contractors to regularly complete the MSAT questionnaire. The LLDC also 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 in an all staff meeting. In addition to this, the LLDC contributed to the GLA Group Responsible Procurement Case Studies 2022/23. The LLDC's Case Study focussed on Mace's work as the East Bank Project Management Partner for East Bank and its approach to tackling Modern Slavery on site.

In 2022/23 the LLDC carried out its annual audit of employers on the Park in relation to the London Living Wage scheme which includes questions about business compliance with the Modern Slavery Act and related due diligence with their supply chains.

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, many of which were refreshed during 2022/23 as part of a review of operating efficiency:

- 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 must also be approved by the TfL legal team for signing (unless the agreement is an un-amended LLDC standard contract or have been prepared by external legal advisers) 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 with the Employee Forum and Management Forum and available for staff 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 2022/23 annual report is on the agenda for the first Audit Committee meeting in 2023/24.

The Head of Internal Audit's overall opinion for 2022/23 is that LLDC has an adequate internal control environment which is generally operating effectively.

The full audits carried out as part of the 2022/23 Internal Audit plan are listed below with assurance ratings[10]

- Governance Arrangements for LLDC Subsidiaries – Adequate Assurance
- Advisory Review of Electronic Records Retention – Limited Assurance
- LLDC Finance Review – East Bank UAL Loan Management – Adequate Assurance
- Stratford Waterfront Joint Venture – Adequate Assurance
- Cyber Risk Review – Adequate Assurance
- National Fraud Initiative – Adequate Assurance

Completed follow up reports are set out below:

- Contract Management Advisory Review – Substantial Assurance
- LS185 Finance Review – Adequate Assurance
- Fixed Estate Charge (Income Recovery) - Substantial Assurance
- Credit Cards and Expenses – Adequate Assurance
- East Bank Project Management Partner (MACE) – Adequate Assurance

[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.

- Transition Advisory Review – Substantial 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 was updated refreshed in February 2022 and reviewed by the Audit Committee in March 2022 and is published on LLDC website.

Performance against the code is evaluated on an annual basis and included in the Annual Governance Statement and any areas for improvement identified. The code sets out LLDC's policies and procedures and its behaviours and values. 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 2022/23 includes:

- providing overviews of the code at directorate team meetings to sign post to the code and key documents
- refreshing the links to specific sections or policies on the website
- refreshing the transparency pages and including information about LLDC subsidiaries

Areas for further work identified for the next financial year include:

- incorporating the code into new joiner inductions
- training on new subsidy regulations
- refreshes of the whistleblowing, anti-fraud policies and gifts and hospitality

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 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 May 2022. 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.

We have therefore developed a revised Learning & Development strategy and connected organisational learning plan, which recognises our agenda needs to be aligned to the Corporate and People strategies and be analytically savvy, results focused, inclusive by design and enabling by nature. Our focus on leadership development has resulted in the design and delivery of a new internal leadership development programme, which will continue leadership journeys for our people, and help all colleagues to develop skills to lead themselves and others. It will focus on leading through and working through change to support our people and support the development and embedding of a coaching culture across the organisation. The ultimate aim of the programme is to equip colleagues with the tools and knowledge they need to flourish, thrive and lead during times of change and uncertainty.

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 over the coming few years. Our intention will always be to underpin our revised Learning & Development strategy with our purpose, our values and the key pillars of our People Strategy, 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, consultation on development proposals and through participation in relevant local community forums and hosting its own local representative groups. 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 Education 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 innovation programme and partnership 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. It reflects the collective shift that society needs to make to accelerate a thriving, fair and resilient future in our cities.

Significant changes in the Board

Cllr Rachel Blake of the London Borough of Tower Hamlets stepped down from the Board in May 2022.

Following their re-elections in the local government elections in May 2022, the Mayor of the London Borough of Hackney, Phillip Glanville, the Mayor of the London Borough of Newham, Rokhsana Fiaz and Leader of Waltham Forest Council, Cllr Grace Williams were reappointed to the board in May 2022

Following his election as Mayor of the London Borough of Tower Hamlets in May 2022, Lutfur Rahman was appointed to the Board on 12 July 2022.

Significant governance developments since the reporting date

In April 2023, LLDC was very saddened to hear that LLDC Board member and former Planning Decisions Committee Chair, Pam Alexander OBE, had passed away.

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 as it approaches Transition.	Continued transition workforce planning, reviews of staff and resourcing, and focus on retention. New programme management focus on Major Projects through Executive Management Team includes identifying resource issues and blockages to program. Developing talent from within is a key strand of Diversity, Equity and Inclusion action plan and transition planning.
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.
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 and consultation with employee fora.
Enabling an effective and high performing Board.	Annual meetings by the Chair with Board members. Regular Board away days to enable strategic input. Continued succession planning for Board. 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

19 December 2023

Peter Hendy

Chair

19 December 2023

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.