LONDON LEGACY DEVELOPMENT CORPORATION

ANNUAL REPORT AND ACCOUNTS

2020/21

STATEMENT OF AUDITED ACCOUNTS

Table of contents

Chair's foreword

The Games in 2012 made it a year like no other; the years since have shown how the comprehensive redevelopment of an area can be brilliantly moved forward by this extraordinary Corporation. But we never expected this last year - one more, like no other, but this time affected by the most serious crisis of any of our lifetimes. So, I am immensely proud of the response, resilience and determination of our employees and our partners in these difficult and uncertain circumstances. They and we have worked closely with the local boroughs, community groups, the Mayor and central government to navigate a constantly changing environment. Together, we have focused our support for local people while continuing to progress work on our long-term goals.

The one constant throughout this year of upheaval has been the Park itself. It has proven its worth time and again providing a natural health service for local people. Its wide open spaces have provided a safe haven for people's physical and mental wellbeing during the long months of lockdown and home working. It has been at the centre of our work with community groups, the local boroughs and the NHS in their efforts to reach the most vulnerable. Rent relief, grants and the free use of venues have been small but important contributions to that collective effort.

LLDC itself has not been immune to the impact of Covid-19. While we opened venues when we could, kept construction sites working and the Park open, social distancing measures have had an impact on productivity. Projects have been delayed and events cancelled or postponed.

In spite of these setbacks, we have worked closely with the Mayor taking decisive action to ensure delivery of our long-term projects and reduce our short-term costs. We reassessed our expenditure to commit to deliver £9.5million of savings over the next two years – 16 per cent of our revenue budgets – a target that was ultimately exceeded.

There has never been a crisis as severe as this – but we will emerge stronger. We know that investment in infrastructure, due to its impact on jobs and spending, will play a major role in London's post-Covid recovery. New homes continue to be built on and around the Park. Spectators and users will return to our world-class venues. East Bank, that wonderful new cultural and education district, though delayed, is rising from the ground and will soon open its doors, providing the catalyst for a raft of socio-economic benefits that will last for generations to come.

We will redouble our commitment to use all phases of the Park's construction and management as a vehicle to deliver inclusive growth. We will help to create a fairer economy where Londoners can share in the benefits of growth, whatever their background, opening up exciting and varied careers to those who have been traditionally under-represented.

The last year has underlined just how much our people are the driving force behind our work. It is testament to the leadership of Lyn Garner, our magnificent CEO, and her Executive Leadership team that they have empowered and enabled our people to do their jobs, and deliver for East London. On behalf of the Board I would like to express our deepest thanks to them all for the exceptional way they have responded to these most challenging circumstances.

Sir Peter Hendy CBE
Chair
5 November 2021

Chief Executive's statement

The importance of our mission to build on the success and investment of the 2012 Games for the benefit of local people has been brought into sharp focus by Covid-19.

That east London has been among the areas hardest hit by the pandemic should come as no surprise. The high levels of deprivation were a key reason why Stratford was chosen to host the 2012 Olympic and Paralympic Games. Problems of low income, overcrowding and poor health do not disappear overnight. It takes years of concentrated and coordinated effort between a wide range of agencies to realise improvements to people's life chances.

Our work this year has seen us direct our efforts to support local community groups, businesses and institutions to help relieve the worst effects of the pandemic as well as maintaining progress on our long-term goals.

Grants and financial support have helped local community groups and business to re-shape their business models overnight. We provided space at the multi-storey car park in the north of the Park for LB Hackney to run an urgently needed food distribution centre. Badu Sports, the education and community development organisation based at Here East, adapted its work to ensure support for the most vulnerable local people. Its staff and volunteers helped to deliver more than 2,000 food boxes, set up a support line for local people and its fitness trainers offered months of online physical activity for youngsters and their families.

At Lee Valley VeloPark, Bikeworks adapted its business model, too. Its team continued the All Ability Cycling sessions taking isolated people out on their side-by-side bikes, giving them exercise and company. The group managed 18,000 deliveries helping collect and deliver samples for NHS Imperial Covid tests.

The Good Gym's team of more than 350 volunteer runners managed to take part in hundreds of running missions to support isolated older people.

Some of our major community events like the Great Get Together had to be cancelled, but other activities moved online. EAST Summer School helps to forge links between the cultural and education partners at East Bank and Here East with the wider community. It provides free, quality activities across a range of subjects including fashion, engineering, dance and natural history delivered by the East Bank partners and other local groups. This year's three-week long event moved online attracting a record 250 local young people in July and August.

EAST Careers Week held in February 2021 attracted 700 students from east London schools. The group of 15-17 year olds took part in a range of online talks, webinars and workshops. The event was born out consultation, led by the BBC and LLDC, with a network of partner schools from across Newham, Tower Hamlets, Hackney and Waltham Forest. With input from LLDC's youth steering group, the consultation ensured the event met the needs of local young people. This is just the beginning of a more collaborative way of working with schools to better support teachers to embed high-quality careers provision and make the most of their proximity to high-tech, creative and knowledge driven organisations locating on and around the Park.

For many of those young people, a place at UCL, London College of Fashion, Loughborough or the other universities attracted to the Park is now a real possibility. Those colleges not only bring students, they also attract investment and business. Our efforts to establish the Park as an inclusive innovation district where investors and business can tap into the pool of young, talented and skilled people studying and living in the local area have continued. Working with Here East, IQL, UCL, University of the Arts London and Westfield, a place that has already become home to many tech companies and innovators is rapidly gaining an international reputation.

The Park itself, provides a natural testbed where the makers and shapers of future industries can test their products. The sustainability team has led the work with innovators like Bird e-scooters and the driverless vehicle trials held by the Smart Mobility Living Lab and Capri, among the first in the country to trial their devices in a safe but live environment. The Park is returning to its roots as a place of making, this time products that are smaller and cleaner.

Our work to improve opportunities for jobs and skills has continued. Building work was completed on the new skills centre Build East where local people can take advantage of a range of training and skills opportunities to compete for the jobs on the growing number of construction sites in the area.

The Good Growth Hub has also been delivered. Working with the local boroughs and local businesses in the creative, cultural and fashion sectors, local young people will get the chance to take part in a wide-ranging programme including internships that pay London living wage, skills boot camps, a freelance academy and much more to open doors into sectors that have long been out of reach.

Whatever's going on in the outside world, the 560 acres of the Park and venues provide the platform for everything LLDC does.

But as events were cancelled or postponed, venues closed and the public in lockdown, the Park took on a new significance. It became a lifeline for local people, especially those who didn't have their own gardens or outside space. It became a place to escape the enclosed spaces of home, to get fresh air, exercise or simply to enjoy nature.

That was made possible by the teams who look after the Park each day: cutting the grass, emptying the bins, checking equipment, maintaining the buildings by reducing pool and building temperatures and bringing them back up again, and keeping a watchful eye over visitors against a backdrop of continuously changing national guidelines.

In the run-up to the Tokyo Olympic and Paralympic Games, this should have been an extraordinary year for events on the Park. Netball, hockey and a massive Call of Duty event got the year off to a flying start. But all the pre-Olympic events at the London Aquatics Centre and Copper Box Arena - boxing, diving, swimming and skateboarding – were affected by lockdown as well as London Stadium's Major League Baseball matches, concerts and international athletics.

The ArcelorMittal Orbit, buoyed by early visits in the year from Zac Effron, Rick Astley and the cast of TOWIE, had to close its doors as well.

The opening of the London Aquatics Centre's new gym had to wait until the first lockdown was lifted to welcome members of the public.

A similar story unfolded at London Stadium with matches played behind closed doors for much of the Premier League season. But fewer fans did not mean less work for the Stadium's team.

Delaware North, the stadium's hospitality contractor, ensured its stocks of food and soft drinks were made available to local communities through food banks and community groups.

Stadium staff were redeployed to work on invest to save initiatives ground improvements such as the installation of new seating systems in the north and south stands during August which will save £1m a year in costs.

A new high-density Wi-Fi system was installed which will give fans free and stable connections and the fastest of any venue in the UK – up to 30mb per second. EE's 5G network is now available, too, increasing speed and reliability in the stadium allowing spectators to stay connected during events.

And fans will experience a ‘cashless’ payment experience when they come back to London Stadium for all retail and refreshment purchases, reducing queuing times and increasing the speed of service.

High above the pitch, the lamps in the floodlights were changed to an LED lighting system that will improve visibility on the field of play, allow for cutting edge special effects for concerts and other events and is estimated to save £0.4m per year in energy costs.

At the London Marathon Community Track (LMCT), the pitch was completely renovated in April with a brand new playing surface for all users. Newham & Essex Beagles hosted an athletics sprint meet in September with more than 200 athletes complying with the strict social distancing guidelines for athletics.

After 15 years based in south west London, Stonewall FC, one of the world’s most successful LGBT football clubs, has relocated to Stratford to play its home matches at the LMCT. The change will see the club’s three current teams play at the venue making football a more inclusive sport for all.

On the Park, the Events team refocused its work following the cancellation of the 2020 events programme. After supporting the wider team during the first lockdown, the team took advantage of empty venues and fewer visitors to encourage film crews onto the Park, recording their busiest year for commercial filming to date.

And it has been a similar story at 3 Mills Studios. Filming for high profile shows like MasterChef, the BAFTA Craft Awards and The Great continued even while maintenance work on new roofs and sound stages was completed.

In October, LLDC’s work with the Mayor’s Culture Team and LB Newham was rewarded with a £3m grant from the Government’s Growth Fund. This will be invested in upgrading and repurposing spaces at the 3 Mills to attract more business and boost the studios’ status as part of the East London Cultural Corridor.

It’s that collaborative approach that has enabled the Park and venues to weather the pandemic storm. Our partnerships with the London Boroughs of Newham, Hackney, Tower Hamlets and Waltham Forest have strengthened during this difficult year. Their support to progress initiatives for jobs and skills like the Good Growth Hub and the construction skills centre, Build East, and housing developments have been invaluable. And LLDC has been able to reciprocate through providing space to support local community food distribution or collaborating on long-term improvements to Stratford Station.

These initiatives are vital to London’s economic recovery but we must never lose sight of the value that parks and green spaces play in supporting local people through good times and bad. The Park’s Green Flag Award is testament to the efforts made by staff and volunteers, not just to making the Park look good, but engaging with local people and their organisations. And having the Park voted as one of the Top 10 parks and green spaces in the whole country shows the strength of the bonds created.

The formal business of the Corporation had to continue in spite of lockdown. Our Board and Committees and formal governance processes moved online for the first time allowing decision making to continue and work to progress.

In July 2020 LLDC’s Revised Local Plan and revised CIL Charging schedule were formally adopted. This was not just the culmination of 18 months’ hard work on evidence-based preparation, consultation and engagement and examination in public, but also demonstrating best practice by keeping the Local Plan up to date and building on the legacy on an RTPI award winning Local Plan.

The value of that investment in robust and high-quality design and delivery was evidenced during the year. Developments at Fish Island Village, Queen’s Yard and Here East all won major industry awards for the quality of their design and build.

Elsewhere, schemes for so long visible only in masterplans and policy documents are now taking physical shape across the Park and beyond. Years of planning and negotiation are bearing fruit with buildings transforming from two dimensional drawings into three dimensional buildings, filling out the Park as it was envisaged so many years ago.

At Chobham Manor, the Park's first neighbourhood, the finishing line is almost in sight. The last piles were driven in the summer and work on the fourth and final phase of housing is underway.

At East Wick the first rental properties, affordable homes and homes for market sale were released. This first phase of development also saw the opening of the Clarnico Club café, already a much-used venue by parents dropping off or collecting children from nearby Mossbourne Riverside Academy.

Those parents can watch progress on the V&A's new collection and research centre at Here East, directly opposite the café, the sister location to the V&A East Museum being built in the south of the Park.

At Monier Road a new bridge for pedestrians, cyclists and buses was installed to improve links between the Park and Fish Island.

And at the end of the financial year LLDC, working closely with LB Hackney, appointed Notting Hill Genesis to develop three strategic sites close to the newly refurbished Hackney Wick Overground Station delivering 190 new homes with 50 per cent affordable housing and 4,500m^2 of commercial space.

Central to the project is the delivery of a new piece of high quality public realm at the station entrance which will help deliver a strategic north–south route, as part of a new network of streets and spaces increasing connectivity within the neighbourhood centre and the masterplan for the scheme itself has been recognised with an industry award.

Lockdown brought significant challenges to the construction work at East Bank's Stratford Waterfront site. Costs have increased this year by £114m caused by Covid-19 impacts and tender price inflation. But in spite of the difficulties of social distancing on such a physically constrained site good progress has been made.

New homes are planned to be built next to these world-class institutions and there was significant interest from developers when the scheme was brought to market in October. Developers have the chance to build 600 homes at Stratford Waterfront and a further 600 at Bridgewater Triangle, the first of two significant sites to be developed at Pudding Mill. Both Bridgewater Triangle and Pudding Mill Lane now have detailed masterplans in spite of the considerable constraints on both sites which means they can now be taken forward for planning consent.

LLDC, LB Newham, National Grid, a private landowner and the Department for Education are working on plans to develop a site at Rick Roberts Way, to the south of Stratford High Street, for much needed housing and a new school.

Our Housing Delivery Plan for 2020-2025 has now been agreed by our Board and complements a suite of other policies including our design principles which guide the high quality and style of our developments and the public realm. Their influence is spreading beyond the Park and shaping the quality of build in the surrounding area.

All of this work puts pressure on the local infrastructure. The Park benefits from the huge investment made in public transport in the run up to 2012. And to ensure we don't become a victim of our own success, LLDC has been working with Network Rail, HM Treasury, TfL, LB Newham and others to secure the investment to future-proof Stratford Station and drive wider regeneration.

The pandemic has required us to evaluate our role in helping to create a fairer society and where best to channel our efforts. Those discussions have been given added significance by the reaction to the murder of George Floyd in the United States. Our staff and Board members took time to reflect on what this means for a regeneration body like ours and the steps we should take to improve.

Some of those improvements were given added impetus by these discussions. We engaged with colleagues across LLDC and with our partners to help develop our Inclusion and Diversity Action Plan. We have welcomed members of the Legacy Youth Board, young people from the local area, to give us a different perspective on our strategic priorities at both Board and EMT.

During the year, we took positive action to address a lack of ethnic diversity within the Executive Management Team (EMT). Strategic boards and forums previously led by an EMT member were replaced by new Chairs drawn from underrepresented groups and they then in turn have been invited to become part of LLDC EMT in their own right. Each of these employees, two of whom are existing directors, are specialists within their respective fields, bringing further expertise to the senior team and also a diversity of experience and views that will help to shape the organisation's strategic direction and influence key decisions. Two of the roles, Chair of Management Forum and Chair of Employee Forum, will rotate each year allowing other members of LLDC's staff base to apply for the opportunity. We have been very pleased to welcome the new members of EMT who are settling in well and making significant contributions.

A fitting end to the year came with the anniversary of lockdown and a symbol of hope. On 23 March the Mayor of London with representatives from the NHS, TfL and the National Trust planted the last two of 33 trees to form the first of several blossom circles to be planted across the country. The trees will commemorate the lives lost from coronavirus and honour key workers.

This year posed significant challenges and the response of our staff and partners has been inspirational. We have managed to deliver most of our key objectives as well as refocusing our efforts in many parts of the business to provide support to the wider community.

A frantic year, calmly and professionally managed bodes well for our ability for the tests that will inevitably be posed in the months ahead.

Lyn Garner
Chief Executive
5 November 2021

Members of the London Legacy Development Corporation

The Members of the London Legacy Development Corporation during the year ending 31 March 2021 were:

Sir Peter Hendy CBE (Chair)

Sir Peter Hendy CBE 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 CentreWest 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.

Simon Blanchflower CBE (Deputy Chair)

For over 20 years Simon Blanchflower CBE 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. He has experience of chairing the Boards of charitable companies and for the last 30 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 and on the Management Board of the Infrastructure Client Group.

Pam Alexander OBE

Pam Alexander has had a long career in housing and economic regeneration. She is Chair of Commonplace Digital Ltd, using technology to broaden community engagement and participation, a non-executive Director of the Connected Places Catapult, accelerating the use of new technologies to improve buildings, places and transport, an advisor to OnePlanet.com, a platform to integrate planning for zero carbon living, and an Ambassador on the London Mayor’s Cultural Leadership Board. Pam has recently joined the Commission on Creating Healthy Cities and board of newly established OneCam Ltd. Pam has previously held 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 and 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.

Sonita Alleyne OBE

Sonita Alleyne is the Master of Jesus College Cambridge. She has, for years, operated extensively as a Non-Executive Director on both private and public-sector boards. She is currently a board member of The Cultural Capital Fund and The Museum of London and recently joined the Main Advisory Committee of the Freelands Foundation and the Board of Wickes Plc. Previous roles have included: Chair of the BBFC’s Management Committee; five years on the BBC Trust, Board member of Archant, the Local Radio Company, the National Employment Panel; and the London Skills and Employment Board. Chair of the Radio Sector Skills Council; non-executive director of the Department for Culture, Media and Sport; and membership of the Court of Governors at the University of the Arts London.

Shanika Amarasekara MBE

Shanika is the Chief Impact Officer at British Business Bank with responsibility for the Strategy and Policy teams along with the Public Affairs and ESG teams. Shanika joined the Bank in June 2014 as General Counsel and Company Secretary. Shanika has also recently led on the creation and launch of the Future Fund as part of the Chancellor's response to the Covid crisis. Prior to joining the Bank, she worked as General Counsel at an institution established by a number of central banks to promote financial stability and economic development. Shanika is also a Board member at London Legacy Development Corporation and E20 Stadium. Shanika previously worked at RBS as a Director and prior to that was a Senior Associate in the Capital Markets team at Allen & Overy. Shanika was also awarded an MBE in the Queen's Birthday honours for services to business and the economy.

Cllr Rachel Blake

Rachel Blake is 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.

Cllr Clare Coghill

Clare Coghill was elected to the London Borough of Waltham Forest in May 2010 to represent the High Street ward in Walthamstow. She has held a number of Cabinet roles, including for Children and Young People, and Economic Growth and High Streets. Clare was elected Leader of the Council in May 2017 and was re-elected Leader of the Council for a 4-year term in May 2018. During her time as Leader, Waltham Forest was announced as the Mayor of London's first ever London Borough of Culture. In June 2019, Waltham Forest Council was named 'Local Authority of the Year' at the prestigious Municipal Journal Awards. Clare is currently London Councils Executive Member for Skills and Employment having previously been Executive Member for Business, Europe and Good Growth. Clare was born and raised in the West Midlands, and went on to study English Literature at the University of York, followed by a Master's degree in English Literature and Translation at the University of Montpellier, in the south of France.

Nicky Dunn OBE

Nicky Dunn OBE has extensive experience in the leisure industry. Her company IMD Group provides strategic advice and operational guidance to venues, events and the arts. Previously she held a number of positions within the industry, planning, designing, overseeing construction of and operating large venues. Her experience includes theatres, arenas, stadia and conference and exhibition venues. Nicky Chairs Jockey Club Live, she is Non-Executive Director of Ports of Jersey and a Trustee of the Young Vic Theatre. Previous roles include Chair of Titanic Foundation, which owns the award-winning Titanic Belfast visitor attraction, Chair of Netball World Cup 2019 and board member of the Princes Trust (NI). As an Executive, she held senior positions for SMG the world's largest venue operator.

Keith Edelman

Keith Edelman was formerly the Managing Director of Arsenal Holdings Plc and was instrumental in the development of the Emirates Stadium and the attendant regeneration of the surrounding area including the development of Highbury Square. He is currently Chairman of Revolution Bars Group Plc, Chairman of Bullion by Post Limited, Chairman of Altitude Group Plc and Senior Independent Director of Headlam

Group Plc. Prior to Arsenal, he was CEO of Storehouse Plc and Managing Director of Carlton Communications Plc.

Mayor Rokhsana Fiaz OBE

Rokhsana Fiaz OBE was elected as the Mayor of Newham in May 2018. Prior to this, she was a councillor for Custom House Ward from 2014, and the Chief Executive Officer of an international UNESCO (United Nations Educational, Scientific and Cultural Organisation) supported charity promoting interfaith and global citizenship across the world. She has large-scale projects for local authorities, the European Commission and the Council of Europe, and in 2009 was honoured with the OBE for services to Black and Minority Communities in the United Kingdom.

Mayor Philip Glanville

Philip Glanville was elected Mayor of Hackney in September 2016, becoming the borough's second directly elected Mayor. He was re-elected in May 2018, giving Hackney Labour their best result since 1986. Previously a councillor in Hoxton West for ten years, Philip spent three years as Cabinet Member for Housing before becoming Deputy Mayor in 2016. As Cabinet Member for Housing, Philip oversaw the delivery of genuinely affordable homes, which he is continuing as Mayor, committing the Council to tripling the number of council homes built since 2010, including 800 for social rent. 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. Critical to this agenda has been the Council's award winning in-house apprenticeship programme. Philip is committed to being a campaigning Mayor, standing up for Hackney's most vulnerable residents and for local government's important role in fighting austerity. He writes extensively on these subjects, and more recently has been part of the growing 'new municipalism' movement in local government. He has served on the Legacy Corporation's Board since 2016, and is currently the Chair of London Councils' Grants Committee, Co-Chair of Thrive London and London Councils' Digital Champion.

Baroness Tanni Grey-Thompson

Baroness Tanni Grey-Thompson of Eaglescliffe has competed in five Paralympic Games, winning 11 gold, four silver and one bronze medal. She has held thirty world records. In December 2012, she became a Member of the London Legacy Development Corporation. She has been a member of the National Disability Council and Senior Deputy Chair of the UK Lottery Award Panel, Transport for London and the London Marathon. She is Chair of ukactive, a Board member of the BBC and has recently been appointed as the Chair of the Duke of Edinburgh Awards. She was made a Dame of the British Empire in 2005 and was appointed to the House of Lords as a crossbench peer in March 2010.

Sukhvinder Kaur-Stubbs

Sukhvinder Kaur-Stubbs is Chair of the Thames Water Customer Challenge which serves 15 million people. At Lewisham and Greenwich NHS Trust, she is Vice Chair and leads Workforce and Education for their 7,000 staff. She is a Board Member for the Regulator for Social Housing, bringing insights on consumer regulation. Previously, Sukhvinder was on the boards of the Home Group and Chair of Swan New Housing. Her regeneration experience covers West Midlands Regional Development Agency, the Black Country Development Corporation and Community Investment lead for English Partnerships. Sukhvinder is an accomplished CEO having led two high profile organisations (Barrow Cadbury and Runnymede Trust), through major change programmes and onto success in influencing government policies on inclusion, diversity and community cohesion. She is active in her community as Governor at the Leathersellers Federation and runs her own management consultancy helping businesses build networks of trust with the communities they serve.

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 a new development business 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 was the World United Karate Organisation 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 equality, diversity 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 social, cultural and economic youth disaffection and disadvantage that can lead to educational non-attainment, health inequality, anti-social behaviour and gang related crime in some of the most troubled communities nationally and internationally.

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. Geoff is currently a Non-Executive Director and Chair of the Operational Board of the Professional Footballers Association and Deputy Chair of the Birmingham 2022 Commonwealth Games. In 1995, Geoff was appointed an MBE for his services to sport and in 2016, 2017 and 2018 he was included in the Top 100 BAME (Black and Minority Ethnic) Leaders in Business List, in association with the Sunday Times and was also named in the Evening Standard's top 1000 influencers in London. He is also 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 in 2020.

Attendance at the Legacy Corporation Board and Committee meetings during 2020/21

	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 Chair s Committee attended	Meetings of the Planning Decisions Committee attended	Meetings of the Health, Safety and Security Committee attended	Notes
Total number in the period	6	3	4	2	3	10	3	
Sir Peter Hendy	6/6	-	4/4	-	3/3	-	-	
Pam Alexander	6/6	-	-	-	2/2	8/10	-	See note 2
Sonita Alleyne	5/6	-	4/4	2/2	2/2	-	-	See note 2
Shanika Amarasekara	4/6	3/3	2/4	-	-	-	-	
Cllr Rachel Blake	6/6	-	-	-	-	-	-	See note 3
Simon Blanchflower	6/6	-	4/4	-	3/3	-	3/3	
Cllr Clare Coghill	4/6	-	-	-	-	-	-	
Nicky Dunn	6/6	-	4/4	-	3/3	-	3/3	
Keith Edelman	6/6	3/3	3/4	-	2/3	-	3/3	
Rokhsana Fiaz	6/6	-	-	-	-	-	-	See note 3
Philip Glanville	6/6	-	-	-	-	-	-	
Baroness Tanni Grey-Thompson	6/6	3/3	-	2/2	-	-	-	
Sukvinder Kaur-Stubbs	6/6	-	-	2/2	2/2	10/10	-	See note 2
Jamie Kerr	2/2	-	1/1	-	-	-	-	See note 2
Jules Pipe	4/6	-	-	-	-	-	-	
Geoff Thompson	6/6	3	-	1/2	-	9/10	-	
Cllr Nick Sharman (LBH)	-	-	-	-	-	10/10	-	
Cllr Jessica Webb (LBH)	-	-	-	-	-	-	-	See note 3
Cllr Marie Pye (LBWF)	-	-	-	-	-	8/10	-	See note 4
Cllr Terry Wheeler (LBWF)	-	-	-	-	-	2/10	-	See note 3 and 4
Cllr Dan Tomlinson (LBTH)	-	-	-	-	-	6/10	-	
Cllr Rachel Tripp (LBN)	-	-	-	-	-	-	-	See note 3
Cllr James Beckles (LBN)	-	-	-	-	-	10/10	-	
Cllr Daniel Blaney (LBN)	-	-	-	-	-	9/10	-	
Piers Gough	-	-	-	-	-	9/10	-	
Emma Davies	-	-	-	-	-	9/10	-	
James Fennell	-	-	-	-	-	9/10	-	
Victoria Oakley	-	-	-	-	-	9/10	-	

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

1. Joined the Board during the course of the financial year (Jamie Kerr joined the Board in January 2021).

2. Joined or left a Committee during the course of the financial year (Pam Alexander left the Chair's Committee at the end of November 2020; Sonita Alleyne stood down from the Chair's Committee in July 2020 when she stood down as Chair of the Regeneration and Communities

Committee; Sukhvinder Kaur-Stubbs joined the Chair's Committee in July 2020 when she became Chair of the Regeneration and Communities Committee; Jamie Kerr joined the Investment Committee in January 2021)

3. Substitute on the Planning Decisions Committee (Cllr Jessica Webb is a substitute for Cllr Nick Sharman; Cllr Terry Wheeler is a substitute for Cllr Marie Pye; Cllr Rachel Blake is a substitute for Cllr Dan Tomlinson; Mayor Fiaz is a substitute for Cllr Daniel Blaney; Cllr Rachel Tripp is a substitute for Cllr James Beckles).

4. Attended a Planning Decisions Committee as a substitute (Cllr Terry Wheeler attended the October 2020 and March 2021 meeting for Cllr Marie Pye).

Narrative Report

London Legacy Development Corporation

The London Legacy Development Corporation (Legacy 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. Its 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 the Legacy Corporation's Board and allocates its budget. In addition, the Legacy Corporation 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 Legacy Corporation seeks to deliver this mission through pursuing the following objectives:

1. **LIVE**

   Establish successful and integrated neighbourhoods, where people want to live, work and play

2. **WORK**

   Retain, attract and grow a diverse range of high quality businesses and employers, and maximise employment opportunities for local people

3. **VISIT**

   Create a diverse, unique, successful and financially sustainable visitor destination

4. **INSPIRE**

   Establish a 21st century district promoting cross-sector innovation, education, culture, sport, aspiration and participation in east London

5. **DELIVER**

   Deliver excellent value for money, and champion new models and standards which advance the wider cause of regeneration, in line with the Legacy Corporation's core values: Ambition, Responsibility, Collaboration and Excellence.

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 the Legacy Corporation 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. The Legacy Corporation replaced the Olympic Park Legacy Company, a company limited by guarantee, established in 2009 to create a lasting legacy from the London 2012 Games. As part of the statutory instrument creating the Legacy Corporation, it took over the property, rights and liabilities of the Olympic Park Legacy Company.

Financial review

Overview

In a year dominated by the Covid-19 pandemic, and the resulting national lockdowns, LLDC has remained financially resilient. In June 2020, the Mayor of London set new savings targets in response to the pandemic, which superseded those set in the 2020/21 budget. LLDC was required to repurpose its 2020/21 budget to deliver additional in-year savings and efficiencies of £7.4m. These were reflected in a revised budget for the year, split between additional income (£0.5m) and expenditure savings/underspends (£6.9m). LLDC reacted quickly and decisively to meet the significant challenge posed by the Mayor and, ultimately, exceeded the target set and achieved a further £11.3m savings – further details of which are provided in this report.

Most of LLDC's **venues**, inluding the London Aquatics Centre and Copper Box Arena, were closed for much of the 2020/21 financial year in line with Government guidance, which significantly impacted their financial performance; additional funding was provided by the GLA to help mitigate the impact of this upon LLDC's budgets. An exception to this was 3 Mills Studios, which performed strongly during the year, despite the restrictions, as the studios and other ancillary space remained in high demand. This helped to offset the adverse impact of the pandemic on LLDC's revenue position.

At the **London Stadium**, the venue was closed to spectators and its summer events, which included Major League Baseball, international athletics and the Mega Hella tour, were cancelled or postponed. As a result, the Stadium incurred significantly lower operating costs in 2020/21, particularly relating to the cost of moving the seating between football and summer events mode; this helped to generate significant savings towards to the Mayor's target for 2020/21. Other savings included a refund of business rates for 2020/21 and savings from West Ham United matches played behind closed doors, albeit these were offset by a drop in commercial and other income.

The Stadium team nonetheless remained active during the year delivering a range of capital projects, including the installation of a more efficient spectator seating system in the north and south stands, a new Wi-fi system, which will provide fans with high-speed and reliable connectivity, and a state-of-the-art LED lighting system that will offer greater illumination of the field of play and allow for market-leading special effects for concerts and other events. The financial results of London Stadium 185 Limited (the Stadium operator) are consolidated into LLDC's Group Accounts (via the E20 Stadium LLP accounts) in line with International Accounting Standards.

At **East Bank** – LLDC's flagship project to deliver a world-class cultural and education district on the Park – RIBA[1] stage 4 design for Stratford Waterfront is complete and construction work recommenced in June 2020 following the first national lockdown, with social distancing measures in place. Construction work progressed throughouth the rest of the financial year in line with the revised programme. The building structures are now well above ground and beginning to make an impressive addition to the Park landscape. 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, with University College London (UCL) creating a new campus, UCL East, comprising academic facilities and student residential accommodation, in the south of the Park at Marshgate and Pool Street. The V&A Collection and Research Centre will be located at Here East. Together, 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 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. As reported in LLDC's November 2020 Budget Submission, and subsequently to the London Assembly Budget and Performance Committee (in December 2020), the Anticipated Final Cost (AFC) of the East Bank project[2] has increased by £114m in

[1] Royal Institute of British Architects
[2] Excluding UCL East, which is being delivered directly by UCL

the year. Of this increase, over half (£62m) was due to the estimated impact of Covid-19 on the project, assuming social distancing until December 2021. The GLA's contribution towards the additional cost was estimated to be £92m net of partner contributions. Subsequent to the budget approval, the Government agreed an additional £16.8m funding for Covid-19 related costs on East Bank The AFC is regularly updated and monitored and work to refine the forecast in line with the latest project programme and changing Government guidelines (regarding social distancing) continues. A subsidiary has been set up, Stratford Waterfront Management Company Ltd, to manage the Stratford Waterfront estate, which partners will join as building work completes.

In October 2020, LLDC launched the procurement for a developer for the **Stratford Waterfront and Bridgewater residential** sites with four bidders being subsequently taken through to the Invitation to Submit Outline Proposal stage. These developments will be delivered via a joint venture, with LLDC (via its newly established subsidiary, Stratford East London Developments Limited) investing equity into the joint venture delivery vehicle alongside the successful bidder. 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 were reflected in LLDC's budget submitted in November 2020 (and subsequently approved by the Mayor of London in February 2021).

Of the two new neighbourhoods under construction on the Park, **Chobham Manor** is well-progressed despite the site being closed for nearly three months during the year; Phase 2 is complete, and all 207 units have been occupied, all of the homes on Phase 3 have been sold. Work on Phase 4 continues and is on programme to complete in 2022. A revised sales programme schedule was prepared following the site closure in 2020, which reprofiled £16m of receipts from Phases 3 and 4 into 2021/22. This has led to a significant under performance of Chobham sales receipts in 2020/21 but this is expected to be a timing issue only, with no loss of receipts anticipated overall.

Construction has continued during the year at **East Wick and Sweetwater** (a joint venture between Balfour Beatty and Places for People) and did not cease during lockdown, though the pandemic has led to slight programme delays for Phase 1 construction. The first Private Rented Sector (PRS) block has completed and people have begun to move into their homes. Due to the delays in completion of the Open Market Sale blocks in Phase 1, LLDC has re-phased capital receipts anticipated in 2020/21, in full, into the next financial year. LLDC is in ongoing discussions with the joint venture about the start date for Phases 2 and 3, which have been delayed, in part, due to ongoing commercial negotiations between the two parties.

On LLDC's other key residential development sites:

- **Hackney Wick Neighbourhood Centre (Hackney Wick Central):** The procurement for a development partner completed during 2020/21 with Notting Hill Genesis (NHG) being selected to develop three strategic sites close to the newly refurbished Hackney Wick Overground Station, next to Queen Elizabeth Olympic Park. LLDC's Hackney Wick sites will deliver approximately 190 new homes. This will include 50% affordable housing in line with the newly adopted London Plan and 4,500m² of commercial space, including flexible retail and community facilities.
- **Pudding Mill:** 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, creation of new workspace and improving connections between the Park to Stratford High Street and beyond. Pudding Mill is comprised of two sites: Pudding Mill Lane and Bridgewater[3], which together will deliver around 1,500 new homes and workspace for around 2,000 people. Masterplanning has progressed on both sites during 2020/21; the Bridgewater planning application is due to be submitted in August 2021 followed by the Pudding Mill Lane application at the end of the year, both ahead of the 31 December 2021 planning deadline. Delivery and funding strategies for PML are to be developed and agreed with the GLA during 2021, with the intention of including funding requirements as appropriate in the 2022/23 Budget Submission in November 2021.
- **Rick Roberts Way:** Jointly owned by LLDC and the London Borough (LB) of Newham, Rick Roberts Way forms the final part of LLDC's portfolio of sites (including Stratford Waterfront,

[3] The delivery of Bridgewater is combined with Stratford Waterfront residential

Pudding Mill Lane and Bridgewater) that are to deliver 50% affordable housing across the portfolio. Rick Roberts Way is expected to provide approximately 450 homes and a secondary school. LLDC is working on an agreement with LB Newham, other landowners on the site, National Grid and the Department for Education to develop the site.

LLDC delivered a range of **socio-economic** activities during 2020/21 targeted particularly at young people. For example, East Careers Week took place in March 2021 to coincide with National Careers Week and was aimed at 15–18 year olds from local schools. The aim of the week-long programme was to engage young people in creative, digital and STEM[4] careers in east London and beyond and the pathways they need to take to get into those careers.This was the first ever East Careers Week delivered by EAST Education in partnership with the East Bank partners BBC, UCL, UAL's London College of Fashion, V&A and Sadler's Wells along with local partners including Here East, Liverpool Media Academy, Staffordshire University and Art Clubbers. There were 25 events over the five days including webinars and smaller interactive workshops for school groups. Despite it being a potentially difficult week for schools and young people preparing to return to school, over 700 young people took part in the week.

Following the appointment of a new Chief Commercial Officer in September 2020, a renewed **Sponsorship, Marketing and Park Assets Strategy** was developed focusing on how LLDC can develop its sponsorship and marketing structures and systems to derive more value from the Park and Stadium assets. Funding has since been approved by LLDC to support delivery of the strategy, which should help to deliver both income already assumed in LLDC's budgets and additional income above that.

LLDC has developed a new **Queen Elizabeth Olympic Park Strategy to 2025** which sets out LLDC's key deliverables over the next four years.The strategy has been developed .in discussion with the four Host Boroughs[5] and shared with key stakeholders such as Lee Valley Regional Park Authority, Here East and the International Quarter London. It was also discussed with Park partners and local community groups including Park Panel, and has also benefited from input from the Legacy Youth Board and Legacy Youth Voice.

In February 2020, LLDC's Board approved a high-level strategy, after consultation with the Mayor, for the **Transition** of the organisation in 2025; work is ongoing with the GLA, the Boroughs and other stakeholders to further develop the strategy. 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. Work is underway to establish the estimated cost of Transition and the successor body, with the intention that these are reflected in LLDC's 2022/23 Budget Submission later this year; there are no financial implications for the 2020/21 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 2021/22 (approved by the Board on 16 March 2021), LLDC's borrowing limit is currently £520m; 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. LLDC's 2021/22 Budget Submission noted that the GLA has commmited to review LLDC's borrowing limit for the 2022/23 Budget Submission due to the inherent volatility within LLDC's capital programme and movements in the expected quantum and timing of capital receipts and expenditure (including from the impact of Covid-19 and other market changes).

In 2020/21, LLDC drew £17.4m in loan funding from the GLA.This is net of a £22m loan repayment made in-year. The total outstanding loan balance due to the GLA as at 31 March 2021 is therefore £372.3m

[4] Science, technology, engineering, and mathematics

[5] London Borough of Hackney, London Borough of Newham, London Borough of Tower Hamlets and London Borough of Waltham Forest

(from £354.9m as at 31 March 2020). Additional funding during the year for LLDC's capital programme came from £62.8m of capital receipts (including contributions from East Bank partners towards the cost of their buildings) and £37.1m of capital grants from the GLA.

Overall, as reported in LLDC's Quarter 4 2020/21 Corporate Performance Report, the net capital funding requirement for the year from the GLA was £26.5m (on an accruals basis), which was less than budgeted (£33.7m). LLDC's capital expenditure for the year was £126.3m against a budget of £235.8m reflecting mainly timing differences on capital projects, most particularly East Bank, Legacy Community Scheme infrastructure works, Stadium capital projects and Hostile Vehicle Mitigation works on the Park. Capital income was £102.2m lower than planned predominantly due to the re-profiling of GLA capital grant towards East Bank (in line with re-profiled expenditure) and UAL contributions towards the cost of their building.

LLDC's **investment property** portfolio has been revalued at 31 March 2021 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 developed for residential and commercial use 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). LLDC's investment property portfolio is now valued at £0.2m, a net decrease in fair value of £57.8m from the prior year. Note that a large part of the decrease is due to the planned in-year disposals of properties (at market value) on the Chobham Manor and East Wick and Sweetwater residential developments and in relation to UAL site at East Bank (£67.4m in total); whilst the overall investment property value decreases as a result of these disposals, there is a corresponding increase in LLDC's cash balances, which are then used to repay the GLA's original investment in the Park.

Also included in the valuation is East Bank, which is delivered at a net cost to LLDC (and therefore has a negative valuation until fully built). As noted earlier, the Anticipated Final Cost of the project has increased in the year, largely due to the impact of Covid-19 on the project; this is therefore reflected in the movement in valuation this year. Investment properties are detailed more fully in Note 13 to the accounts.

A **deferred tax liability** of £0.01m is recognised within LLDC's accounts (2019/20: £0.5m). 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. 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.

LLDC provided funding to **E20 Stadium LLP** for its operational and capital requirements in the year by way of equity funding, amounting to £22.0m on both a cash and accruals 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 2020/21 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 cash flow timing.

E20 Stadium LLP's forecasts also impact upon the London Stadium's valuation as at 31 March 2021 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 2021, 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. In 2016/17, E20 Stadium LLP recognised a long-term provision for future losses arising from two onerous contracts; this provision remains as at 31 March 2021 and is consolidated in full within LLDC's Group Accounts.

During the year, in response to the forecast impact of the COVID-19 pandemic on the GLA's financial position, the Mayor required all GLA functional bodies, including LLDC, to repurpose the agreed 2020/21 revenue budget to deliver **in-year savings**; for LLDC this was a target of £7.4m. LLDC reacted quickly and decisively to meet the significant challenge posed by the Mayor and, by the financial year-end, had delivered £11.3m of additional income, savings and underspends above the £7.4m target. Further details are provided in the following table and associated commentary.

	2020/21 - Full Year		
	Savings Target £000	Outturn £000	Variance £000
Revenue Income			
Park Operations and Venues - excl Trading	(242)	(227)	15
Park Operations and Venues - Trading	(124)	(1,464)	(1,340)
Planning Policy & Decisions	(150)	(412)	(262)
Regeneration and Community Partnerships	0	48	48
Total Revenue Income	**(516)**	**(2,054)**	**(1,539)**
Revenue Expenditure			
Communication, Marketing and Strategy	(182)	(480)	(298)
Executive Office	(200)	(344)	(144)
Finance, Commercial and Corporate Services	(315)	(887)	(572)
Park Operations and Venues - excl Trading	(486)	(1,500)	(1,014)
Park Operations and Venues - Trading	(318)	(2,801)	(2,483)
Regeneration and Community Partnerships	(68)	(499)	(431)
Stadium	(5,314)	(9,206)	(3,892)
Other (incl contingency)	0	(999)	(999)
Total Revenue Expenditure	**(6,883)**	**(16,716)**	**(9,833)**
Net Revenue Expenditure	**(7,399)**	**(18,770)**	**(11,372)**

Savings in 2020/21 were achieved from:

- **London Stadium**: Most of the savings have been delivered from the London Stadium where, due to the pandemic, the venue has been closed to spectators and its summer events have been cancelled or postponed. As a result, the Stadium has incurred significantly lower operating costs in 2020/21, particularly relating to the cost of moving the seating between football and summer events mode. The cost of moving the seats to allow for a more efficient seating system in the North and South Stands has now been capitalised (following an accounting review). In addition, there was a refund of business rates for 2020/21, as well as savings from West Ham United matches played behind closed doors, albeit this is offset by a drop in commercial and other income.
- **Income opportunities**: Additional income was driven mainly from 3 Mills Studios, where bookings were strong, and interim uses of the Corporation's remaining development sites.
- **Discretionary spend**: LLDC's discretionary cost base is very limited, largely due to savings delivered over previous years. However, a bottom-up review of all budgets identified discretionary spend that was reduced in 2020/21, including from budget rolled-forward from 2019/20, professional fees, IT costs and marketing and communications. LLDC also reviewed all staff vacancies on a case-by-case basis during 2020/21, which helped to yield additional savings.

Of the £11.3m additional savings:

- £2.9m is being rolled-forward into 2021/22 and future years' budgets, including £0.8m of unutilised revenue corporate contingency (against which risks are held) and £1.1m to fund specific corporate priorities, including the Marketing, Sponsorship and Park Assets Strategy (which will help generate additional income in future years).
- £2.1m was factored into the November 2020 budget submission and is therefore already recognised in LLDC's funding position for 2021/22 and 2022/23.
- The remaining savings (£6.3m) will be carried-forward as funding to offset risks in 2021/22, and ensure a balance budget is achieved, and to partially offset existing budget deficits in future years.

Note that the majority of these savings/additional income are non-recurrent and/or as a result of the COVID-19 pandemic and not, therefore, expected to recur in future years.

Land ownership

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

Note that the impact of the COVID-19 crisis on activities on the Park, venues and development is set out in the 'Commentary on Key Live Projects' and 'Performance Measures' sections.

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.

The venue has had over 6 million visitors passing through its doors since it opened in 2014. Before the COVID-19 crisis, the venue had 900 school children attending weekly lessons and 4,000 people signed up to the Better Swim School programme (including children) and 600 to Tom Daley's learn to dive programme. The venue re-opened for community use in April 2021, in line with safety guidelines.

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 Arena hosts sport including basketball, netball, handball, badminton, fencing and boxing and is increasingly used for a wide range of events including e-sport tournaments and product launches. The venue also contains an 80-station gym.

The Legacy Corporation 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. Surpluses and deficits are shared between the Legacy Corporation and GLL and the Legacy Corporation is responsible for the maintenance of these venues.

Stadium

The Stadium is surrounded by water on three sides and the 'island' site, excluding bridges, is leased by the Legacy Corporation 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 played host to Premier League football as the home of West Ham United, as well as international athletics, premiership rugby, and major concerts. In June 2019, the London Stadium hosted Major League Baseball for the first time anywhere in Europe.

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 the Legacy Corporation receiving a proportion of net rents. iCITY's vision 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 the Legacy Corporation and iCITY, which allows iCITY to call for the grant of a new 999-year lease and disposal of the Legacy Corporation's interest for a capital receipt, subject to conditions.

Here East consists of 1.2 million square feet of space and features three main buildings — a 300,000 square feet innovation centre, a 1,045-seat auditorium and an 850,000 square feet building housing educational space, broadcast studios and office space. Here East tenants include 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 783,000 visits to the ArcelorMittal Orbit.

In June 2016, the Legacy Corporation launched the world's longest and tallest tunnel slide adjoined to the tower. Over 450,000 people have bought tickets for the Slide since it opened.

The Legacy Corporation retains the freehold of the ArcelorMittal Orbit and Engie manage the venue on behalf of the Legacy Corporation as part of their wider contract for delivering estates and facilities management services on the Park and receive a management fee. The Legacy Corporation meets all cost associated with the facility and receives all income.

The Podium building adjacent to the ArcelorMittal Orbit contains The Last Drop café and hospitality suite. Engie pay the Legacy Corporation a rent and service charges for the premises, with a potential turnover share. The contract with Engie runs to 2024.

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 the Legacy Corporation from Lee Valley Regional Park Authority, which expires in July 2053. The Timber Lodge went into lockdown on 20 March 2020 due to COVID-19 and re-opened as a COVID-19 testing centre. LLDC has commenced procurement to identify new operators for the Timber Lodge and the food and beverage kiosks on the Park, following the withdrawal of the former operator in 2020/21.

Off Park properties

Several off-Park properties were transferred to the Legacy Corporation 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 managed by Knight Frank LLP on behalf of the Legacy Corporation and is occupied on a variety of short-term leases.

3 Mills Studios

3 Mills Studios is a large film and TV studio offering 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 the Legacy Corporation until August 2103.

The Clock Mill forms part of this site and is let to East London Science School Trust until 2024.

The Legacy Corporation has managed 3 Mills Studios since 2013. The Legacy Corporation's appointed managing agent for the site is Knight Frank who are contracted to March 2023, with the option to extend for a further 2 years. In 2020/21, the Legacy Corporation has also spent £10m on river wall works at 3 Mills and has secured a grant of £3m from MHCLG for investment into the studios heritage buildings, with works due to take place in 2021/22 and 2022/23.

Development platforms

The Legacy Corporation owns several development platforms, listed as follows:

Chobham Manor

The Legacy Corporation 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 now comprises 880 new homes of which 75 per cent will be 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.

Phases One and Two have completed and all units have been sold. All Phase Three homes have all been sold - construction of the first block is complete and a new nursery was opened. Completion of the of the phase is due in 2021/22. Construction of the final phase - Phase Four is well underway and is on programme to complete in 2022.

East Wick and Sweetwater

The Legacy Corporation entered into an agreement with a joint venture between Places for People Homes and Balfour Beatty Investments in February 2015 for the development of approximately 1,500 new homes, including private rented and affordable homes, at East Wick and Sweetwater. The homes will be accompanied by a mix of social infrastructure including nurseries, primary schools and a library. The zonal master plan for East Wick has been approved, as has the Reserved Matters consent for Phase One. The Reserved Matters Applications for remaining phases were submitted in 2020/21. Construction works on Phase One of the development are almost finished and the first private rental block completed in 2020/21, with residents starting to move in.

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 the Legacy Corporation, 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. A procurement exercise was launched in 2020/21 for a joint venture partner to develop the Stratford Waterfront residential land alongside the Bridgewater development site at Pudding Mill.

UCL East

Also, part of the East Bank project, this development platform will, in its first phase, comprise approximately 50,000m^2 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. UCL has appointed its contractors for their main academic buildings at Marshgate and their mixed-use Pool Street West building. Construction on both sites is progressing well, with Pool Street West due to open in 2022 and Marshgate in 2023. 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 become a long lease (299 years) following practical completion of the Marshgate academic facility shell and core works.

Pudding Mill

Pudding Mill is the neighbourhood comprised of Pudding Mill Lane and Bridgewater developments. The Legacy Corporation 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 and Rick Roberts Way. Overall, the combined sites will deliver 50% affordable housing. The Legacy Corporation is currently developing new outline planning applications for the Bridgewater and Pudding Mill sites. These will replace the existing outline planning consent under the Legacy Communities Scheme. The schemes will deliver c1500 homes, employment space and a new local centre close to the Docklands Light Railway station. Delivery of the Bridgewater scheme is being procured alongside Stratford Waterfront.

Rick Roberts Way

Rick Roberts Way is jointly owned by the Legacy Corporation and the London Borough (LB) of Newham. It forms part of the Legacy Corporation's portfolio of sites (including Stratford Waterfront, Pudding Mill Lane and Bridgewater) which are to deliver 50% affordable housing across the portfolio. Rick Roberts Way is expected to provide approximately 450 homes and a secondary school. In support of this, approval has been secured from the Board for a consolidation of interests with LB Newham to form two independently developable plots and legal negotiations are being progressed to consolidate each party's site interests.

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 the Legacy Corporation's management accounts.

£ 000	2020/21	2020/21	2020/21
	Actual	**Budget**	**Variance**
Total net revenue expenditure	24,416	31,367	(6,952)
Trading net (surplus)/deficit	(828)	493	(1,320)
Total	**23,588**	**31,860**	**(8,272)**

The Legacy Corporation recorded net expenditure of £23.6m for the year, which was £8.3m lower than budget. This is mainly due to:

- higher than anticipated income from its 3 Mills Studios operations;
- corporate savings including staff costs; and
- savings from the Stadium operations.

The Legacy Corporation 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 the Legacy Corporation'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 2021 is summarised in the following table.

	31 March 2021 £ 000	31 March 2020 £ 000
Long term assets	136,658	177,601
Cash and cash equivalents	62,881	59,119
Net current assets/(liabilities)	(24,508)	(16,420)
Net pension liabilities	(29,908)	(14,222)
Other long term liabilities	(413,139)	(392,812)
Net assets	**(268,017)**	**(186,735)**
Represented by		
Usable reserves	39,914	10,075
Unusable reserves	228,103	176,660
Total reserves	**268,017**	**186,735**
Usable reserves are made up of:		
General funds	40,432	10,372
Deferred tax reserve	(518)	(297)
Total usable reserves	**39,914**	**10,075**

Long term assets

The Legacy Corporation's long terms assets relate primarily to investment properties. Overall, the value of the Legacy Corporation's investment property assets has decreased from £58.0m at the end of last year to £0.2m as at 31 March 2021, driving an overall net decrease in long term assets. Further planned disposals in relation to Chobham Manor and Eastwick and Sweetwater residential properties and the disposal of Vittoria Wharf were completed in the year, which decreases the overall investment property value (with a corresponding increase in cash balances, which are used to repay borrowings from the GLA).

Increased costs on the East Bank project, largely owing to delays resulting from the Covid-19 outbreak, have also contributed to a decrease in the value of investment property. Note that as the East Bank project is delivered at a net cost to the Legacy Corporation it has a negative £197.4m valuation (until fully built); the rest of the investment property portfolio is valued at a £197.6m. The portfolio was valued as at 31 March 2021 by JLL – external, independent property valuers, who have appropriate recognised professional qualifications. The assets are being held by the Legacy Corporation for their income generating potential or for capital appreciation (prior to disposal) and are therefore classified as investment property in accordance with IAS 40.

Also included within long term assets are assets under construction (within Property, Plant and Equipment), which relate to expenditure incurred on the East Bank project and accounts for the significant increase in the year (see Note 12).

Cash and cash equivalents

The Legacy Corporation's short-term cash balances, which relate to balances held to meet liabilities on the Legacy Corporation's balance sheet in respect of its obligation under the Olympic Park Transport Environment Management Strategy (OPTEMS) and Section 106 schemes, are 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 and Emergency Planning Authority, 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 2021 the value of the Legacy Corporation's cash and cash equivalents was £62.9m (31 March 2020: £59.2m) The balance held with the GIS at 31 March 2021 is £52.2m (31 March 2020: £45.4m), with the balance of £10.7m (31 March 2020: £13.7m) being held within the Legacy Corporation's bank accounts (see Note 16). As at 31 March, £55.4m of cash and cash equivalent balances related to Section 106 liabilities, £0.4m to the OPTEMS fund and £17.4m to CIL liabilities.

The Legacy Corporation 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, the Legacy Corporation usually has relatively low sensitivity to variations in cash flow during the year. In 2020/21, the Legacy Corporation also received £67.4m in capital receipts from its investment properties, 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 the Legacy Corporation'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, and potential changes to the Legacy Corporation's strategy, such as accelerating planned housing developments. The Legacy Corporation continues to follow closely the impact of the withdrawal of the United Kingdom from the European Union on the property and construction sector in particular and will assess and where possible, mitigate the impact of the COVID-19 pandemic accordingly.

Pension Scheme

The Legacy Corporation 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 the Legacy Corporation's net worth as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the Legacy Corporation's financial position in relation to its pension obligations remains healthy. The net pension liability has increased from £14.2m (as at 31 March 2020) to £29.9m as at 31 March 2021 due to a change in the demographic assumptions (such as life expectancy) and financial assumptions (such as salary and pension increases) used by the actuary. A total of £16.7m (net) has been charged to the Comprehensive Income and Expenditure Statement of which £17.2m is related to the re-measurement of the net defined benefit liability, which is offset by service costs (£2.9m), net interest charged on the deferred liability and administration expenses (£0.4m) and the movement on the deferred tax pension asset (£3.7m). The deficit on the Pension Scheme will be made good by increased contributions by the Legacy Corporation over the employees' remaining working life, as assessed by the Scheme actuary.

Other assets and liabilities

The Legacy Corporation has a rolling loan facility with the GLA to finance the Legacy Corporation's capital expenditure. As at 31 March 2021, the Legacy Corporation had drawn down loan funding to the value of £372.2m. This loan will be repaid from capital receipts generated from the exploitation of the Legacy Corporation'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.

£56.7m of liabilities on the Legacy Corporation's balance sheet relate to its obligations under the OPTEMS, Section 106 schemes and Community Infrastructure Levy. As noted previously, the Legacy Corporation has ring-fenced the funds required to meet its obligations.

Provisions and contingent liabilities

The Legacy Corporation continues to recognise a contingent liability in relation to a loan of £13.8m (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.

As at 31 March 2021 a provision of £0.1m has been recognised in the Legacy Corporation's single entity accounts. This is in respect of residual costs relating to the Park Transformation.

Reserves

The Legacy Corporation'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 the Legacy Corporation throughout the year on a cash-basis. This arrangement gives rise to timing differences between net expenditure calculated on an accruals-basis and the Legacy Corporation's net cash requirement. It also means that the Legacy Corporation's ability to generate surpluses within its General Fund is restricted.

Changes to the Legacy Corporation's reserves mirrors the movement of its net assets. Accordingly, at the end of the financial year, the Legacy Corporation had negative usable reserves of £39.9m in the General Fund (2019/20: £10.1m). However, considering the Legacy Corporation's funding arrangements with the GLA, the level of usable reserves reported in the statutory accounts is considered adequate for the Legacy Corporation to meet its current and future financial challenges.

Forecast net cash position

In line with the Legacy Corporation's approved long-term financial model, as updated for the 2020/21 outturn, the net cash position of the Legacy Corporation's activities in the coming three years is expected to be as follows:

Capital

	2020/21	2021/22	2022/23	2023/24	Total
	£m	**£m**	**£m**	**£m**	**£m**
Capital expenditure	**126.2**	**244.5**	**211.7**	**80.5**	**662.9**
Funded by:					
Capital receipts	(71.8)	(64.2)	(38.3)	(23.7)	(197.9)
Other grants/funding	(37.1)	(130.4)	(58.2)	(48.9)	(274.6)
Borrowing from GLA drawdown	(17.3)	(50.0)	(115.1)	(7.9)	(190.3)
Total funding	**(126.2)**	**(244.5)**	**(211.7)**	**(80.5)**	**(662.9)**

Revenue

	2020/21	2021/22	2022/23	2023/24	Total
	£m	**£m**	**£m**	**£m**	**£m**
Income	(14.1)	(15.0)	(15.9)	(18.0)	(63.1)
Revenue expenditure	37.8	50.2	46.5	47.0	181.4
Financing costs	10.9	11.9	14.4	16.2	53.5
Net expenditure	**34.5**	**47.1**	**45.0**	**45.2**	**171.8**
Funded by:					
GLA funding for core activities	(28.3)	(27.3)	(26.7)	(25.9)	(108.3)
GLA funding for financing	(10.9)	(11.9)	(14.4)	(16.2)	(53.5)
Reserves	4.7	(7.9)	(1.8)	-	(5.0)
Net revenue position	**-**	**-**	**2.0**	**3.0**	**5.0**

Cost reduction and commercial income opportunities such as advertising and sponsorship are being explored in detail during 2021/22 to assist in bridging the forecast revenue deficit in 2022/23 and 2023/24.

Changes to accounting policies

The Legacy Corporation has not adopted any new accounting policies in 2020/21.

Commentary on key live projects

East Bank

Significant progress was made on the East Bank project in the year.

Since planning permission was granted in 2019, on-site work at Stratford Waterfront commenced in 2019/20 and was suspended in March 2020 due to COVID-19 restrictions. Construction works re-commenced in June 2020 under social distancing measures and the four building structures are now well above ground.

In recognition of the impact of COVID-19, a revised programme, Rev.10 has been developed to rebase line the programme from a time and cost perspective. This programme became the baseline for a revised Anticipated Final Cost (AFC) estimate and schedule from February 2021, with additional budget secured in the 2021/22 budget submission to the GLA. The new programme has a revised completion date of 23 January 2024, some 6 months later than Rev.9. A significant proportion of the package procurement (circa 90%) has now been awarded or is in the later stages of procurement.

Following the Legacy Corporation Investment Committee's approval for the revised delivery approach and procurement plan, procurement of a developer for the residential development commenced in 2020/21.

Work on UCL East has continued where UCL is delivering its development; UCL has appointed its contractors for its main academic buildings at Marshgate and for their mixed-use Pool Street West building. On-site work commenced in 2019/20 and the programme to complete both UCL East sites is now back to pre-COVID-19 levels, with Pool Street West scheduled to open in 2022 and Marshgate in 2023.

The East Bank costs will be met through a mixture of partner and private sector funding, philanthropic funding and public-sector funding from the Mayor of London and Government, following the approval of the Full Business Case. 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.

The Legacy Corporation continues to work with partners to develop collaborative projects and proposals to help deliver the programme's strategic objectives. Despite the COVID-19 lockdown, during the year, the Legacy Corporation and its East Bank partners continued to work with local communities in the areas of employment and skills, education, arts and cultural activity and innovation. Highlights included STEP (the Shared Training and Employment Programme), the online East Summer School and East Autumn School and the first ever East Careers Week which was also delivered online,

Chobham Manor development

In November 2012, the Legacy Corporation entered into a development agreement with Chobham Manor LLP (a joint venture between Taylor Wimpey and London & Quadrant). The development of 880 homes of which 35 per cent is now affordable (up from 28 per cent), will contain 75 per cent family housing (defined as three bedrooms or more) in line with planning requirements and will be supported by facilities including a nursery and community spaces.

566 homes have now been completed. Phase One, consisting of 259 units and Phase Two, consisting of 207 units are now fully complete and all homes have been sold. Construction is underway for the final two phases which are due to be completed in 2022/23; all of the homes in Phase Three have already been sold.

In 2020/21 the Legacy Corporation recognised £5.5m of capital receipts arising from its share of proceeds from sales of homes on the Chobham Manor site.

This development zone is held as an investment property (as part of ‘Queen Elizabeth Olympic Park’ asset) in the Legacy Corporation’s accounts, further detail of which is given in Note 13.

East Wick and Sweetwater

East Wick and Sweetwater Projects Ltd (a joint venture between Places for People and Balfour Beatty PLC) was appointed by the Legacy Corporation in February 2015 to create new neighbourhoods 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 with Phase One (which received planning permission in 2016/17) due to be completed in 2021/22 (construction works on this site continued after lockdown). Reserved Matters Applications for all future phases have now been submitted and are expected to be determined by September 2021. The whole development is scheduled for 2030/31 completion. The Legacy Corporation is in discussions with the Developer about the start date of construction of Phase Two.

The Legacy Corporation funded infrastructure works to support the development were granted planning permission in 2016/17. Construction work on Stour Road (H16) Bridge completed in May 2019 and the north/south road build and Monier Road (H14) Bridge are due to complete in 2021/22.

In 2020/21 the Legacy Corporation recognised £31.6m of capital receipts from this development. This development zone is held as an investment property (as part of ‘Queen Elizabeth Olympic Park’ asset) in the Legacy Corporation’s accounts, further detail of which is given in Note 13.

Hackney Wick Neighbourhood Centre

Outline planning permission for the regeneration of the central area around Hackney Wick station was issued in March 2018 following GLA Stage 2 sign-off. The application was submitted jointly with LB Hackney and prioritised no net loss of employment space and was approved in 2019/20. Procurement for a developer completed in 2020/21 with Notting Hill Genesis selected. LLDC will work with Notting Hill Genesis to progress design work and build local relationships. The Reserved Matters Application will be submitted in 2021/22 and subject to approval, construction is expected to commence in 2022/23.

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 is due to complete in 2021/22.

Prospects and outlook

Looking forward, the Legacy Corporation has a number of key milestones to achieve in 2021/22, subject to the impact of the COVID-19 crisis.

The Legacy Corporation's significant residential projects, Chobham Manor and East Wick and Sweetwater, will provide new homes for people who want to live in the area. These projects will also generate significant capital receipts for the Legacy Corporation, supporting repayment of borrowings to the GLA, but are being delivered at a time when the UK housing market is softening; this could impact upon the level of receipts realised by the Legacy Corporation.

Construction on Chobham Manor Phases Three and Four are underway, with Phase Three to complete in 2021/22. East Wick and Sweetwater Phase one works will continue for completion in 2021/22, along with supporting infrastructure works. Reserved Matter Applications have been submitted for approval in 2021/22, with construction of the next two Phases (Two and Three) due to commence in the year.

Procurement to select a developer for Stratford Waterfront and Bridgewater will continue for appointment in 2022/23; submission of outline Planning Applications for Bridgewater and Pudding Mill will be submitted in 2021/22. LLDC will also work with LB Newham to finalise Heads of Terms for a land swap to consolidate each party's interest, allowing masterplanning and procurement to commence. The Legacy Corporation is also currently developing new outline planning applications for the Bridgewater and Pudding Mill sites for submission in early 2021 in 2021/22

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 2021/22 a significant amount of construction work will be undertaken and the procurement programme will complete.

Major events had been scheduled in the London Stadium for summer 2021 but due to the COVID-19 crisis the Diamond League athletics has moved to a different location and the Hella Mega concert (Green Day, Fall Out Boy and Weezer) has been postponed to 2022. The final match of the 2020/21 Premier League season in May 2021 was played in front of up to 10,000 spectators, and it is hoped that the 2021/22 football season will commence with supporters present at capacity.

The Legacy Corporation will continue to work with the four Boroughs and the GLA to deliver the Transition programme including making significant progress on the strategic approach for successor arrangements and delivering on the programme to hand Town Planning power back to relevant Boroughs by the end of 2024.

The Legacy Corporation has access to sufficient funding through the GLA to complete the development programme set out in its 2021/22 budget submission and capital strategy and begin to repay the investment made by the Greater London Authority in the Olympic legacy. The Corporation's 2021/22 budget was approved by the Legacy Corporation Board and the Mayor in March 2021, and will be revisited annually as part of the statutory budget process of the GLA.

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

Performance Measures

The following performance indicators demonstrate how the Legacy Corporation has used its resources to deliver against its five strategic objectives during 2020/21.

Measure	Progress to 31 March 2021
Progress Chobham Manor construction to programme.	Construction well progressed at Chobham Manor with the first block of Phase Three completed and the frame for Phase Four installed.
East Wick and Sweetwater construction continues on schedule, including commencement of Phase Two.	The pandemic has led to slight programme delays for Phase One construction and two further blocks are due to complete in the next period The first Private Rented Sector (PRS) block has completed and people have begun to move into their homes. Preparations are being made for Balfour Beatty to take over an area of the north Park to begin work on Phases Two and Three, LLDC is in discussions with Balfour Beatty about start date for these phases which have been delayed.
Submit a planning application for Pudding Mill Lane and Bridgewater sites, secure interim uses for the site	Design work has continued for both sites and have been reviewed by the Quality Review Panel. Whilst the applications were not submitted during 2020/21, Masterplanning is at an advanced stage with Bridgewater planning application due to be submitted in August 2021 followed by the Pudding Mill Lane application by the end of the year. Interim uses for the site have been secured.
Agree delivery approach for Rick Roberts Way with London Borough of Newham and GLA.	Approval has been secured from Board for a consolidation of interests with LB Newham and legal negotiations are being progresses
Select a joint venture partner for Stratford Waterfront and Bridgewater residential development.	Procurement to select a joint venture partner continued during the year. Although the procurement will complete in 2021/22, a lot of progress was made during the year with four bidders being taken through to the Invitation to Submit Outline Proposal stage in this period.
Hackney Wick Neighbourhood Centre development partner procurement complete.	Selection of Notting Hill Genesis (NHG) as developer for Hackney Wick Central
3 Mills river walls repair work completed.	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 is due to complete in 2021/22.

Progress delivery plans for Stratford Station improvement works.	Agreement to progress two Strategic Outline Business Cases – one for small capital investment to improve immediate station issues and second for wider transformational longer-term work. These projects will help to relieve increasing pressures on capacity of the Station. In support: LLDC, NR TfL and LB Newham, have recently appointed 5th Studio to lead an important piece of masterplanning work to inform major improvements in and the Station; and procurement has commenced to appoint a team to undertake a socio-economic benefits study. Project at risk due to TfL funding constraints following the COVID-19 crisis.
Continuing the development of the QEOP Training Association (TA)	The Training Centre is due open to in early 2021/22 and welcome its first cohort of trainees for construction training.
Good Growth Hub (GGH), the physical facility to consolidate and scale the East Works programme to open at Hackney Bridge (formerly Clarnico Quay).	A New Direction appointed to operate the Hub following a procurement process. The Hub is due to open with a soft launch in 2021/22.
Completion of LLDC's Shared Training and Employment Programme (STEP) programme with East Bank partners and commencement of 2020/21 programme.	The 2020/21 programme completed online. The Good Growth Hub will now deliver the 2021/22 STEP programme and registrations opened towards the end on 2020/21.
Deliver an effective and responsive planning service. At least 70% of applications determined in time.	This target has been exceeded each month in 2020/21, with actual performance ranging from 72% at its lowest to 100% at its highest.
Construction workforce targets (current rather than lifetime figures): • 25% of the workforce have permanent residency in Host Boroughs • 25% of the workforce are from BAME groups • 5% of the workforce are women • 3% of the workforce are disabled • 3% of the workforce are apprentices	The most recent construction figures available are to end of February 2021: • 25% of construction employees working on the Park are Host Borough residents • 81% of the workforce are from BAME groups • 6% of the workforce are women • 4% of the workforce are disabled people • 6% of the workforce are apprentices
Copper Box Arena and London Aquatics Centre workforce targets (current rather than lifetime figures): • 70% of the workforce have permanent residency in the Host Boroughs • 55% are from BAME groups • 50% are women • 3 – 5% are disabled • 5% are apprentices	The most recent figures available are as of March 2021 (these figures are reported annually): • 53% workforce Host Borough residents • 32% are from BAME groups • 53% workforce are women • 1% workforce are disabled • 0% are apprentices GLL apprentices are all currently still on furlough however they are committed to restarting their employment once venue workforce numbers are back up to normal operational levels

Estates and Facilities workforce targets (current rather than lifetime figures): • 70% of the workforce have permanent residency in the Host Boroughs • 25% are from BAME groups • 30% are women • 5% are disabled • 5% are apprentices	As of March 2021, the workforce performance is shown below: • 57% workforce Host Borough residents • 44% workforce are from BAME groups • 30% workforce are women • 8% workforce are disabled • 6% workforce are apprentices
Maintain Green Flag status for the Park	For the seventh year in a row, the Park was awarded the Green Flag Award Scheme as one of the best parks in the world.
Meet estimate of 6 million visitors to the Park in 2020/21.	LLDC maintained safe and high quality Parklands as COVID-19 lockdown measures changed, supported by on Park, web and social media communications. Park usage was at roughly a 40% of usual numbers due to the closure of venues, schools and construction sites, with just under 2.5m.
London Aquatics Centre throughput of 1m.	The venue was closed for community use for most of 2020/21, opening when COVID-19 restrictions eased between August and November 2020. In total, there were over 125,000 visitors to the venue in 2020/21. The venue has been open for elite divers training and held the Superleague Triathlon in March 2021.
Copper Box Arena throughput of 445,000.	The venue was closed for community use for most of 2020/21, opening when COVID-19 restrictions eased between August and November 2020, over 15,000 visitors. Elite sports, including London Lions basketball and boxing, has continued at the venue behind closed doors.
ArcelorMittal Orbit throughput of 180,000.	Visitor numbers for the ArcelorMittal Orbit for April 2019 to February 2020 were just under 124,000 visitors. The venue was unable to open during the storms in the winter. The attraction closed on 20 March 2020 due to the COVID-19.
Continue construction of East Bank Stratford Waterfront cultural and educational buildings to programme.	Following lockdown, construction work recommenced in June 2020 with social distancing measures such as one-way systems around the site and in welfare facilities and new contactless access control measures. Construction work has continued to progress in line with the revised programme and with social distancing measures in place. The four building structures are now well above ground. The programme of procurement of contractors has continued. The buildings are scheduled to start to open from 2023.
Continue to work with East Bank partners to ensure delivery of the East Bank	The East Bank Benefits Delivery Plan was approved by all partners in 2019/20 and all partners are working together to deliver this.

strategic objectives and to maximise the value of the cluster.	
Progress EAST Education, an education engagement programme with East Bank partners.	EAST Education programme being implemented, monthly working group ongoing. Highlights in 2020/21 include delivery online of the East Summer School and East Autumn School with East Bank and other partners
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.	Over the past year there has been one RIDDOR reportable incidents at LLDC's sites at Stratford Waterfront) and over 2 million construction hours worked, so the rate is below 0.17 reportable accidents per 100,000 hours worked.
Unqualified annual accounts for the Legacy Corporation, E20 Stadium LLP and London Stadium 185 Limited for 2019/20.	Unqualified 2019/20 annual accounts have been published for the Legacy Corporation, E20 Stadium LLP and London Stadium 185 Limited.
Annual Environmental Sustainability Report published.	The 2019/20 Annual Environment Sustainability Report was published in May 2021/22
Develop and agree high-level the Legacy Corporation Transition strategy.	The high-level Transition Strategy was approved by Board in February 2020, updated in May 2021.

Corporate risks

The Legacy Corporation 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 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.	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	Financial and reputational impacts.	Close working with GLA, monitoring of progress against the plan, resolving issues relating to individual development, 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
Local transport infrastructure 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.	
Risk about the impacts of Health and Safety failures, including East Bank.	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 the potential impact of Government/Mayoral policy change on the Corporation, including implications of EU trade deal.	Programme delays, budget impacts.	Continue political engagement work and briefings. Working through implications of the EU trade deal, particularly in relation to East Bank construction.	R
Risk relating to trading activities including venues (CBA, LAC, AMO), events and car park.	Financial impacts, reduced income or increased costs.	Manage and monitoring financial targets and contracts. Spend to save initiatives. Implement commercial strategy.	R
Risk relating to carbon savings from the District Heating Network.	Reputational and financial impacts.	Liaison with GLA, Government and with Engie and Westfield.	R
Housing delivery plan: meeting Town Planning requirements around affordable homes and planning deadlines.	Delivery, financial and reputational impacts.	Close working with development partners, other land owners and the Mayor of London's office. Assessing impact of Mayor's Affordable Housing Programme.	R
Risk of unauthorised climbers at ArcelorMittal Orbit.	Financial and reputational impacts.	Close working with operator, review of security measures.	A
Future transition of LLDC activities.	Negative impacts on regeneration of the area; potential impact on staff retention.	Transition strategy being developed, updates presented to Board. Close working with key stakeholders.	A

Electrical capacity of Park requires reinforcement.	Financial impacts.	Energy strategy commissioned. Review and implement findings.	A
Risk about successful implementation of the Local Plan including sufficiency of community infrastructure.	Reputational impacts.	Progress reporting including annual monitoring report, review of local plan including population forecasts	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 the success of off-Park developments.	Financial and reputational impacts.	Local Plan approved and being implemented. Work ongoing on development opportunities including Hackney Wick and Bromley by Bow.	A
Employee resourcing, recruitment and retention.	Financial, operational and reputational impacts.	High quality recruitment and communications, particularly around Transition. Competitive remuneration package including benefits. Staff development.	A
Risk relating to impact of construction on residents and visitors.	Reputational and financial impacts.	Delivering a clear communication plan which manages expectations and explains the reasons for the construction work and communicates future developments.	A
Risk relating to meeting priority theme targets and wider regeneration aspirations.	Reputational impacts.	A strong set of targets agreed through procurement and contracts; close working with partners.	A
Risk relating to information security non-compliance, including GDPR. Risk also relates to group subsidiaries (E20/LS185).	Potential loss, theft or corruption of data with reputational and financial impacts.	Information security gap analysis complete, action plan being implemented. Ongoing information security briefings.	A

Corporate Issues

Below is a summary of the Corporate Issues that were presented to the LLDC Audit Committee in March 2021.

Summary	Action Plan
Red Issue relating to East Bank funding.	Close working with GLA, Foundation for Future London. Engagement with project funders. Ensure best outcome from residential development.
Red issue relating to revenue budget.	Programme of savings and efficiencies, commercial strategy, close work with GLA.
Red issue relating to East Bank budget and programme.	Opportunities plan, close liaison with funders, effective design management and procurement programmes, management of project management partner.
Red issue relating to COVID19 Crisis.	Crisis management plans in place, recovery plans being formulated.
Green issue relating to London Stadium crowd control.	Working closely with partners including West Ham United.

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 the Legacy Corporation. The net assets of the Legacy Corporation (assets less liabilities) are matched by the reserves held by the Legacy Corporation. Reserves are reported in two categories. The first category of reserves is usable reserves, being those reserves that the Legacy Corporation may use to provide services. The Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation.

Cash Flow Statement

The cash flow statement shows the movements in cash and cash equivalents of the Legacy Corporation during the financial year. The statement shows how the Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation'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 the Legacy Corporation. 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

The Legacy Corporation's responsibilities

The Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation at the accounting date and of the income and expenditure for the year ended 31 March 2021.

Gerry Murphy
Deputy Chief Executive
5 November 2021

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 for the year ended 31 March 2021 under the Local Audit and Accountability Act 2014. 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, and
- The related notes 1 to 28 to the Corporation Accounts, and G1 to G16 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 2020/21.

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 2021 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 2020/21.

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 below. We are independent of the Corporation 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 (C&AG) 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 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 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 corporation’s ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual report and Accounts 2020/21, 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 2020/21.

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 Corporation;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- 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;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.
- We are not satisfied that the Corporation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

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 40, 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 2020/21, and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Deputy Chief Executive is responsible for assessing the 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 Corporation either intends to cease operations, or have 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 Corporation and determined that the most significant are:
    - The Local Audit and Accountability Act 2014,
    - The Accounts and Audit Regulations 2015,
    - Local Government Act 1972,
    - The Local Government Act 2003,
    - Local Government Finance Act 1988, and
    - Greater London Authority Acts 1999 and 2007

In addition, the 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 discussed as an engagement team how and where fraud may arise. 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 Corporation’s committee minutes, through enquiry of employees to confirm Corporation policies, and through the inspection of employee handbooks and 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 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 incorrect classification of capital spend, we tested the Corporation’s capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.
- 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, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General (C&AG) in April 2021, as to whether the 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 Corporation put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

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 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 to satisfy ourselves that the Corporation 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 Corporation’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 Corporation’s Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our work on value for money arrangements.

In addition, we cannot formally conclude the audit and issue an audit certificate until we have completed our procedures on the Corporation’s value for money arrangements for the year ended 31 March 2021. We are satisfied that this work does not have a material effect on the financial statements. We will report the outcome of our work on the Corporation’s arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Until we have completed these procedures we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 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 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 Corporation and the Corporations 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

8 November 2021

Comprehensive Income and Expenditure Statement

For the year ended 31 March 2021

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	2/4	(60)	1,512	1,451
Development	2/4	(54)	1,174	1,119
Executive Office	2/4	(215)	2,267	2,052
Finance, Commercial and Corporate Services	2/4	(1,559)	9,438	7,880
Park Operations and Venues	2/4	(423)	2,023	1,600
Planning Policy & Decisions	2/4	(2,019)	3,045	1,027
Regeneration and Community Partnerships	2/4	(16)	2,363	2,348
Stadium	2/4	(313)	7,082	6,769
East Bank	2/4	-	74,822	74,822
GLA Grant	2/4	(34,510)		(34,510)
Net cost of services		**(39,169)**	**103,726**	**64,558**
Financing and investment income	7	(18,961)	-	(18,961)
Change in fair value of investment properties	13	-	37,703	37,703
Impairment of investment in joint venture	14	-	22,057	22,057
Financing and investment expenditure	8	-	25,402	25,402
Capital grants and contributions	9	(63,936)	-	(63,936)
(Surplus) or deficit on provision of services before tax		**(122,066)**	**188,888**	**66,823**
Corporation tax	10		1,432	1,432
Deferred tax	10	(518)	-	(518)
(Surplus) or deficit on the provision of services after tax		**(122,584)**	**190,320**	**67,737**
Deferred tax asset on the net defined benefit liability	10	(3,679)	-	(3,679)
Remeasurement of the net defined benefit liability/asset	18	-	17,224	17,224
Total comprehensive income and expenditure		**(126,263)**	**207,544**	**81,282**

For the year ended 31 March 2020

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	2/4	(31)	1,627	1,596
Development	2/4	(10)	1,547	1,537
Executive Office	2/4	(93)	2,425	2,332
Finance, Commercial and Corporate Services	2/4	(1,560)	9,817	8,257
Park Operations and Venues	2/4	(536)	1,885	1,349
Planning Policy & Decisions	2/4	(2,268)	3,418	1,150
Regeneration and Community Partnerships	2/4	(139)	2,248	2,109
Stadium	2/4	(791)	26,445	25,654
GLA Grant	2/4	(47,224)	-	(47,224)
Net cost of services		**(52,652)**	**49,412**	**(3,240)**
Financing and investment income	7	(18,230)	-	(18,230)
Change in fair value of investment properties	13	-	15,414	15,414
Impairment of investment in joint venture	14	-	3,288	3,288
Financing and investment expenditure	8	-	27,302	27,302
Capital grants and contributions	9	(31,943)	-	(31,943)
(Surplus) or deficit on provision of services before tax		**(102,825)**	**95,416**	**(7,409)**
Corporation tax	10	-	5,329	5,329
Deferred tax	10	(475)	-	(475)
(Surplus) or deficit on the provision of services after tax		**(103,300)**	**100,745**	**(2,555)**
Deferred tax asset on the net defined benefit liability	10	-	178	178
Remeasurement of the net defined benefit liability/asset	18	(5,558)	-	(5,558)
Total comprehensive income and expenditure		**(108,858)**	**100,923**	**(7,935)**

Balance Sheet

As at 31 March 2021

	Notes	31 March 2021 £'000	31 March 2020 £'000
Long term assets			
Intangible assets	11	270	139
Property, plant and equipment	12	136,143	118,447
Investment property	13	245	58,015
Long term debtors	15	0	1,000
		136,658	**177,601**
Current assets			
Short term debtors	15	41,995	47,147
Cash and cash equivalents	16	62,881	59,119
		104,876	**106,266**
Total assets		**241,534**	**283,867**
Current liabilities			
Short term creditors	17	(66,503)	(63,567)
		(66,503)	**(63,567)**
Long term liabilities			
Long term borrowing	17	(373,236)	(356,386)
Long term creditors	17	(39,892)	(35,897)
Deferred tax liability	10	(11)	(529)
Retirement benefit obligation	18	(29,908)	(14,222)
		(443,047)	**(407,034)**
Total liabilities		**(509,550)**	**(470,601)**
Net assets		**(268,017)**	**(186,736)**
Reserves			
Usable reserves	20	39,914	10,075
Unusable reserves	20	228,103	176,660
Total reserves		**268,017**	**186,736**

Movement in Reserves Statement

As at 31 March 2021

	Notes	General Fund	Total usable reserve	Unusable reserves	Total unusable and other reserves	Total reserves
		£'000	**£'000**	**£'000**	**£'000**	**£'000**
Balance At 1 April 2020		10,075	10,075	176,660	176,660	186,736
Movement in reserves during 2020/21						
Deficit on the provision of services	From CIES	67,737	67,737	-	-	67,737
Other comprehensive income and expenditure	From CIES		-	13,545	13,545	13,545
Total comprehensive income and expenditure		**67,737**	**67,737**	**13,545**	**13,545**	**81,282**
Adjustments between accounting and funding basis under regulations	21	(37,896)	(37,896)	37,896	37,896	-
Transfer to reserve					-	-
Decrease/(Increase) in 2020/21		**29,841**	**29,841**	**51,441**	**51,441**	**81,282**
Balance at 31 March 2021		**39,914**	**39,914**	**228,102**	**228,102**	**268,016**

As at 31 March 2020

	Notes	General Fund	Total usable reserve	Unusable reserves	Total unusable and other reserves	Total reserves
		£'000	**£'000**	**£'000**	**£'000**	**£'000**
Restated At 1 April 2019		8,716	8,716	185,954	185,954	194,671
Movement in reserves during 2019/20						
Deficit on the provision of services	From CIES	(2,555)	(2,555)	-	-	(2,555)
Other comprehensive income and expenditure	From CIES	178	178	(5,558)	(5,558)	(5,380)
Total comprehensive income and expenditure		**(2,377)**	**(2,377)**	**(5,558)**	**(5,558)**	**(7,935)**
Adjustments between accounting and funding basis under regulations	21	3,736	3,736	(3,736)	(3,736)	-
Transfer to reserve		-	-		-	-
Decrease/(Increase) in 2019/20		**1,359**	**1,359**	**(9,294)**	**(9,294)**	**(7,935)**
Balance at 31 March 2020		**10,075**	**10,075**	**176,660**	**176,660**	**186,736**

Statement of Cash Flows

For the year ended 31 March 2021

	Notes	31 March 2021 £'000	31 March 2020 £'000
Surplus/(Deficit) on the provision of services		(67,737)	2,555
Adjustments to net (deficit) for non-cash movements	19	119,588	28,629
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	19	(63,936)	(31,943)
Net cash flows from operating activities		**(12,085)**	**(759)**
Investing activities	19	(23,948)	(53,857)
Financing activities	19	39,793	54,842
Net increase/(decrease) in cash and cash equivalents		**3,760**	**226**
Cash and cash equivalents at the start of the year		59,119	58,894
Cash and cash equivalents at the end of the year		**62,881**	**59,119**

Accounting policies

a) General Principles

The Legacy Corporation 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 2020/21* (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 summarises the Legacy Corporation's and the Legacy Corporation Group's ("the Group") transactions for the 2020/21 financial year and its position at 31 March 2021. The Group financial statements have been prepared in accordance with the Code.

b) Basis of accounting

The Accounts are made up to 31 March 2021.

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 in order to aid the reader's understanding of the Legacy Corporation'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 have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue 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 the Legacy Corporation has in place appropriate funding and liquidity from the Greater London Authority, and other sources.

The outbreak of COVID-19 in March 2020 has presented a unique and significant challenge to the Legacy Corporation. The Legacy Corporation has carried out a detailed assessment of the likely impact of COVID-19 on its financial position and performance during 2020/21 and beyond. Evidently, COVID-19 poses a significant financial challenge for the Legacy Corporation, as it will for many organisations.

However, despite these challenges, the Legacy Corporation still considers there to be appropriate funding in place and will therefore continue in operational existence for the foreseeable future and meet its liabilities as they fall due for payment. For these reasons, the Legacy Corporation 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 the Legacy Corporation to identify any accounting standards that have been 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 have not been applied in these financial statements, were in issue but not yet effective:

- amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses.
- amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative.
- IFRS 16 Leases – The Legacy Corporation has deferred implementation of the new standard following the 2018/19 agreement from the CIPFA/LASAAC local authority accounting Code Board to defer implementation in local authority financial statements to 2020/21. The new standard introduces a single lessee model which will require the Legacy Corporation to disclose assets leased under Operating leases on its Balance Sheet. The impact of this will be assessed through the year, as the public-sector application is being determined. Following the outbreak of COVID-19, this has now been deferred to 2021/22.

The Legacy Corporation does not consider the above-mentioned amendments to the Code and standards, amendments or interpretations issued by the IASB to be applicable or have a material impact in 2020/21.

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 the Legacy Corporation’s cash management.

g) Critical judgements on applying accounting policies

In applying the accounting policies, the Legacy Corporation 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

The Legacy Corporation’s funding is agreed annually for a four-year rolling budget via the GLA’s statutory budgeting process. The Legacy Corporation 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 the Legacy Corporation with a level of certainty about future levels of funding, however is subject to constant review. The Legacy Corporation has determined that this uncertainty is not yet sufficient to provide an indication that its long-term objectives will not be achieved.

Investment properties

The Legacy Corporation owns several commercial properties where all or part of the property is leased to third parties. Judgement needs to be exercised in determining whether these properties should be classified as investment properties in accordance with IAS 40. As investment properties are valued at fair value with movements in the fair value being recorded in the Comprehensive Income and Expenditure Statement this could have a significant effect on the reported financial performance of the Legacy Corporation.

Joint Ventures and Subsidiaries

The Legacy Corporation is a member of E20 Stadium LLP, which is classified as a subsidiary of the Legacy Corporation and consolidated into the Legacy Corporation's Group Accounts in line with international accounting standards. Stratford East London Holdings Limited (a wholly owned subsidiary of the Legacy Corporation) is the second member of the partnership.

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 the Legacy Corporation and the E20 Stadium LLP Group (which on 21 January 2019, acquired London Stadium 185 Limited) 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 Legacy Corporation assumed full control of E20 Stadium LLP on 30 November 2017, following Newham Legacy Investment Limited's retirement from the partnership. On this date, the Legacy Corporation 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 the Legacy Corporation.

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

A new subsidiary was established during the 2020/21 financial year, Stratford East London Developments Limited. The Legacy Corporation's forthcoming residential developments will be delivered via a joint venture, between this newly-established subsidiary and a developer.

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

The preparation of financial statements in conformity with the Code requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Legacy Corporation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in the following table:

Item	Uncertainties	Effect if actual results differ from assumptions
Investment properties	Investment property valuations have been based on the potential income to be generated by the various assets. Should evidence emerge that causes the Legacy Corporation to amend these estimates, the estimated fair value of its investment properties could change. This includes changes to the affordable housing assumptions on the Corporation’s remaining development sites on the Park, which are likely increase in future years in line with the Mayor’s affordable housing strategy. Uncertainty around the withdrawal of the United Kingdom from the European Union and latterly the COVID-19 crisis, and the impact on the property and construction sector, could have an adverse effect on property values and, therefore, the Legacy Corporation's investment property portfolio.	A reduction in the estimated valuations would result in a loss being recorded in the Comprehensive Income and Expenditure Statement (CIES). For example, a 10 per cent reduction in the value of the investment properties would result in a £0.02m charge to the CIES.
Property, plant and equipment	Assets are depreciated over useful lives that are dependent on assumptions about the levels of repairs and maintenance that will be incurred in relation to individual assets. Assets under Construction are measured at historical cost where those costs are considered to meet the recognition criteria in IAS 16 (Property, plant and equipment).	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. The carrying amount of Assets under Construction could reduce if there are changes to the capital projects to which the costs relate (e.g. abortive costs).
Pensions liability	The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rates to be used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.	The assumptions interact in complex ways. The actuaries review the assumptions triennially and changes are adjusted for in the Accounts. Details on sensitivity analysis can be found in Note 18.

Fair value measurements	When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Legacy Corporation's assets and liabilities. Where Level 1 inputs are not available, the Legacy Corporation employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, external valuers JLL). Information about the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in notes 13 and 26.	The authority uses the discounted cash flow (DCF) model to measure the fair value of some of its investment properties and financial assets. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates – adjusted for regional factors (for both investment properties and some financial assets). Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.
Group Accounts (share of losses in joint venture/subsidiary)	The Legacy Corporation's Group Accounts include its share of losses in E20 Stadium LLP, which in 2020/21 include a number of estimations relation to the London Stadium's fair value and a provision for onerous contracts (see Narrative Report, page 20).	The Stadium's valuation and the provision for onerous contracts are based largely upon the E20 Stadium Group's long-term forecasts. If actual results were to differ from the underlying assumptions then this could have a material impact upon the Legacy Corporation's share of losses reported in its Group Accounts.

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 is recognised when the significant risks and rewards of ownership have passed to the buyer and it can be reliably measured.

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).

The Legacy Corporation recognises revenue from a contract only when the authority has satisfied the identified performance obligations of the contract in line with IFRS 15 – *Revenue from Contract with Customers.*

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

The operating segments of the Legacy Corporation and their principal activities are as follows:

Communications, Marketing and Strategy

The Communications, Marketing and Strategy directorate supports and delivers effective communications between the Legacy Corporation and its stakeholders, and manages online information to ensure it is accurate and up to date. It is responsible for preparing the Legacy Corporation's strategy concerning the organisation and its role.

Development

The Development directorate leads on the design and development of Queen Elizabeth Olympic Park. They are responsible for delivering new residential neighbourhoods as well as commercial, educational, recreational and other developments across the Park. It is also tasked with delivering the Legacy Corporation's East Bank project (though this is reported as if it were a separate 'directorate' in the Legacy Corporation'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 the Legacy Corporation's Chair and Chief Executive who, together with the Executive Management Team, lead the work that the Legacy Corporation does as an organisation.

Staff in the Executive Office support the Legacy Corporation's senior leadership, as well as providing the important functions of Human Resources and Health and Safety to the Legacy Corporation.

Finance, Commercial and Corporate Services

The Finance, Commercial and Corporate Services directorate provides support across the Legacy Corporation 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. The Legacy Corporation provides insurance shared services within the GLA Group. In addition, the Legacy Corporation 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 the Legacy Corporation'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 the Legacy Corporation'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 the Legacy Corporation's priority themes around regeneration, community engagement and equality and inclusion.

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

Stadium

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

Construction

The Construction directorate is responsible for the delivery of the Park and Stadium transformation, and will lead on the construction delivery of the upcoming 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 the Legacy Corporation when there is reasonable assurance that:

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

Amounts recognised as due to the Legacy Corporation 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 the Legacy Corporation 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

The Legacy Corporation has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments) with appropriate planning consent. The Legacy Corporation 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

The Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation 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

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

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.

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 the Legacy Corporation. 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 the Legacy Corporation.

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 (the Legacy Corporation as lessee)

Leased assets

Leases under which the Legacy Corporation 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 the Legacy Corporation does not assume the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised in the Legacy Corporation'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, the Legacy Corporation determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Legacy Corporation the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation's incremental borrowing rate.

x) Leases (the Legacy Corporation as lessor)

Leased assets

Leases under which the Legacy Corporation transfers substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is derecognised from the Legacy Corporation 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 the Legacy Corporation does not assume the risks and rewards of ownership are classified as operating leases and the leased assets are retained in the Legacy Corporation's Balance Sheet.

Lease payments

Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Legacy Corporation'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, the Legacy Corporation 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 the Legacy Corporation'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 the Legacy Corporation.

On retirement, members of the schemes are paid their pensions from a fund which is independent of the Legacy Corporation. The Legacy Corporation 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 the Legacy Corporation 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, the Legacy Corporation 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. The Legacy Corporation'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

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.

ab) Financial instruments

The Legacy Corporation 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 the Legacy Corporation'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 the Legacy Corporation's business model to collect contractual cash flows;
- financial assets at fair value through profit or loss where designated by the Legacy Corporation

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.

The Legacy Corporation 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:

ac) 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.

ad) 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 the Legacy Corporation 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.

ae) Trade and other creditors

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

af) 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.

ag) 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.

ah) 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 the Legacy Corporation'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.

ai) Fair Value Measurement

The Legacy Corporation 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.

The Legacy Corporation 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, the Legacy Corporation 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.

The Legacy Corporation 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.

Notes to the Statement of Accounts

1. Correction of prior period accounting errors

There have been no corrections required to the prior period financial statements.

2. Gross income

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

	31 March 2021	31 March 2020
	£'000	**£'000**
Grants received	(34,516)	(47,236)
Planning fees	(515)	(821)
Recharges	(2,761)	(2,919)
Events income	(42)	(356)
Other	(1,335)	(1,321)
	(39,169)	**(52,653)**

The grants received are those from the Greater London Authority (including £10.3m for interest on the Legacy Corporation's borrowings from the GLA) and the recharges are mainly related to legal and other services provided by the Legacy Corporation to E20 Stadium LLP.

.

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).

2020/21	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**	**£'000**	**£'000**
Communication, Marketing and Strategy	1,451	-	-	1,451
East Bank (previously Cultural and Educational District)	74,822	(74,867)	-	(45)
Development	1,119	(115)	(1,109)	(105)
Executive Office	2,052	-	133	2,185
Finance, Commercial and Corporate Services	7,880	1,460	(4,022)	5,318
Park Operations and Venues	1,600	2,385	(16)	3,968
Planning Policy & Decisions	1,027	-	-	1,027
Regeneration and Community Partnerships	2,348	-	20	2,368
Stadium	6,769	-	652	7,421
Management Reporting Total	**99,068**	**(71,137)**	**(4,342)**	**23,588**
GLA Grant	(34,510)			
Corporate Items	-			
Net Cost of Services	**64,558**			
Other income and expenditure (GF Only)	(34,716)			
Other income and expenditure (non-GF)	37,897			
Surplus or deficit	**67,737**			
Other income and expenditure (non-GF)	(37,897)			
Movement on General Fund balance	**29,838**			
Opening General Fund Balance at 31 March 2020	**10,075**			
Closing General Fund at 31 March 2021	**39,914**			

Notes

1. Income and expenditure that is reclassified as Finance and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement (CIES) in accordance with the CIPFA Code
2. Adjustments that mainly relate to the recognition of revenue items that are permitted to be funded by capital resources under the Local Authorities Capital Finance and Accounting Regulations - these items are reported to management as capital expenditure for budgetary reasons.

2019/20	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**	**£'000**	**£'000**
Communication, Marketing and Strategy	1,595	-	1	1,596
East Bank (previously Cultural and Educational District)	-	(25)	-	(25)
Development	1,537	(734)	(886)	(83)
Executive Office	2,332	(142)	63	2,254
Finance, Commercial and Corporate Services	8,257	(2,846)	(93)	5,319
Park Operations and Venues	1,349	3,672	-	5,021
Planning Policy & Decisions	1,150	-	2	1,152
Regeneration and Community Partnerships	2,109	7	1	2,117
Stadium	25,654	-	(25,654)	-
Management Reporting Total	**43,984**	**(67)**	**(26,566)**	**17,351**
GLA Grant	(47,224)			
Corporate Items	-			
Net Cost of Services	**(3,240)**			
Other income and expenditure (GF Only)	4,599			
Other income and expenditure (non-GF)	(3,914)			
Surplus or deficit	**(2,555)**			
Other income and expenditure (non-GF)	3,914			
Movement on General Fund balance	**1,360**			
Opening General Fund Balance at 31 March 2019	**8,715**			
Closing General Fund at 31 March 2020	**10,075**			

Notes

1. Income and expenditure that is reclassified as Finance and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement (CIES) in accordance with the CIPFA Code
2. Adjustments that mainly relate to the recognition of revenue items that are permitted to be funded by capital resources under the Local Authorities Capital Finance and Accounting Regulations - these items are reported to management as capital expenditure for budgetary reasons.

4. Gross expenditure

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

	31 March 2021	31 March 2020
	£'000	£'000
Staff costs:		
Wages and salaries	7,282	6,939
Social security costs	894	825
Pension costs	2,517	2,769
Other staff costs	253	308
Grants and contributions	557	235
Consultancy and Strategy Development costs	2,592	3,249
Accommodation costs	1,431	1,355
Legal fees	987	1,149
Communications, events and marketing	382	729
Agency and seconded staff costs	763	876
REFCUS	609	1,162
REFCUS - Recharges	41,629	30
Insurance	1,804	1,705
IT and Stationery	1,019	1,074
Security	-	12
Travel	17	11
Amortisation	198	215
Depreciation	501	540
Increase/decrease in provision for doubtful debts	(91)	98
Stamp Duty Land Tax	23	-
Impairment of financial assets	6,742	25,674
Project costs expensed	33,399	-
Other	220	457
Total	**103,728**	**49,413**

Revenue Expenditure Funded from Capital under Statute (REFCUS) mainly relates to expenditure on the University of Arts London, which the lease became unconditional during 2020/21. Impairment of financial assets relates to the interest receivable on existing loan funding provided to E20 Stadium LLP. Note that 'Project costs expensed' refers to costs that were derecognised from the Legacy Corporation's balance sheet following the execution of one of the East Bank leases.

5. External audit fees

External audit fees are made up as follows:

	31 March 2021	31 March 2020
	£'000	£'000
Auditors' remuneration		
for statutory audit services	85	85
for non-statutory audit services	-	-
for non- audit services	-	-
Total	**85**	**85**

6. Remuneration

The Code requires disclosure of remuneration for the Legacy Corporation'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; in line with the Code entries are banded according to actual payments in the year, rather than annual equivalent salaries. The table below is on a cash basis.

Employees' remuneration

	31 March 2021	31 March 2020
£	**Number**	**Number**
50,000- 54,999	9	6
55,000- 59,999	11	7
60,000- 64,999	14	15
65,000- 69,999	7	7
70,000- 74,999	8	8
75,000- 79,999	4	2
80,000- 84,999	6	2
85,000- 89,999	5	1
90,000- 94,999	3	3
95,000- 99,999	-	0
100,000- 104,999	-	2
105,000- 109,999	4	1
110,000- 114,999	2	1
115,000- 119,999	-	1
120,000- 124,999	-	4
125,000- 129,999	5	-
130,000- 134,999	1	3
135,000- 139,999	3	-
140,000 - 144,999	-	-
145,000 - 149,999	-	-
150,000- 154,999	-	-
155,000- 159,999	-	2
160,000- 164,999	2	-
165,000- 169,999	-	-
170,000- 174,999	-	1
175,000-179,999	1	1
180,000- 184,999	1	1
185,000- 189,999	1	-
190,000- 194,999	-	-
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	-	1
245,000 - 250,000 (1)	1	-

1 This band includes the Chief Executive's 2019-20 accrued annual performance related pay award which was paid in 2020-21.

Senior employees' remuneration

Members of the Legacy Corporation's Executive Management Team

Year to 31 March 2021

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
Lyn Garner	Chief Executive Officer	206		2	-	30	237
Colin Naish	Executive Director of Construction	187	-	-	-	22	210
Gerry Murphy	Deputy Chief Executive Officer	183	-	1	-	22	206
Paul Brickell	Executive Director of Regeneration and Community Partnerships	163	-	-	-	20	182
Mark Camley	Executive Director of Park Operations and Venues	163	-	-	-	20	182
Rosanna Lawes	Executive Director of Development	176	-	1	-	21	197
Anthony Hollingsworth	Director of Planning Policy and Decisions Team	138	-	-	-	17	155
	Director of Planning (1)	129	-	-	-	15	144
	Director of Communication, Marketing and Strategy	126	-	-	-	15	141
	Finance Director (1)	110	-	-	-	13	124
	Director of Human Resources	89	-	-	-	11	100
	Principal Planning Development Manager (1)	74	-	-	-	9	83
	Senior Communities and Business Manager (1)	65	-	-	-	8	73

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

[1] During the year, strategic boards and forums previously led by an Executive Management Team (EMT) member were replaced by new Chairs drawn from underrepresented groups and they then, in turn, became part of LLDC's EMT. Each of these employees, two of whom are existing directors, are specialists within their respective fields, bringing further expertise to LLDC's senior team but also a diversity of experience and views that will help to shape the organisation's strategic direction and influence key decisions. Two of the roles, Chair of Management Forum and Chair of Employee Forum, will rotate each year allowing other members of LLDC's staff base to apply for the opportunity.

Senior employees' remuneration (continued)

Members of the Legacy Corporation's Executive Management Team

Year to 31 March 2020

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**
Lyn Garner	Chief Executive Officer	202	40	2	-	2	244
Colin Naish	Executive Director of Construction	184	-	-	-	22	206
Gerry Murphy	Deputy Chief Executive Officer	180	-	1	-	22	202
Paul Brickell	Executive Director of Regeneration and Community Partnerships	160	-	-	-	19	179
Mark Camley	Executive Director of Park Operations and Venues	160	-	-	-	19	179
Rosanna Lawes	Executive Director of Development	172	-	1	-	21	194
Anthony Hollingsworth	Director of Planning Policy and Decisions Team	133	-	-	-	16	149
Ed Stearns	Director of Communication, Marketing and Strategy	120	-	-	-	14	134
Sarah Perry (2)	Director of Human Resources	37	-	-	-	4	41

2 Sarah Perry was appointed Director of Human Resources in October 2019. Annual equivalent (basic) salary is £111,296 in 2020-21

Board Members' remuneration

Year to 31 March 2021

Name	Title	Salary (incl fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remune pension contributions
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Sir Peter Hendy	Chairman	36		-	-	-	36
Keith Edelman	Chair of the Audit Committee	35	-	-	-	-	35
Nicky Dunn	Chair of E20 Stadium LLP	28	-	-	-	-	28
Geoff Thompson MBE	Member	14					14
Pam Alexander	Member	30	-				30
Sonita Alleyne	Chair of the Regeneration and Communities Committee	18	-	-	-	-	18
Sukhvinder Kaur-Stubbs	Member	24		-	-		24
Baroness Grey-Thompson	Member	14	-	-	-	-	14
Shanika Amarasekara	Member	21		-	-	-	21
Simon Blanchflower	Chair of the Health and Safety Committee	28	-	-	-	-	28
Jamie Kerr	Member	4	-	-	-	-	4
Rachel Blake	Member	-	-	-	-	-	-
Jules Pipe	Mayor's Representative	-		-	-	-	-
Clare Coghill	Member	-	-	-	-	-	-
Rokhsana Fiaz OBE	Member	-	-	-	-	-	-
Philip Glanville	Member	-	- -	- -	-	-	-

Board Members' remuneration (continued)

Year to 31 March 2020

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	35	-	-	-	-	35
Nicky Dunn	Chair of E20 Stadium LLP	28	-	-	-	-	28
Philip Lewis	Chair of the Planning and Decisions Committee & Deputy Chairman	28	-	-	-	-	28
Geoff Thompson MBE	Member	14					14
Pam Alexander	Member	14	-				14
Sonita Alleyne	Chair of the Regeneration and Communities Committee	28	-	-	-	-	28
Sukhvinder Kaur-Stubbs	Member	14		-	-		14
Baroness Grey-Thompson	Member	14	-	-	-	-	14
Shanika Amarasekara	Member	21		-	-	-	21
Simon Blanchflower	Chair of the Health and Safety Committee	29	-	-	-	-	29
Rachel Blake	Member	-	-	-	-	-	-
Jules Pipe	Mayor's Representative	-		-	-	-	-
Clare Coghill	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 the Legacy Corporation did so under the Legacy Corporation's voluntary severance terms, by choosing to accept the voluntary severance terms which were set out in a settlement agreement signed by the employee on termination of their appointment. These employees are classified as leaving due to voluntary severance.

Non compulsory exit packages	Number of staff		Total cost £000	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
£0 – £20,000	1	5	3	29
£20,001 -£40,000	-	-	-	-
£40,001- £60,000	-	-	-	-
£60,001 - £80,000	-	-	-	-
£80,001 - £100,000	-	-	-	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
£200,001 - £250,000	-	-	-	-
£250,001 - £300,000	-	-	-	-

7. Financing and investment income

	31 March 2021	31 March 2020
	£'000	**£'000**
Interest income on deposits	(5)	(1,915)
Income in relation to investment property	(18,557)	(16,315)
Expected return on pension assets	-	-
Net gain on disposal of investment property	(400)	-
Financing and investment income	**(18,961)**	**(18,230)**

Income in relation to investment property includes income generated by the Legacy Corporation's venues, such as the ArcelorMittal Orbit and 3 Mills Studios. Within the net gain on disposal of investment property is £37.8m in capital receipts from the planned sale of residential properties on the Chobham Manor and Eastwick and Sweetwater developments and Vittoria Wharf (note this is offset by the corresponding reduction in asset value, resulting in a net gain of £400k from the sale of Vittoria Wharf).

8. Financing and investment expenditure

	31 March 2021	31 March 2020
	£'000	**£'000**
Net interest on the net defined benefit liability (asset)	398	492
Expenditure in relation to investment property	14,282	16,511
Interest costs on borrowing	10,723	10,299
Financing and investment expenditure	**25,402**	**27,302**

Interest costs of £10.7m were incurred in 2020/21 relating to the GLA loan facility used to fund the Legacy Corporation's capital programmes (note these costs are fully-funded by the GLA, see Note 2).

9. Taxation and non-specific grant income

	31 March 2021	31 March 2020
	£'000	£'000
Other capital grants and contributions	(63,936)	(31,943)
Taxation and non specific grant income	**(63,936)**	**(31,943)**

Other capital grants and contributions in 2020/21 include funding received by the Legacy Corporation from the GLA towards the East Bank capital project (£37.1m), contributions made by BBC (£0.2m) and University of the Arts London (£25.8m) to the East Bank capital costs and recharged services provided by the Legacy Corporation to other organisations including E20 Stadium LLP (£0.8m).

10. Corporation tax

a) Corporation tax

	31 March 2021	31 March 2020
	£'000	£'000
Net surplus/(deficit) on provision of services before tax	(66,823)	7,409
Remeasurement of the net defined benefit liability/asset	(17,224)	5,558
Non-taxable income/non-deductible expenditure	86,336	41,542
Disposals and Group Losses	16,994	2,812
Profits chargeable to corporation tax (pre-losses)	**19,283**	**57,321**
Loss brought forward	9,663	29,272
Corporation tax	**1,828**	**5,329**
Corporation tax rebate (prior years)	(396)	-
Corporation tax	**1,432**	**5,329**

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

	Balance at 31 March 2020	Movement in period	Balance at 31 March 2021
	£'000	£'000	£'000
Deferred tax assets			
Investment property	595	(378)	217
Capital losses carried forward	1,900	(75)	1,825
Total	**2,495**	**(453)**	**2,042**
Deferred tax liabilities			
Investment property	(2,495)	(8)	(2,503)
Property, plant and equipment	(529)	979	450
Total	**(3,024)**	**971**	**(2,053)**
Net deferred tax liability recognised in the surplus on the provision of services after tax	**(529)**	**518**	**(11)**
Deferred tax assets			
Pension	3,336	3,679	7,015
Net deferred tax asset recognised in other comprehensive income and expenditure	**3,336**	**3,679**	**7,015**

A deferred tax liability of £0.01m is recognised within the Legacy Corporation's accounts (2019/20: £0.5m). The liability will crystallise as and when the Legacy Corporation 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 the Legacy Corporation's Capital Adjustment Account in the financial statements.

The deferred tax rate used (19%) is deemed appropriate on the basis that it is the rate currently enacted by the Finance Act 2016, applying to financial years beginning 1 April 2020 (the temporary differences are not expected to be realised before that time).

The Legacy Corporation also has deferred tax assets (relating to its investment properties) of £29.5m 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 of £12.5m relating to its share of losses in the E20 Stadium LLP partnership.

Prior year comparators are shown below.

	Balance at 31 March 2019	Movement in period	Balance at 31 March 2020
	£'000	£'000	£'000
Deferred tax assets			
Investment property	1,664	(1,069)	595
Capital losses carried forward	1,700	200	1,900
Total	**3,364**	**(869)**	**2,495**
Deferred tax liabilities			
Investment property	(4,023)	1,528	(2,495)
Property, plant and equipment	(345)	(184)	(529)
Intangible assets	-	-	-
Total	**(4,368)**	**1,344**	**(3,024)**
Net deferred tax liability recognised in the surplus on the provision of services after tax	**(1,004)**	**475**	**(529)**
Deferred tax assets			
Pension	3,514	(178)	3,336
Net deferred tax asset recognised in other comprehensive income and expenditure	**3,514**	**(178)**	**3,336**

11. Intangible assets

	Computer Software	Licences	Total
	£'000	**£'000**	**£'000**
Cost			
At 1 April 2019	387	538	925
Additions	39	130	169
Disposals	(336)	(57)	(393)
At 31 March 2020	**89**	**611**	**701**
At 1 April 2020	89	611	700
Additions	163	167	329
Disposals	-	-	-
At 31 March 2021	**252**	**778**	**1,029**
Amortisation			
At 1 April 2019	355	385	740
Charged during the period	26	189	215
Disposals	(336)	(57)	(393)
At 31 March 2020	**44**	**517**	**562**
At 1 April 2020	44	517	562
Charged during the period	63	135	198
Disposals	-	-	-
At 31 March 2021	**107**	**652**	**760**
Net book value at 31 March 2020	**45**	**94**	**139**
Net book value at 31 March 2021	**145**	**125**	**270**

12. Property, plant and equipment

	Land and buildings	Furniture, fixtures and fittings	Computer hardware, infrastructure and telecoms/ office equipment	Motor Vehicles	Assets under Construction	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost						
At 1 April 2019	-	2,680	1,374	4	55,786	59,844
Additions	-	8	223	-	61,345	61,576
Disposals	-	-	(790)	-	-	(790)
At 31 March 2020	**-**	**2,688**	**807**	**4**	**117,131**	**120,629**
At 1 April 2020	-	2,688	807	4	117,131	120,629
Additions	1,985	-	117	-	90,978	93,080
Disposals	-	-	-	-	(74,882)	(74,882)
At 31 March 2021	**1,985**	**2,688**	**924**	**4**	**133,227**	**138,827**
Depreciation						
At 1 April 2019	-	1,503	925	4	-	2,433
Charged during the period	-	313	226	-	-	540
Disposals	-	-	(790)	-	-	(790)
At 31 March 2020	**-**	**1,817**	**361**	**4**	**-**	**2,182**
At 1 April 2020	-	1,817	361	4	-	2,182
Charged during the period	-	253	247	-	-	501
Disposals	-	-	-	-	-	-
At 31 March 2021	**-**	**2,070**	**608**	**4**	**-**	**2,683**
Net book value at 31 March 2020	**-**	**871**	**447**	**-**	**117,131**	**118,447**
Net book value at 31 March 2021	**1,985**	**617**	**315**	**-**	**133,227**	**136,144**

Assets under Construction relates to expenditure incurred in relation to the East Bank project.

13. Investment property

	31 March 2021	31 March 2020
Valuation	**£'000**	**£'000**
Opening balance at 1 April	58,015	82,233
Additions:		
Subsequent expenditure	47,299	20,767
Disposals	(67,366)	(29,570)
Changes in fair value	(37,703)	(15,414)
Total Investment property	**245**	**58,015**

The Legacy Corporation's portfolio was valued as at 31 March 2021 by JLL Limited. The assets are being developed by the Legacy Corporation for their income-generating potential or for capital appreciation (prior to disposal) and have therefore been classified as Investment Property in accordance with IAS 40.

The investment property portfolio is now valued at £0.2m, a net decrease in fair value of £57.8m from the prior year. Note that a large part of the decrease is due to the planned in-year disposals of properties (at market value) on the Chobham Manor and East Wick and Sweetwater residential developments and in relation to UAL site at East Bank (£67.4m in total); whilst the overall investment property value decreases as a result of these disposals, there is a corresponding increase in LLDC's cash balances, which are then used to repay the GLA's original investment.

Also included in the valuation is East Bank, which is delivered at a net cost to LLDC (and therefore has a negative valuation until fully built). As noted earlier, the Anticipated Final Cost of the project has increased in the year, largely due to the impact of Covid-19 on the project; this is therefore reflected in the movement in valuation this year.

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.

The Legacy Corporation's investment property is analysed as follows:

Asset	31 March 2021	31 March 2020	Change	Basis
	£'000	£'000	£'000	
London Aquatics Centre and Copper Box Arena	12,990	15,450	-2,460	Greenwich Leisure Limited was appointed as the operator of the London Aquatics Centre and Copper Box Arena under a 10 year arrangement. These venues have been valued at £15.5m on the basis of the estimated future income the venues will produce, taking account of the £2.3m contribution to fit-out costs that the operator has made.
Here East (former Press and Broadcast Centre)	12,900	13,430	-530	The valuation of the former Press and Broadcast Centre (known as Here East) is based on the potential net income that the Legacy Corporation will receive over the 200 years of the lease with iCITY (London) Limited.
Multi Storey Car park	4,000	4,400	-400	The valuation of the Multi Storey Car Park is based on the potential net income that the Legacy Corporation will receive over the 200 years licence with iCITY (London) Limited.
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	3,265	3,240	25	The ArcelorMittal Orbit has been valued at £3.2m on the basis of the earnings that could be generated from operating the attraction.
Queen Elizabeth Olympic Park (excl. East Bank)	137,380	221,705	-84,325	The valuation of the Queen Elizabeth Olympic Park is based on residual appraisal. The net decrease this year is a combination of further disposal of Chobham Manor and East Wick and Sweetwater properties.
3 Mills Studios	10,400	5,700	4,700	The 3 Mills Studio 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. The value of the property has increased mainly as a result of the mostly completed repairs to the River Wall Defence and increased net revenues
LTGDC transferred assets	13,455	13,070	385	These sites have been valued as industrial land, 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	1,755	555	1,200	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.
Sub-Total	**197,645**	**279,050**	**-81,405**	
Queen Elizabeth Olympic Park - East Bank	-197,400	-221,035	23,635	East Bank (formerly known as the Cultural and Education District) is a net cost project to LLDC, resulting in a negative valuation.
Total	**245**	**58,015**	**-57,770**	

Fair Value Hierarchy

Details of the Legacy Corporation's investment properties and information about the fair value hierarchy as at 31 March 2021 are as follows:

Asset	Fair Value as at 31 March 2021	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	12,990	-	12,990	-
Here East (former Press and Broadcast Centre)	12,900	-	12,900	-
Multi Storey Car park	4,000	-	4,000	-
Stadium	1,500	-	-	1,500
ArcelorMittal Orbit	3,265	-	-	3,265
Queen Elizabeth Olympic Park (excl. East Bank)	137,380	137,380	-	-
3 Mills Studios	10,400	10,400	-	-
LTGDC transferred assets	13,455	13,455	-	-
Other assets	1,755	1,755		
Total	**197,645**	**162,990**	**29,890**	**4,765**
Queen Elizabeth Olympic Park - East Bank	-197,400	-197,400	-	-
Total	**245**	**-34,410**	**29,890**	**4,765**

Transfers between Levels of the Fair Value Hierarchy

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

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

Significant Observable Inputs – Level 2

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

Significant Unobservable Inputs – Level 3

The ArcelorMittal Orbit is 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 has been 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 as detailed below.

Input	Range	Weighted Average	Sensitivity
Rental income less irrecoverable costs	£64,702 - £170,238	116,427	Significant changes in rent growth; vacancy levels or capitalisation rate will result in a significantly lower or higher fair value
Capitalisation Rate		8.00%	

The Stadium and ArcelorMittal Orbit are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses 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 no change in the valuation techniques used during the year for investment properties.

Valuation Process for Investment Properties

The fair value of the Legacy Corporation'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 Legacy Corporation officers on a regular basis regarding all valuation matters.

14. Investments in subsidiaries

E20 Stadium LLP

The Legacy Corporation 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, the Legacy Corporation took full control of E20 Stadium LLP; accordingly, from 1 December 2017, E20 Stadium LLP became classified as a subsidiary of the Legacy Corporation.

E20 Stadium LLP is therefore consolidated into the 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, balances, income and expenses are eliminated on consolidation.

In January 2019, the Legacy Corporation took the significant step of acquiring the Stadium operator, London Stadium 185 Limited, via its controlled partnership, E20 Stadium LLP. Accordingly, the full financial results of London Stadium 185 Limited for 2019/20 are consolidated into the Legacy Corporation's Group Accounts (via the E20 Stadium LLP accounts) in line with International Accounting Standards.

The following table summarises the 2020/21 financial information of E20 Stadium LLP and its subsidiary London Stadium 185 Limited as included in its draft financial statements:

	E20 Stadium LLP	London Stadium 185 Ltd	E20 Stadium LLP Group
	£'000	**£'000**	**£'000**
Revenue	(6,806)	(14,764)	(7,202)
Cost of sales	10,691	5,076	1,593
Other operating expenses	1,838	9,681	11,320
Operating (Profit)/Loss	**5,723**	**(8)**	**5,710**
Financing costs	6,712	-	6,712
Exceptional costs	435	-	435
Depreciation and impairment	10,931	1,020	10,356
Purchases recharged within the Group	-	-	1,600
Total Loss for the year	**23,800**	**1,012**	**24,813**

Within Exceptional costs above are items such as one-off settlements relating to contract variations, restructuring advice and non-business as usual legal costs.

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.

Whilst progress was made during 2020/21 to improve the Stadium's future financial position, management has concluded that there should be no change to the onerous contracts conclusion as at

31 March 2021. Accordingly, the provision remains within E20 Stadium LLP's accounts (and consolidated into the Legacy Corporation's Group Accounts at 31 March 2021).

E20 Stadium LLP's forecasts also impact upon the Stadium's valuation as at 31 March 2021. 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 2021 the Stadium's fair value is assessed to be £nil (31 March 2020 £nil) accordingly the value of the capital works on the Stadium are fully impaired in the partnership's draft accounts.

Given this, the Legacy Corporation currently holds its interest in the partnership at nil value (31 March 2020: £nil). Furthermore, the funding provided to E20 Stadium LLP during the year by way of equity funding (£22.1m) has been impaired as at 31 March 2021 based on E20 Stadium LLP's current financial forecasts.

The Legacy Corporation's also has another subsidiary, Stratford East London Holdings Limited, which was established on 1 December 2017 and from that date became 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, the Legacy Corporation has not consolidated any financial information in relation to Stratford East London Holdings Limited.

As 31 March 2021, the E20 Stadium LLP group has capital commitments of £9.9m (2019/20: £16.1m). The Legacy Corporation is committed to finance the full amount of £9.9m (2019/20: £16.1m).

E20 Stadium LLP is currently dependent for its working capital on funds provided by the Legacy Corporation.

	31 March 2021	31 March 2020
	£'000	**£'000**
Opening balance at 1 April	-	-
Investment during the year	22,057	3,288
Impairment	(22,057)	(3,288)
Total Investment in joint ventures	**-**	**-**

15. Short and long-term debtors

	31 March 2021	31 March 2020
	£'000	£'000
Short term		
Central Government bodies	17,562	11,141
Other Local Authorities	124	290
Other entities and individuals	24,309	35,716
Total short term debtors	**41,995**	**47,147**
Long term		
Other entities and individuals	-	1,000
Total long term debtors	**-**	**1,000**

The non-current debtor at 31 March 2020 (£1.0m) relates to a repayable loan issued to the Foundation for Future London (FFL) which was settled during 2020/21.

16. Cash and cash equivalents

	31 March 2021	31 March 2020
	£'000	£'000
Cash in hand and at bank	10,665	13,680
Investments	52,216	45,439
Total cash and cash equivalents	**62,881**	**59,119**

17. Current and non-current liabilities

	31 March 2021	31 March 2020
	£'000	£'000
Current		
Central government bodies	(17,843)	(12,862)
Other local authorities	(11,223)	(10,766)
Other entities and individuals	(37,660)	(39,939)
Total current liabilities	**(66,726)**	**(63,567)**
Non-current		
Long-term borrowing	(373,236)	(356,386)
Section 106 contributions	(39,429)	(35,429)
Stadium rent premium	(464)	(469)
Long term creditors	**(39,893)**	**(35,898)**
Deferred tax liability	(11)	(529)
Retirement benefit obligation (pension liability)	(29,908)	(14,222)
Total non-current liabilities	**(443,048)**	**(407,035)**

The Legacy Corporation has a rolling loan facility with the Greater London Authority to finance the Legacy Corporation's capital expenditure serving interest at the Public Works Loan Board 50-year rate, which is funded by GLA grant. As at 31 March 2021, the Legacy Corporation had drawn down funding to the value of £372.2m. Interest payable in the year to 31 March 2021 is £10.7m (which is fully-funded by the GLA through revenue grant – see Note 2). Also included within long-term borrowing is a London Enterprise Partnership loan for the Hackney Wick Station project, which is due to be repaid by 31 March 2023.

18. Pensions

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

Local Government Pension Scheme

The Legacy Corporation 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 2016, 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 2020/21 was 12% (2019/20: 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. The next actuarial valuation of the Fund will be carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026.

Employer contributions of £1.2m were paid in 2020/21 (2019/20: £1.2m). The number of participating employees was 133 active members as at 31 March 2021 (119 active members as at 31 March 2020). There were 140 deferred pensioners and 12 actual pensioners at 31 March 2021.

Principal assumptions used by the actuary

	31 March 2021	31 March 2020
Expected return on assets	%	%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.8	22.4
Women	24.8	24.5
Longevity at 65 for future pensioners:		
Men	23.9	23.8
Women	26.1	25.9
Rate of inflation	2.05%	2.3%
Rate of increase in salaries	3.8%	2.8%
Rate of increase in pensions	2.8%	1.8%
Rate for discounting scheme liabilities	2.35%	2.4%

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

Amounts charged to the Comprehensive Income and Expenditure Statement

	31 March 2021	31 March 2020
	£'000	**£'000**
Service cost	2,890	3,075
Total included in net cost of services	**2,890**	**3,075**
Net interest on the defined liability	398	492
Administration expenses	31	29
Total included in deficit on provision of services before tax	**429**	**521**
Remeasurement of the net defined benefit liability/asset	17,224	(5,558)
Deferred tax asset on the net defined benefit liability	(3,679)	178
Total	**16,864**	**(1,784)**

Reconciliation of present value of the defined benefit obligation

	31 March 2021	31 March 2020
	£'000	**£'000**
Opening balance	**41,678**	**43,306**
Current service cost	2,890	3,075
Contributions by scheme participants	848	721
Change in financial assumptions	21,563	(7,224)
Change in demographic assumptions	(449)	(75)
Experience loss/(gain) on defined benefit obligations	(506)	853
Estimated benefits paid net of transfers in	943	(47)
Interest cost	1,000	1,069
Closing defined benefit obligation	**67,967**	**41,678**

Reconciliation of fair value of scheme assets

	31 March 2021	31 March 2020
	£'000	**£'000**
Opening balance	**24,120**	**22,635**
Interests on assets	602	577
Return on assets less interest	3,384	(838)
Other actuarial gains/(losses)	-	(50)
Administration expenses	(31)	(29)
Contributions by scheme participants	848	721
Contributions by the Legacy Corporation including unfunded benefits	1,178	1,151
Estimated benefit paid (net of transfers in and including unfunded)	943	(47)
Fair value of scheme assets as at 31 March	**31,044**	**24,120**

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

	31 March 2021	31 March 2020
	£'000	**£'000**
Present value of the defined benefit obligation	(67,967)	(41,678)
Fair value of plan assets	31,044	24,120
Deferred tax asset on the defined benefit obligation	7,015	3,336
Net liability arising from defined benefit obligation	**(29,908)**	**(14,222)**

Local Government Pension Scheme assets comprised:

	31 March 2021		31 March 2020	
	£'000	**%**	**£'000**	**%**
Employer asset share - Bid value				
Equities	16,866	54%	13,019	54%
Target Return Portofolio	7,307	24%	6,214	26%
Infrastructure	2,631	8%	1,757	7%
Property	2,825	9%	2,394	10%
Cash	1,415	5%	736	3%
Total	**31,044**	**100%**	**24,120**	**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	66,015	67,967	69,978
Projected service cost	4,692	4,882	5,079
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	68,127	67,967	67,809
Projected service cost	4,885	4,882	4,880
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	69,802	67,967	66,185
Projected service cost	5,077	4,882	4,694
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	70,529	67,967	65,498
Projected service cost	5,101	4,882	4,671

Impact on the Legacy Corporation's cash flows

The total contributions expected to be made to the Local Government Pension Scheme by the Legacy Corporation in the year to 31 March 2021 is £1.2m.

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 2021, the overall deficit of the pension scheme was £217.8m, of which the Legacy Corporation's share represents 0.195% (£0.425m). Contributions on behalf of the one employee who is a member of the above scheme are accounted for in operating costs and amount to £34,410 in the year to 31 March 2021 (2020: £33,123).

19. Cash flow notes

a) Adjustments to net deficit for non-cash movements

	31 March 2021	31 March 2020
	£'000	**£'000**
Depreciation of property plant and equipment	501	540
Amortisation of intangibles	198	215
Reversal of defined benefit pensions services costs	3,319	3,596
Reversal of impairment on investment in joint venture	22,057	3,288
Cash payments for employer's contributions to pension funds	(1,178)	(1,151)
(Increase)/ Decrease in trade and other debtors	6,176	(23,878)
Increase/(decrease) in trade and other creditors	(16,007)	1,448
Increase/(decrease) in deferred tax liability	(518)	(475)
Increase/(decrease) in bad debt provision	(24)	67
Net book value of non-current assets disposal	67,366	29,570
Profit on Disposal		
Changes in Fair Value of Investment Property	37,703	15,414
Stadium Lease Premium	(5)	(5)
Adjustment to net deficit for non-cash movements	**119,588**	**28,629**
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	63,936	31,943

b) Investing activities

	31 March 2021	31 March 2020
	£'000	**£'000**
Purchase of property, plant and equipment, investment property and intangible assets	(140,708)	(82,512)
Property, plant and equipment assets written out	74,882	-
Investment in joint venture	(22,057)	(3,288)
Capital grant received and other capital receipts	63,936	31,943
Net cash outflow from investing activities	**(23,948)**	**(53,857)**

c) *Financing activities*

	31 March 2021	31 March 2020
	£'000	**£'000**
Movement on Borrowings	16,850	34,820
Movement on OPTEMS fund	2	(751)
Movement on S106 fund	22,941	20,773
Net cash flow from financing activities	**39,793**	**54,842**

20. Reserves

Usable reserves

The Legacy Corporation'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 the Legacy Corporation throughout the year on a cash-basis. This arrangement gives rise to timing differences between net expenditure calculated on an accruals-basis and the Legacy Corporation's net cash requirement. It also means that the Legacy Corporation's ability to generate surpluses within its General Fund is restricted.

Accordingly, at the end of the financial year, the Legacy Corporation had negative usable reserves of £39.9m in the General Fund. However, considering the Legacy Corporation's funding arrangements with the GLA, the level of usable reserves reported in the statutory accounts is considered adequate for the Legacy Corporation to meet its current and future financial challenges.

A deferred tax liability of £0.01m is recognised within the Legacy Corporation's accounts in relation to its investment properties (2019/20: £0.5m). The liability will crystallise as and when the Legacy Corporation 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 in 2016/17 permits Mayoral Development Corporations to use capital receipts to fund their Corporation Tax liabilities and reflects the reality that the majority of the Legacy Corporation's future Corporation Tax liabilities will be generated by capital receipts. It also means that the deferred tax charge can be recognised in the Legacy Corporation's Capital Adjustment Account, rather than the General Fund (as previously required).

General Fund

	31 March 2021	31 March 2020
	£'000	**£'000**
General funds	40,432	10,372
Deferred tax reserve	(518)	(297)
Balance usable reserves at 31 March	**39,914**	**10,075**

Unusable reserves

	31 March 2021	31 March 2020
	£'000	**£'000**
Capital Adjustment Account	194,508	158,910
Pensions Reserve	33,244	17,558
Accumulated Absences Account	351	193
Balance unusable reserves at 31 March	**228,103**	**176,660**

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 the Legacy Corporation 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 the Legacy Corporation.

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. The Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation 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 2021	31 March 2020
	£'000	**£'000**
Balance as at 1 April	158,910	165,171
Charges for depreciation and amortisation	699	755
Capital grants and contributions applied	(63,936)	(31,943)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	67,366	29,570
Capital receipts received during the year	(67,766)	(29,570)
Revenue expenditure funded from capital under statute	42,238	1,193
(Revaluation)/Impairment charged to the Comprehensive Income and Expenditure Statement	59,760	18,702
Deferred tax liability on revaluation charged to the Comprehensive Income and Expenditure Statement	(4,197)	(298)
Corporation Tax liability for the year	1,432	5,329
Balance at 31 March	**194,508**	**158,910**

Pensions Reserve

	31 March 2021	31 March 2020
	£'000	**£'000**
Balance as at 1 April	17,558	20,671
Remeasurements of the net defined benefit liability/(asset)	13,545	(5,380)
Reversal of charges relating to retirement benefits	3,319	3,596
Employer's pension contribution and direct payments to pensioners payable in the year	(1,178)	(1,151)
Balance at 31 March	**33,244**	**17,558**

Accumulated Absences Reserve

	31 March 2021	31 March 2020
	£'000	**£'000**
Balance as at 1 April	193	112
Settlement or cancellation of accrual made at the end of the preceding year	(193)	(112)
Amounts accrued at the end of the current year	351	193
Balance at 31 March	**351**	**193**
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from	(158)	(81)

21. Adjustments between accounting basis and funding under regulations

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

For the year ended 31 March 2021

	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	(699)	-	-	(699)	699
Movements in the market value of investment property	(37,703)	-	-	(37,703)	37,703
Disposals of investment property	(67,366)	-	-	(67,366)	67,366
Current and Deferred tax liability movements	2,765	-	-	2,765	(2,765)
Impairment of joint venture investment	(22,057)	-	-	(22,057)	22,057
Capital grants and contributions applied	63,936		-	63,936	(63,936)
Revenue expenditure funded from capital under statute	(42,238)	-	-	(42,238)	42,238
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	67,766	(67,766)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure		67,766		67,766	(67,766)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(3,319)	-	-	(3,319)	3,319
Employer's pensions contributions and direct payments to pensioners payable in year	1,178	-	-	1,178	(1,178)
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	(158)	-	-	(158)	158
Total adjustments	**(37,897)**	**-**	**-**	**(37,897)**	**37,897**

For the year ended 31 March 2020

	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	(755)	-	-	(755)	755
Movements in the market value of investment property	(15,414)	-	-	(15,414)	15,414
Disposals of investment property	(29,570)	-	-	(29,570)	29,570
Current and Deferred tax liability movements	(5,031)	-	-	(5,031)	5,031
Impairment of joint venture investment	(3,288)	-	-	(3,288)	3,288
Capital grants and contributions applied	31,943		-	31,943	(31,943)
Revenue expenditure funded from capital under statute	(1,193)	-	-	(1,193)	1,193
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	29,570	(29,570)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure		29,570		29,570	(29,570)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(3,596)	-	-	(3,596)	3,596
Employer's pensions contributions and direct payments to pensioners payable in year	1,151	-	-	1,151	(1,151)
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	(81)	-	-	(81)	81
Total adjustments	**3,736**	**-**	**-**	**3,736**	**(3,736)**

22. Trading operations

The Legacy Corporation reflects seven trading operations in its management accounts:

3 Mills Studios: The Legacy Corporation holds a 99-year lease over 3 Mills Studios from Lee Valley Regional Park Authority, of which the unexpired term is 83 years. The Studios are managed by Knight Frank LLP on behalf of the Legacy Corporation.

ArcelorMittal Orbit: The ArcelorMittal Orbit is managed by Engie on behalf of the Legacy Corporation. The revenues from the ArcelorMittal Orbit mainly comprise ticketing sales, catering sales and fees, charges relating to private functions and special events. Engie are paid a management fee.

The Podium: The Podium adjacent to the ArcelorMittal Orbit contains The Last Drop cafe and hospitality suite. Engie pay the Legacy Corporation a rent and service charges for the premises, with a potential turnover share.

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: The Legacy Corporation has a head lease from Lee Valley Regional Park Authority for the Timber Lodge, which is now operated by Company of Cooks. 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. The Legacy Corporation 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 Knight Frank. The Legacy Corporation 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. The Legacy Corporation 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 2021		31 March 2020	
		£'000	£'000	£'000	£'000
3 Mills	Turnover	(5,855)		(5,426)	
	Expenditure	3,800		3,919	
	EFM	-		-	
	Deficit/(Surplus)		(2,055)		(1,507)
ArcelorMittal Orbit	Turnover	(153)		(1,502)	
	Expenditure	537		1,511	
	EFM	204		181	
	Deficit/(Surplus)		588		190
The Podium	Turnover	(311)		(418)	
	Expenditure	(23)		182	
	EFM	179		20	
	Deficit/(Surplus)		(155)		(215)
London Aquatics Centre	Turnover	(65)		(556)	
	Expenditure	(83)		429	
	EFM	1,469		1,508	
	Deficit/(Surplus)		1,321		1,381
Copper Box Arena	Turnover	(92)		(188)	
	Expenditure	(345)		(23)	
	EFM	907		920	
	Deficit/(Surplus)		469		709
Timber Lodge	Turnover	(46)		(136)	
	Expenditure	17		31	
	EFM	104		100	
	Deficit/(Surplus)		75		(6)
Off-Park Assets	Turnover	(199)		(69)	
	Expenditure	196		290	
	EFM	-		-	
	Deficit/(Surplus)		(3)		221
Kiosks	Turnover	(5)		(42)	
	Expenditure	-		-	
	EFM	-		-	
	Deficit/(Surplus)		(5)		(42)
On Park Properties	Turnover	(1,120)		(550)	
	Expenditure	157		74	
	EFM	-		-	
	Deficit/(Surplus)		(963)		(475)
Other Trading	Turnover	(103)		(54)	
	Expenditure	3		5	
	EFM	-		-	
	Deficit/(Surplus)		(100)		(49)
Net (surplus) or deficit on trading operations			**(828)**		**206**

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 2021	31 March 2020
	£'000	**£'000**
Income in relation to investment property	(7,949)	(8,940)
Expenditure in relation to investment property	7,121	9,147
Net deficit on trading operations charged to financing and investment	(828)	206

23. Related party transactions

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

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

Central government and other public bodies - Income and Expenditure

All relationships were as delivery partners to the Legacy Corporation and significant transactions for the years ended 31 March 2021 and 2020 were as follows:

	31 March 2021	31 March 2020
	£'000	£'000
Income		
Greater London Authority[1]	(192)	(28,031)
E20 Stadium LLP[2]	(1,416)	(2,960)
Transport for London	(113)	(38)
Foundation for Future London (FFL)[4]	-	(1)
Network Rail[7]	(17)	(85)
London Stadium 185[8]	(2,667)	(90)
British Broadcasting Corporation[9]	(211)	(101)

	31 March 2021	31 March 2020
	£'000	£'000
Expenditure		
Greater London Authority[1]	141	11,651
E20 Stadium LLP[2]	-	23,480
Transport for London	708	467
London Borough of Hackney[3]	23	754
Foundation for Future London (FFL)[4]	9	-
London Borough of Tower Hamlets[5]	39	82
London Borough of Newham[6]	1,295	-
Network Rail[7]	-	414
London Stadium 185[8]	7,663	5

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.

2. LLDC Deputy Chief Executive Officer Gerry Murphy is the representative of Stratford East London Holdings Ltd on the Board of E20. LLDC Board Member Shanika Amarasekara are current E20 Stadium LLP Board Members. LLDC Board Member Nicky Dunn is the Chair of the E20 Stadium LLP Board.

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. The Foundation for Future London (FFL) is an independent charity. Deputy Chief Executive Gerry Murphy is a trustee for FFL.

5. LLDC Board Member Rachel Blake is a Councillor in the London Borough of Tower Hamlets.

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

7. LLDC Board Member Simon Blanchflower was an employee of Network Rail. LLDC Chair Sir Peter Hendy is Chair of Network Rail.

8. LLDC Deputy Chief Executive Gerry Murphy, LLDC Chief Executive Officer Lyn Garner and LLDC Executive Director of Park Operations and Venues are all Directors of London Stadium 185 Ltd.

9. LLDC Board member Baroness Grey-Thompson is a Board Member of the British Broadcasting Corporation.

Members and Executive Management Team - Income and Expenditure

Members of the Legacy Corporation have direct control over the Legacy Corporation's financial and operating policies. The total of Members' allowances paid in 2020/21 is shown in Note 6.

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

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

Organisation	Income 31 March 2021	Income 31 March 2020	Expenditure March 2021	Expenditure March 2020	Nature of Relationship
	£,000	£,000	£,000	£,000	
Deloitte	-	-	105	217	Executive Director of Development Rosanna Lawes' partner is a Director of Deloitte
Future of London	-	-	5	5	LLDC Chief Executive Officer Lyn Garner is the Chair of Future of London
MACE	-	(1)	91	6,007	LLDC Chair Sir Peter Hendy's son is an employee of Mace.
Commonplace Digital Ltd	-	-	18	34	Board Member Pam Alexander is a Chair of Commonplace Digital Ltd.
Price Waterhouse Coopers	-	(1)	-	-	Executive Director of Construction Colin Naish's partner is an employee of Price Waterhouse Coopers

Related parties – Outstanding balances

Outstanding balances with related parties as at 31 March 2020 and 2021 are as follows:

Organisation	Income 31 March 2021	Income 31 March 2020	Expenditure 31 March 2021	Expenditure 31 March 2020
	£,000	**£,000**	**£,000**	**£,000**
E20 Stadium LLP	-	(558)	-	-
Transport for London	(31)	(25)	223	-
Foundation for Future London (FFL)	(3)	-	-	-
LDA Design and Consulting	-	-	63	-
Network Rail	-	(85)	-	-
British Broadcasting Corporation	(1)	(1)	-	-
MACE	-	-	-	(2)

24. Operating leases

a) Leases as lessee

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

	31 March 2021	31 March 2020
	£'000	**£'000**
Within one year	1,471	1,701
Between 1-5 years	1,848	2,874
Over 5 years	33,446	33,891
	36,765	**38,466**

On 31 March 2015, the Legacy Corporation signed the Olympic Waterways Legacy (OWL) Agreement with the Canal & River Trust. The rent payable for the Waterways lease with the Canal & River Trust is contingent and therefore has not been included in the future minimum lease payments. It shall be revised on 1 January 2022 and 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 2021	31 March 2020
	£'000	**£'000**
Rent payable in year	1,783	1,794
	1,783	**1,794**

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.
- Chobham Manor: leased to Chobham Manor LLP for residential and business development over a 250-year lease.

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

	31 March 2021	31 March 2020
	£'000	**£'000**
Within one year	3,231	3,332
Between 1-5 years	9,185	10,312
Over 5 years	428,989	431,079
	441,404	**444,723**

Amounts recognised in the Comprehensive Income and Expenditure Statement:

	31 March 2021	31 March 2020
	£'000	**£'000**
Rent receivable in year	4,557	3,597
	4,557	**3,597**

25. Capital expenditure and capital financing

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

Financial assets	31 March 2021	31 March 2020
	£'000	**£'000**
Opening capital financing requirement	**344,071**	**321,880**
Capital Investment		
Property plant and equipment	93,080	61,576
Investment property	47,299	20,767
Intangible assets	329	169
Revenue expenditure funded from capital under statute	42,238	1,193
Sources of finance		
Government grants and other contributions	(131,702)	(61,513)
Closing capital financing requirement	**395,315**	**344,071**

Explanation of movement in year

Sources of finance	**31 March 2021**	**31 March 2020**
	£'000	**£'000**
Opening capital financing requirement	344,071	321,880
Increase/(decrease) in underlying need to borrow	51,244	22,191
Closing capital financing requirement	**395,315**	**344,071**

The Capital Financing Requirement represents the underlying need for the Legacy Corporation to borrow 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.

26. Financial instruments

Categories of financial instruments

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

	31 March 2021	31 March 2020
	£'000	**£'000**
Financial assets		
Current		
Financial assets at amortised costs	11,958	14,115
Net cash and cash equivalents	62,881	59,119
Non-current		
Financial assets at amortised costs	-	1,000
Total financial assets	**74,839**	**74,234**
Financial liabilities		
Current		
Financial liabilities at amortised costs	(19,788)	(22,304)
Non-current		
Financial liabilities at amortised costs	(412,664)	(391,815)
Total financial liabilities	**(432,452)**	**(414,119)**

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

	2020/21 Financial liabilities measured at amortised costs	2020/21 Financial assets at amortised costs	2019/20 Financial liabilities measured at amortised costs	2019/20 Financial assets at amortised costs
	£'000	**£'000**	**£'000**	**£'000**
Interest expense	10,723	-	10,299	-
Interest income	-	(5)	-	(1,915)
Net fair value adjustment on initial recognit	-	-	-	(39)
Total in Surplus or Deficit in Provision of Services	**10,723**	**(5)**	**10,899**	**(2,320)**

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, the Legacy Corporation 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:

	2020/21 Carrying amount	2020/21 Fair value	2019/20 Carrying amount	2019/20 Fair value
	£'000	**£'000**	**£'000**	**£'000**
Financial assets				
Financial assets at amortised cost	11,958	11,958	15,115	15,115
Cash and cash equivalents	62,881	62,881	59,119	59,119
Total financial assets	**74,839**	**74,839**	**74,234**	**74,234**
Financial liabilities at amortised costs				
Borrowings	(372,236)	(466,029)	(354,886)	(439,243)
Short-term creditors	(19,788)	(19,788)	(22,304)	(22,304)
Long-term creditors	(40,428)	(40,428)	(36,929)	(36,929)
Total financial liabilities	**(432,452)**	**(526,246)**	**(414,119)**	**(498,476)**

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.

The Legacy Corporation has reviewed its Financial Instruments for impairment in line with IFRS 9 and as a result of Covid-19. The Legacy Corporation has deemed the level of impairment as at 31 March 2021 as immaterial.

Material Soft Loans Made by the Legacy Corporation

Loan to Foundation for Future London

The loan to Foundation for Future London (FFL) is deemed to be a material soft loan. The loan was settled in 2020/21.

	31 March 2021	31 March 2020
	£000	**£000**
Opening balance at the start of the year	**1,000**	**961**
Increase in the discounted amount		39
Settlement of Loan	(1,000)	
Closing balance at the end of the year	**(0)**	**1,000**
Nominal value at 31 March	**(0)**	**1,000**

The interest rate at which the fair value of this soft loan has been made is arrived at by taking the Legacy Corporation's prevailing cost of borrowing (3.41% average) and adding an allowance for risk that the loan might not be repaid by FFL (20% based on its time in existence).

Nature and extent of risks arising from financial instruments

The Legacy Corporation'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 the Legacy Corporation.
- Liquidity risk – the possibility that the Legacy Corporation 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 the Legacy Corporation. 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 the Legacy Corporation'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. The Legacy Corporation has currently invested £52.2m 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 the Legacy Corporation. The Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation is exposed.

	As at 31 March 2021		
£'000	Gross value	Impairment value	Net Value
Deposits with financial institutions	62,877		62,877
Accrued interest on deposits	5		5
Trade debtors	12,069	(111)	11,958
Loans to third parties	-	-	-
Total exposure	**74,952**	**(111)**	**74,839**

Liquidity risk

Liquidity risk is the risk that the Legacy Corporation will not be able to meet its financial obligations as they fall due. The Legacy Corporation'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. The Legacy Corporation 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 the Legacy Corporation's affairs although direct borrowing for capital expenditure from third parties is not currently authorised. The Legacy Corporation may also lend to its subsidiaries with permission from the Mayor of London.

The table below shows the long term borrowing of the Legacy Corporation by date of maturity.

	2020/21	2019/20
	£'000	£'000
Maturing in 1 - 2 years	(12,021)	(26,679)
Maturing in 2 - 5 years	(51,348)	(8,382)
Maturing in 5 - 10 years	(158,621)	(165,144)
Maturing in more than 10 years	(191,138)	(192,079)
Long term financial liabilities with more than one year to mature	**(413,128)**	**(392,283)**
Total financial liabilities	**(413,128)**	**(392,283)**

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 to payable to the GLA only and the GLA provide grant funding to meet the annual interest liability.

27. Contingent liabilities and assets

The Legacy Corporation recognises the following contingent liabilities and asset:

ArcelorMittal Orbit Loan

A loan of £13.8m (principal £9.2m plus unpaid interest), to part fund the construction of the ArcelorMittal Orbit 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 was 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. The Legacy Corporation accordingly recognises a contingent liability in respect of the loan.

28. Events after the Reporting Period

The Legacy Corporation's agreement for lease with the BBC for the Stratford Waterfront site became unconditional in March 2020. The lease is expected to be executed in 2021/22.

Group accounts

Introduction

The Legacy Corporation 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, the Legacy Corporation took full control of E20 Stadium LLP; accordingly, from 1 December 2017, E20 Stadium LLP became classified as a subsidiary of the Legacy Corporation.

The Legacy Corporation 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, the Legacy Corporation has not consolidated any financial information in relation to Stratford East London Holdings Limited.

On 21 January 2019, the Legacy Corporation acquired the Stadium operator, London Stadium 185 Limited, via its subsidiary E20 Stadium LLP. This gives the Legacy Corporation 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 2021 are consolidated into the Legacy Corporation's Group Accounts (via the E20 Stadium LLP accounts) in line with international accounting standards.

The aim of the Group Accounts is to give an overall picture of the activities of the Legacy Corporation 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 the Legacy Corporation 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 are draft figures subject to audit. There are no material differences between the accounting policies adopted by E20 Stadium LLP and those of the Legacy Corporation.

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 2021

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	G1/G2	(60)	1,512	1,452
Development	G1/G2	(54)	1,174	1,120
Executive Office	G1/G2	(185)	2,267	2,082
Finance, Commercial and Corporate Services	G1/G2	(709)	9,438	8,729
Park Operations and Venues	G1/G2	(280)	2,023	1,743
Planning Policy & Decisions	G1/G2	(2,019)	3,045	1,026
Regeneration and Community Partnerships	G1/G2	(16)	2,363	2,347
Stadium[1]	14/G1/G2	(7,195)	22,502	15,307
East Bank	G1/G2		74,822	74,822
GLA Grant	G1/G2	(34,510)		(34,510)
Net cost of services		**(45,028)**	**119,147**	**74,119**
Financing and investment income	G3	(11,847)	-	(11,847)
Change in fair value of investment properties	13	-	37,703	37,703
Financing and investment expenditure	G4	-	26,846	26,846
Capital grants and contributions	G5	(63,950)	483	(63,467)
(Surplus) or deficit on provision of services before tax		**(120,825)**	**184,179**	**63,355**
Share of the joint venture (surplus) or deficit		-	-	-
Loss on acquisition of subsidiary		-	-	-
Corporation tax	10	-	1,432	1,432
Deferred tax	10	(518)	-	(518)
(Surplus) or deficit on the provision of services after tax		**(121,343)**	**185,611**	**64,269**
Deferred tax asset on the net defined benefit liability	10	(3,679)	-	(3,679)
Remeasurement of the net defined benefit liability/asset	18	-	17,224	17,224
Total comprehensive income and expenditure		**(125,022)**	**202,835**	**77,813**

For the year ended 31 March 2020

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	G1/G2	(31)	1,627	1,596
Development	G1/G2	(10)	1,547	1,537
Executive Office	G1/G2	(61)	2,425	2,364
Finance, Commercial and Corporate Services	G1/G2	(964)	9,817	8,853
Park Operations and Venues	G1/G2	119	1,885	2,004
Planning Policy & Decisions	G1/G2	(2,268)	3,418	1,150
Regeneration and Community Partnerships	G1/G2	(67)	2,248	2,181
Stadium	14/G1/G2	(12,686)	20,665	7,979
GLA Grant	G1/G2	(47,224)	-	(47,224)
Net cost of services		**(63,192)**	**43,632**	**(19,560)**
Financing and investment income	G3	(12,740)	-	(12,740)
Change in fair value of investment properties	13	-	16,653	16,653
Financing and investment expenditure	G4	-	39,935	39,935
Capital grants and contributions	G4	(31,617)	-	(31,617)
(Surplus) or deficit on provision of services before tax		**(107,549)**	**100,220**	**(7,330)**
Corporation tax	10	-	5,329	5,329
Deferred tax	10	(475)	-	(475)
(Surplus) or deficit on the provision of services after tax		**(108,024)**	**105,549**	**(2,476)**
Deferred tax asset on the net defined benefit liability	10	(605)	-	(605)
Remeasurement of the net defined benefit liability/asset	18	(4,775)	-	(4,775)
Total comprehensive income and expenditure		**(113,404)**	**105,549**	**(7,856)**

Group Balance Sheet

As at 31 March 2021

	Notes	31 March 2021 £'000	31 March 2020 £'000
Long term assets			
Intangible assets	G9	270	139
Property, plant and equipment	G10	139,328	122,627
Investment property	G11	106	57,876
Long term debtors	G6	-	1,000
		139,704	**181,642**
Current assets			
Short term debtors	G6	38,258	46,733
Cash and cash equivalents	G7	66,953	63,989
		105,211	**110,722**
Total assets		**244,915**	**292,364**
Current liabilities			
Short term creditors	G8	(106,639)	(121,342)
		(106,639)	**(121,342)**
Long term liabilities			
Long term borrowing	G8	(373,236)	(356,386)
Long term creditors	G8	(216,829)	(204,257)
Deferred tax liability	10	(11)	(529)
Retirement benefit obligation	18	(29,908)	(14,222)
		(619,984)	**(575,394)**
Total liabilities		**(726,623)**	**(696,736)**
Net assets		**(481,707)**	**(404,372)**
Reserves			
Usable reserves	G12	41,223	(5,238)
Unusable reserves	G12	440,484	409,612
Total reserves		**481,707**	**404,372**

Group Movement in Reserves Statement

As at 31 March 2021

	Notes	General Fund	Total usable reserves	Unusable reserves	Total unusable and other reserves	Total reserves
		£'000	**£'000**	**£'000**	**£'000**	**£'000**
Restated At 1 April 2020		**(5,238)**	**(5,238)**	**409,613**	**409,613**	**404,375**
Movement in reserves during 2020/21						
Deficit on the provision of services	From GCIES	64,268	64,268	-	-	64,268
of subsidiaries	From					
Other comprehensive income and expenditure	From GCIES		-	13,545	13,545	13,545
Total comprehensive income and expenditure		**64,268**	**64,268**	**13,545**	**13,545**	**77,813**
Adjustments between accounting and funding basis under regulations	G13	(17,327)	(17,327)	17,327	17,327	-
Transfer to reserve		(480)	(480)		-	(480)
Decrease/(Increase) in 2020/21		**46,461**	**46,461**	**30,872**	**30,872**	**77,333**
Balance at 31 March 2021		**41,223**	**41,223**	**440,485**	**440,485**	**481,708**

As at 31 March 2020

	Notes	General Fund	Total usable reserves	Unusable reserves	Total unusable and other reserves	Total reserves
		£'000	**£'000**	**£'000**	**£'000**	**£'000**
Restated At 1 April 2019		**(7,186)**	**(7,186)**	**419,517**	**419,517**	**412,331**
Movement in reserves during 2019/20						
Deficit on the provision of services	From GCIES	(2,476)	(2,476)	-	-	(2,476)
of subsidiaries associated and joint ventures	From GCIES	-	-	-	-	-
Other comprehensive income and expenditure	From GCIES	178	178	(5,558)	(5,558)	(5,380)
Total comprehensive income and expenditure		**(2,298)**	**(2,298)**	**(5,558)**	**(5,558)**	**(7,856)**
Adjustments between accounting and funding basis under regulations	G13	4,346	4,346	(4,346)	(4,346)	-
Transfer to reserve		(100)	(100)	-	-	(100)
Decrease/(Increase) in 2019/20		**1,948**	**1,948**	**(9,904)**	**(9,904)**	**(7,956)**
Restated Balance at 31 March 2020		**(5,238)**	**(5,238)**	**409,613**	**409,613**	**404,375**

Group Statement of Cash Flows

For the year ended 31 March 2021

	Notes	31 March 2021 £'000	31 March 2020 £'000
Surplus/(Deficit) on the provision of services		(64,268)	2,476
Adjustments to net (deficit) for non-cash movements	G14	111,236	32,592
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	G14	(63,467)	(31,617)
Interest Receivable/Loan Repayment		1,000	(39)
Net cash flows from operating activities		**(15,499)**	**3,412**
Investing activities	G14	(2,386)	(53,767)
Financing activities	G14	20,851	51,513
Net increase/(decrease) in cash and cash equivalents		**2,966**	**1,158**
Cash and cash equivalents at the start of the year		63,989	62,833
Cash and cash equivalents at the end of the year		**66,953**	**63,989**

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 the Legacy Corporation's individual accounts.

G1. Group Gross Income

	31 March 2021	31 March 2020
	£'000	**£'000**
Grants received	(34,516)	(47,236)
Planning fees	(515)	(821)
Recharges	(5,413)	(8,720)
Events income	(42)	(350)
Other	(4,541)	(6,065)
	(45,028)	**(63,192)**

G2. Group Gross Expenditure

	31 March 2021	31 March 2020
	£'000	**£'000**
Staff costs:		
Wages and salaries	9,230	8,776
Social security costs	1,101	1,036
Pension costs	2,844	2,946
Other staff costs	253	310
Grants and contributions	557	235
Consultancy and Strategy Development costs	2,645	3,057
Accommodation costs	1,603	3,779
Legal fees	1,193	1,058
Communications, events and marketing	383	753
Agency and seconded staff costs	778	876
REFCUS	609	1,162
REFCUS - Recharges	41,629	30
Insurance	1,794	2,141
IT and Stationery	1,019	1,074
Security	-	12
Travel	18	11
Amortisation	198	215
Depreciation	1,521	1,654
Increase/decrease in provision for doubtful debts	(91)	98
Stamp Duty Land Tax	23	-
Impairment of financial assets	138	25
Project costs expensed	33,399	-
Impairment other	9,336	-
Other	8,970	14,384
Total	**119,147**	**43,632**

G3. Group financing and investment income

	31 March 2021	31 March 2020
	£'000	£'000
Interest income on deposits	(5)	(1,915)
Income in relation to investment property	(11,442)	(10,824)
Net gain on disposal of investment property	(400)	-

G4. Group financing and investment expenditure

	31 March 2021	31 March 2020
	£'000	£'000
Net interest on the net defined benefit liability (asset)	398	492
Expenditure in relation to investment property	15,726	29,144
Interest costs on borrowing	10,723	10,299
Financing and investment expenditure	**26,846**	**39,935**

G5. Group taxation and non-specific grant income

	31 March 2021	31 March 2020
	£'000	£'000
Other capital grants and contributions	(63,467)	(31,617)
Taxation and non specific grant income	**(63,467)**	**(31,617)**

G6. Group short term and long-term debtors

	31 March 2021	31 March 2020
	£'000	£'000
Short term		
Central Government bodies	17,677	12,086
Other Local Authorities	124	290
Other entities and individual	20,457	34,357
Total short term debtors	**38,258**	**46,733**
Long term		
Other entities and individual	-	1,000
Total long term debtors	**-**	**1,000**

G7. Group Cash and Cash Equivalents

	31 March 2021	31 March 2020
	£'000	**£'000**
Cash in hand and at bank	14,737	18,549
Investments	52,216	45,439
Total cash and cash equivalents	**66,953**	**63,989**

G8. Group current and non-current liabilities

	31 March 2021	31 March 2020
	£'000	**£'000**
Current		
Central government bodies	(18,006)	(13,025)
Other local authorities	(11,223)	(10,766)
Other entities and individuals	(46,156)	(65,933)
Short Term Provisions	(31,254)	(31,618)
Total current liabilities	**(106,639)**	**(121,342)**
Non-current		
Long-term borrowing	(373,236)	(356,386)
Section 106 contributions	(39,429)	(35,429)
Stadium rent premium	5	5
Long Term Provisions	(177,405)	(168,835)
Long term creditors	**(216,829)**	**(204,259)**
Deferred tax liability	(11)	(529)
Retirement benefit obligation (pension liability)	(29,908)	(14,222)
Total non-current liabilities	**(619,984)**	**(575,396)**

G9. Group Intangible Assets

	Computer Software	Licences	Total
	£'000	**£'000**	**£'000**
Cost			
At 1 April 2019	387	256	644
Additions	39	130	169
Disposals	(336)	(57)	(393)
At 31 March 2020	**90**	**329**	**420**
At 1 April 2020	90	329	420
Additions	164	167	331
Disposals	-	-	-
At 31 March 2021	**254**	**495**	**751**
Amortisation			
At 1 April 2019	355	104	458
Charged during the period	26	189	215
Disposals	(336)	(57)	(393)
At 31 March 2020	**44**	**235**	**280**
At 1 April 2020	44	235	279
Charged during the period	63	135	198
Disposals	-	-	-
At 31 March 2021	**107**	**370**	**477**
Net book value at 31 March 2020	**45**	**94**	**140**
Net book value at 31 March 2021	**146**	**125**	**274**

G10. Group Property, Plant and Equipment

	Land and buildings	Furniture, fixtures and fittings	Computer hardware, infrastructure and telecoms/ office equipment	Motor Vehicles	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2019	-	6,341	1,374	4	55,786	63,505
Additions	-	1,645	223	-	61,340	63,208
Disposals	-	-	(790)	-	-	(790)
At 31 March 2020	**-**	**7,987**	**808**	**4**	**117,126**	**125,924**
At 1 April 2020	-	7,987	808	4	117,126	125,925
Additions	1,985	25	117	-	90,978	93,105
Disposals	-	-	-	-	(74,882)	(74,882)
At 31 March 2021	**1,985**	**8,012**	**925**	**4**	**133,222**	**144,148**
Depreciation						
At 1 April 2019	-	1,504	926	4	-	2,433
Charged during the period		1,428	226	-	-	1,654
Disposals		-	(790)	-	-	(790)
At 31 March 2020	**-**	**2,932**	**362**	**4**	**-**	**3,297**
At 1 April 2020	-	2,932	362	4	-	3,297
Charged during the period		1,273	247	-	-	1,521
Disposals		-	-	-	-	-
At 31 March 2021	**-**	**4,205**	**609**	**4**	**-**	**4,817**
Net book value at 31 Marcl	**-**	**5,055**	**446**	**-**	**117,126**	**122,626**
Net book value at 31 Marcl	**1,985**	**3,807**	**316**	**-**	**133,222**	**139,330**

G11. Group Investment Property

	31 March 2021	31 March 2020
Valuation	**£'000**	**£'000**
Opening balance at 1 April	57,877	82,094
Additions:		
- Subsequent expenditure	47,299	22,006
Disposals	(67,366)	(29,570)
Changes in fair value	(37,703)	(16,652)
Total Investment property	**107**	**57,877**

G12. Reserves

Usable reserves

At the end of the financial year, the Legacy Corporation's Group had negative usable reserves of £41.2m in the General Fund.

A net deferred tax liability of £0.01m is recognised within the Legacy Corporation's accounts in relation to its investment properties (2019/20: £0.5m). The liability will crystallise as and when the Legacy Corporation 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 in 2016/17 permits Mayoral Development Corporations to use capital receipts to fund their Corporation Tax liabilities and reflects the reality that the majority of the Legacy Corporation's future Corporation Tax liabilities will be generated by capital receipts. It also means that the deferred tax charge can be recognised in the Legacy Corporation's Capital Adjustment Account, rather than the General Fund (as previously required).

	31 March 2021	31 March 2020
	£'000	**£'000**
General funds	41,741	(4,941)
Deferred tax reserve	(518)	(297)
Balance usable reserves at 31 March	**41,223**	**(5,238)**

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

Unusable reserves

	31 March 2021	31 March 2020
	£'000	**£'000**
Capital Adjustment Account	406,889	391,861
Pensions Reserve	33,244	17,558
Accumulated Absences Account	351	193
Balance unusable reserves at 31 March	**440,484**	**409,612**

Capital Adjustment Account

	31 March 2021	31 March 2020
	£'000	**£'000**
Balance as at 1 April	391,861	398,732
Charges for depreciation and amortisation	1,719	1,869
Capital grants and contributions applied	(63,467)	(31,617)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	67,366	29,570
Capital receipts received during the year	(67,766)	(29,570)
Revenue expenditure funded from capital under statute	42,238	1,193
Revaluation/(Impairment) charged to the CIES	37,703	16,651
Deferred tax liability on revaluation charged to the CIES	(4,197)	(297)
Corporation Tax liability for the year	1,432	5,329
Balance at 31 March	**406,889**	**391,861**

Pensions Reserve

	31 March 2021	31 March 2020
	£'000	**£'000**
Balance as at 1 April	17,558	20,671
Remeasurements of the net defined benefit liability/(asset)	13,545	(5,558)
Reversal of charges relating to retirement benefits	3,319	3,596
Employer's pension contribution and direct payments to pensioner	(1,178)	(1,151)
Balance at 31 March	**33,244**	**17,558**

Accumulated Absences Reserve

	31 March 2021	31 March 2020
	£'000	**£'000**
Balance as at 1 April	193	112
Settlement or cancellation of accrual made at the end of the preced	(193)	(112)
Amounts accrued at the end of the current year	351	193
Balance at 31 March	**351**	**193**
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on a accrual basis is different from remuneration chargeable in the year in accordance with the statutory requirements	(158)	(81)

G13. Adjustments between accounting basis and funding under regulations

For the year ended 2020/21

	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	(1,719)	-	-	(1,719)	1,719
Movements in the market value of investment property	(37,703)	-	-	(37,703)	37,703
Disposals of investment property	(67,366)	-	-	(67,366)	67,366
Current and Deferred tax liability movements	2,765	-	-	2,765	(2,765)
Movements in the market value of subsidiary	-	-	-	-	-
Capital grants and contributions applied	63,467	-	-	63,467	(63,467)
Revenue expenditure funded from capital under statute	(42,238)	-	-	(42,238)	42,238
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	67,766	(67,766)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure		67,766		67,766	(67,766)
Reversal of subsidiary capital contribution				-	-
Adjustments involving the Pensions Reserve					-
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(3,319)	-	-	(3,319)	3,319
Employer's pensions contributions and direct payments to pensioners payable in year	1,178	-	-	1,178	(1,178)
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	(158)			(158)	158
Total adjustments	**(17,328)**	**-**	**-**	**(17,328)**	**17,328**

For the year ended 2019/20

	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	(1,869)	-	-	(1,869)	1,869
Movements in the market value of investment property	(16,652)	-	-	(16,652)	16,652
Disposals of investment property	(29,570)	-	-	(29,570)	29,570
Current and Deferred tax liability movements	(5,031)	-	-	(5,031)	5,031
Movements in the market value of subsidiary	-	-	-	-	-
Capital grants and contributions applied	31,616	-	-	31,616	(31,616)
Capital expenditure charged against the Account	(1,193)	-	-	(1,193)	1,193
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	29,570	(29,570)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure		29,570		29,570	(29,570)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(3,596)	-	-	(3,596)	3,596
Employer's pensions contributions and direct payments to pensioners payable in year	1,151	-	-	1,151	(1,151)
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	(81)			(81)	81
Total adjustments	**4,346**	**-**	**-**	**4,346**	**(4,346)**

G14. Cash Flow Notes

a) *Adjustments to net deficit for non-cash movement*

	31 March 2021	31 March 2020
	£'000	**£'000**
Depreciation of property plant and equipment	1,521	1,654
Amortisation of intangibles	198	215
Reversal of defined benefit pensions services costs	3,319	3,596
Cash payments for employer's contributions to pension funds	(1,178)	(1,151)
(Increase) in trade and other debtors	8,451	(21,934)
Increase/(decrease) in trade and other creditors	(5,730)	5,070
Increase/(decrease) in bad debt provision	24	(67)
Increase/(decrease) in deferred tax liability	(518)	(475)
Net book value of non-current assets disposal	67,366	29,570
Changes in Fair Value of Investment Property	37,703	16,652
Other non-cash movements	486	96
Movement on provisions	(405)	(635)
Adjustment to net deficit for non cash movements	**111,236**	**32,592**

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	63,467	31,617
Repayment of Loan	1,000	(39)

b) *Investing activities*

	31 March 2021	31 March 2020
	£'000	**£'000**
Purchase of property, plant and equipment, investment property and intangible assets	(140,736)	(85,384)
Property, plant and equipment assets written out	74,882	-
Capital grant received and other capital receipts	63,467	31,617
Net cash outflow from investing activities	**(2,386)**	**(53,767)**

c) *Financing activities*

	31 March 2021	31 March 2020
	£'000	**£'000**
Movement on Borrowings	16,850	34,820
Movement on OPTEMS fund	2	(751)
Movement on S106 fund	4,000	17,445
Net cash flow from financing activities	**20,851**	**51,513**

G15. Financial Instruments

Categories of financial instruments

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

	31 March 2021	31 March 2020
	£'000	**£'000**
Financial assets		
Current		
Financial assets at amortised costs	11,356	13,575
Net cash and cash equivalents	62,881	59,119
Non-current		
Financial assets at amortised costs	-	1,000
Total financial assets	**74,237**	**73,694**
Financial liabilities		
Current		
Financial liabilities at amortised costs	(24,325)	(26,903)
Non-current		
Financial liabilities at amortised costs	(405,953)	(391,815)
Total financial liabilities	**(430,278)**	**(418,718)**

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

	2020/21 Financial liabilities measured at amortised costs	2020/21 Financial assets at amortised costs	2019/20 Financial liabilities measured at amortised costs	2019/20 Financial assets at amortised costs
	£'000	**£'000**	**£'000**	**£'000**
Interest expense	10,723	-	10,492	-
Interest income	-	(5)	-	(2,282)
Net fair value adjustment on initial recognition	-	-	-	(38)
Total in Surplus or Deficit in Provision of Services	**10,723**	**(5)**	**10,492**	**(2,319)**

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, the Legacy Corporation 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:

	2020/21 Carrying amount	2020/21 Fair value	2019/20 Carrying amount	2019/20 Fair value
	£'000	**£'000**	**£'000**	**£'000**
Financial assets				
Financial assets at amortised cost	12,249	12,249	14,575	14,575
Cash and cash equivalents	62,881	62,881	59,119	59,119
Total financial assets	**75,130**	**75,130**	**73,694**	**73,694**
Financial liabilities at amortised costs				
Borrowings	(373,236)	(466,029)	(356,386)	(439,243)
Short-term creditors	(23,819)	(23,819)	(26,903)	(26,903)
Long-term creditors	(39,428)	(39,428)	(35,429)	(35,429)
Total financial liabilities	**(436,483)**	**(529,277)**	**(418,718)**	**(501,575)**

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.

Material Soft Loans Made by the Legacy Corporation

Loan to Foundation for Future London

The loan to Foundation for Future London (FFL) was settled in 2020/21.

	31 March 2021	31 March 2020
	£000	£000
Opening balance at the start of the year	**1,000**	**961**
Increase in the discounted amount		39
Settlement of Loan	(1,000)	
Closing balance at the end of the year	**-**	**1,000**
Nominal value at 31 March	**-**	**1,000**

Credit Risk

Credit risk is the possibility that other parties may not pay amounts due to the Legacy Corporation. The Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation is exposed.

As at 31 March 2021			
£'000	**Gross value**	**Impairment value**	**Net Value**
Deposits with financial institutions	62,877		62,877
Accrued interest on deposits	5		5
Trade debtors	12,360	(111)	12,249
Total exposure	**75,242**	**(111)**	**75,130**

Liquidity Risk

Liquidity risk is the risk that the Legacy Corporation will not be able to meet its financial obligations as they fall due. The Legacy Corporation'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. The Legacy Corporation 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 the Legacy Corporation's affairs although direct borrowing for capital expenditure from third parties is not currently authorised. The Legacy Corporation may also lend to its subsidiaries with permission from the Mayor of London.

The table below shows the long term borrowing of the Legacy Corporation by date of maturity.

	2020/21	2019/20
	£'000	£'000
Maturing in 1 - 2 years	(12,016)	(1,782)
Maturing in 2 - 5 years	(51,334)	(45,882)
Maturing in 5 - 10 years	(158,596)	(191,685)
Maturing in more than 10 years	(190,713)	(95,688)
Long term financial liabilities with more than one year to mature	**(412,659)**	**(335,037)**
Total financial liabilities	**(412,659)**	**(335,037)**

G16. Provisions

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

Total Provisions	E20 LLP Onerous Countract	Other Provisions	Total
Balance 1 April 2020	**(200,450)**	**(46)**	**(200,453)**
Amounts used	405	-	405
Balance at 31 March 2021	**(200,043)**	**(46)**	**(200,089)**
Provisions- Long Term	**E20 LLP Onerous Countract**	**Other Provisions**	**Total**
Balance at 1 April 2020	**(168,835)**	**-**	**(168,835)**
Reclassifications	(8,567)	-	-
Balance at 31 March 2021	**(177,405)**	**-**	**(177,405)**
Provisons - Short Term	**E20 LLP Onerous Countract**	**Other Provisions**	**Total**
Balance at 1 April 2020	**(31,572)**	**(46)**	**(31,618)**
Amounts used in year	405		405
Reclassifications	8,567	-	8,567
Balance at 31 March 2021	**(22,638)**	**(46)**	**(22,684)**

E20 Onerous Contract

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.

Whilst progress was made during 2020/21 to improve the Stadium's future financial position, management has concluded that there should be no change to the onerous contracts conclusion as at 31 March 2021. Accordingly, the provision remains within E20 Stadium LLP's accounts (and consolidated into the Legacy Corporation's Group Accounts at 31 March 2021) at £200.0m.

Other Provisions

As at 31 March 2021 a provision of £0.1m has been recognised in the Legacy Corporation's single entity accounts. This is in respect of residual costs relating to the Park Transformation.

Annual governance statement

Scope of responsibility

The Legacy Corporation 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."

The Legacy Corporation became a planning authority within its Mayoral development area on 1 October 2012.

The Legacy Corporation 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 the Legacy Corporation 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 London Legacy Development Corporation Governance Direction sets out arrangements for the Mayor to be consulted on, or approve certain decisions, activities and larger projects of the Legacy Corporation 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 the Legacy Corporation; approving major decisions to spend, borrow, give grants (see below), create subsidiaries and dispose of land interests.
- In April 2016, the Mayor delegated to the Legacy Corporation powers to maintain and upkeep the Queen Elizabeth Olympic Park, to collect a Fixed Estate Charge to fund this obligation and directed the Legacy Corporation to use these delegated powers. Whilst the Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation for projects or types of infrastructure contained in the regulation 123 list published by the Legacy Corporation. This replaced an earlier consent given in 2012.
- In November 2012, the Mayor delegated to the Legacy Corporation powers to promote economic development and wealth creation, social development and the improvement of the environment. In April 2016, the Mayor delegated to the Legacy Corporation powers to maintain and upkeep the Queen Elizabeth Olympic Park (QEOP) and to collect a Fixed Estate Charge to fund this obligation, and directed the Legacy Corporation to use these delegated powers. This complemented and supplemented the general powers delegated in 2012.

No new delegations or directions were given during 2020/21.

The Legacy Corporation 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, the Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation for the year ended 31 March 2021 and up to the date of approval of the Statement of Accounts.

The governance framework

Board and committees

The Legacy Corporation's Board and committees operate within the governance and openness framework prescribed by the Local Government Act 1972. During the 2020/21 financial year, new arrangements for the proceedings of the Legacy Corporation Board and Committees were put in place during the Coronavirus (COVID-19) pandemic to enable remote decision-making. The arrangements were set out in the Legacy Corporation Scheme for Remote Decision-Making. They were put in place as the Legacy Corporation did not benefit from the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, which enable specified organisations to hold meetings remotely. The Legacy Corporation is subject to the provisions of Part 5A of the Local Government Act 1972 which imposes a requirement for public meetings and rights of attendance by the press and public. As this was not possible due to public health restrictions, the Scheme for Remote Decision-Making was adopted, which enabled matters to be considered by Advisory Panels made up of the Legacy Corporation Board or Committee members and decisions were taken by the relevant Chair[1] under a delegation following consultation with the relevant Advisory Panel in line with the provisions set out in the Scheme. The issue was rectified through the Business and Planning Act which received Royal Assent on 22 July 2020 and included the provision that Mayoral Development Corporations could hold virtual meetings under the Coronavirus Act 2020 regulations.

In July 2020, the LLDC revoked the use of the LLDC Remote Decision-Making Scheme and the Legacy Corporation began to hold its Board and Committee meetings remotely under the Coronavirus flexibilities, with members of the public being able to attend the public sessions of these meetings via video conference. The flexibilities ended on 7 May 2021 (see section on significant governance changes since the reporting date).

[1] Under the 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

During the year ended 31 March 2021 the Legacy Corporation'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.

- **Chair's Committee (renamed People, Organisation and Culture 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[2].

- **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[3].

- **Planning Decisions Committee**
  To enable transparent, efficient and effective discharge of the Legacy Corporation's functions to determine planning applications and to respond to consultation on applications on which the Legacy Corporation is a consultee.

- **Regeneration and Communities Committee**
  To ensure the efficient and effective discharge of the Legacy Corporation'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.

Following a recommendation in the May 2016 internal audit report 'Governance Review - Board Information', the Legacy Corporation undertakes an annual review of Committee terms of reference. The last annual review was reported to the Board in March 2021 (excluding the Regeneration and Communities Committee and the Planning Decisions Committee) following a review by the respective Committees. The terms of reference of the Committees were amended to include further detail on the Committees' role in relation to inclusion and diversity including taking inclusion and diversity into consideration when making decisions and measuring progress in relation to relevant inclusion and diversity Corporate objectives. In addition, the Audit Committee terms of reference were amended to include further detail in relation to oversight of value for money arrangements, ensuring these also meet the criteria set out in the NAO's Code of Audit Practice (2020). The Investment Committee's terms of reference were amended to include a role in relation to the Stratford Waterfront residential joint venture. The Chair's Committee terms of reference were amended to include changes to the title (to People, Organisation and Culture Committee) and purpose (to one that reflected its people and organisational focus), and changes to the membership. The Board approved the revised terms of reference of the

[2] Prior to March 2021, the purpose of the Chair's Committee was to ensure effective communication and co-ordination of the Legacy Corporation's different committees and to provide advice on specific matters as requested by the Board or Chair.
[3] 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/

Committees. The Regeneration and Communities Committee and the Planning Decisions Committee are due to review their terms of reference in summer 2021.

Committee members must be members of the Legacy Corporation'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.

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) 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 the Legacy Corporation and Stratford East London Holdings Ltd (SELH), a wholly owned subsidiary of the Legacy Corporation. The E20 Board comprises three the Legacy Corporation Board members (Nicky Dunn, Keith Edelman and Shanika Amarasekara) and one member nominated by SELH (Gerry Murphy, the Legacy Corporation's Deputy Chief Executive). The E20 Board is the formal Board of E20 Stadium LLP and also acts as an advisory Board to the Legacy Corporation Chief Executive on matters pertaining to the London Stadium. Decision making in relation to the Legacy Corporation's expenditure on and income from the London Stadium follows the Legacy Corporation's Scheme of Delegations.

London Stadium 185 Ltd (LS185) is a wholly owned subsidiary of E20 Stadium LLP. Its Board consists of: Chair - Lyn Garner (the Legacy Corporation Chief Executive), Gerry Murphy (the Legacy Corporation Deputy Chief Executive), Mark Camley (the Legacy Corporation 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).

A new scheme of delegation and terms of reference for the boards of E20 Stadium LLP and LS185 were approved by the Legacy Corporation Board in May 2020 following consideration by the E20 Board. A revised scheme of delegation for E20 Stadium LLP and LS185 has been approved by the E20 and LS185 Boards and has been approved by the Legacy Corporation Board in May 2021.

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 for the overall programme with senior representation from the Legacy Corporation, the East Bank partners and the GLA, and an **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. As a multi-party project, the programme governance refers decisions back to partners' corporate governance structures as required and each partner also has their own internal project or programme governance arrangements. The East Bank Strategic Objectives Board oversees the Strategic Objectives delivery programme and reports to the Programme Board.

A **Risk and Assurance Board** (RAB) provides support to the East Bank Programme Board and the LLDC Investment Committee and provides oversight of the integrated assurance programme. It has an independent Chair and representatives from the Legacy Corporation, East Bank partners, the GLA and Government (represented by the Infrastructure and Projects Authority, albeit the position is currently vacant). It focuses on construction delivery 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. The independent Chair also attends LLDC Investment Committee meetings.

The East Bank RAB is supported by an independent third line assurance provided by RSM Consulting (UK) LLP[4] who undertake a programme of reviews on key areas of activity, reporting to the Risk and Assurance Board.

Vision and performance

In 2015/16 the Legacy Corporation adopted a Five-Year Strategy for the 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. Cost movements and changes in assumptions and policy from the approved Plan have been reflected in an updated long-term financial model that has been considered by the Legacy Corporation Board and the GLA at regular intervals. An updated Strategy to 2025 has been drafted for approval 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 meetings. 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 the Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation's financial affairs.

[4] The contract was novated to RSM Risk Assurance Services 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 2020/21.

The scheme of delegation was amended in April 2020 to enable temporary arrangements for the proceedings of the Legacy Corporation Board and Committees to be put in place during the Coronavirus (COVID-19) pandemic to enable remote decision-making (see Board and Committee meeting section above) and to include an urgent action delegation to each of the Committee chairs (to replicate the delegation in other functional bodies). They were subsequently amended in August 2020 to remove the temporary arrangements for remote decision making. They were updated in November 2020 to reflect changes approved by the Board to the existing delegated authority levels for the drawdown of contingency budget of specified staff and delivery partner staff related to administering East Bank construction contracts; and amended to reflect the delegation approved by the Board to specified officers in relation to the authentication of the use of the seal for freehold and leasehold disposals at East Wick and Sweetwater and the amendments to the existing 2016 delegation relating to disposals at Chobham Manor; and minor amendments to the Chair's Committee role in relation to monitoring the pay and conditions of senior staff. The scheme of delegation was recently amended to reflect a new remote decision-making scheme (see significant governance changes since the reporting date).

All the above documents are available on the Legacy Corporation's website.

A staff code of conduct and other people management policies are published on the Legacy Corporation'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 the Legacy Corporation's changing role.

Risk management, fraud and corruption

The Legacy Corporation'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.

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 the Legacy Corporation'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 the Legacy Corporation. 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.

The Legacy Corporation has an Anti-Fraud, Bribery and Corruption Policy and a Whistle Blowing Policy, these are presented to the Audit Committee on a cyclical basis. The Anti-Fraud, Bribery and Corruption Policy was last reviewed by the Committee in November 2019. The Whistle Blowing Policy was last reviewed by the Committee in November 2019. Measures include processes to prevent and detect fraud. Preventative controls include the Legacy Corporation's policies and procedures, including senior management authorisation of new suppliers, separation of functions for raising and authorising purchase orders and making payments, and other procurement and accounting processes. Key detective processes and controls are the systems for authorisation of accounts payable and receivable, general ledger journals and payroll allied to senior management scrutiny of the monthly management accounts.

the Legacy Corporation's Anti-Fraud, Bribery and Corruption Policy and its Whistleblowing Policy are the Legacy Corporation's policies relating to fraud and the process to allow staff to report concerns.

In 2020/21, no Legacy Corporation employees raised any issues under these policies. There was one suspected instance of procurement fraud by an individual working for a Legacy Corporation contractor which was brought to our attention by an external third party in February 2020. The matter was reported to the appropriate authorities for investigation. LLDC's internal auditors MOPAC and its commercial assurance advisors undertook subsequent internal investigations and progress on these was reported to the Audit Committee during the year. LLDC also took appropriate legal advice. There was one internal investigation into corporate credit card usage in accordance with the LLDC's Anti-Fraud, Bribery and Corruption Policy. During the year, LLDC appointed its internal auditors MOPAC to clarify and investigate allegations received in a complaint from Construction Workforce Operative and Trainee Assessment (CWOATA). The investigation could not find evidence to support the allegations and the matter has been closed.

The Legacy Corporation undertakes quantified risk assessments on its corporate level risks and on major project risks (including the East Bank project) to inform contingency management. In 2015/16 the Board approved the Legacy Corporation's risk appetite statement] which sets out the level of risk that the Legacy Corporation is prepared to accept, tolerate, or be exposed to across different the activities it undertakes. The risk appetite statement was reviewed in 2018/19 by the Board and Audit Committee.

People Strategy & Inclusion and Diversity

LLDC will continue to deliver all objectives in line with the core values outlined in the LLDC People Strategy: Ambition, Responsibility, Excellence, and Collaboration. The People Strategy is in the process of being refreshed to ensure that colleagues across LLDC are supported to work collaboratively and inclusively to deliver the vision, mission and objectives outlined in this document. The People Strategy will foster a strong organisational focus on learning and development to prepare the LLDC workforce for whatever the future holds, both pre- and post-Transition.

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.

The LLDC Inclusion and Diversity Strategy, 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. It has been identified that recruitment and talent attraction require attention to ensure that the profile of the LLDC workforce is as balanced as it can be, and this will be a focus going forward. Another area for improvement is the representation of Black, Asian and Minority Ethnic (BAME) colleagues at senior levels within the organisation. Steps have already been taken to diversify the Executive Management Team and management groups, creating opportunity for constructive challenge and diversity of thought in decision-making, but there is more to be done in this area. During the year, LLDC appointed four employees from under-represented groups to chair four strategic LLDC groups (Management Forum, Strategic EMT, Change Board and Employee Forum) and become members of the Executive Management Team. This increases diversity in decision-making and gives development opportunities to appointees.

A broad range of development and progression opportunities will continue to build on work already underway to support talent within the organisation, and will include ringfenced places for BAME colleagues. Valuable employee networks, including a BAME Lean-In Group and a recently established LGBTQ+ drop-in group, support connections and help to shape internal practices to ensure they are as inclusive as they can be. LLDC's participation in the GLA's Our Time programme continues to encourage leadership development and support for female colleagues.

Another key pillar of the People Strategy is Authentic Leadership. This is about ensuring that core values and priority themes are lived in practice across all levels of the organisation, and that decisions are made with integrity, transparency and openness. LLDC will endeavour to implement lessons learned from the Covid-19 pandemic, combined with a consideration of emerging trends for the future of work, to shape new ways of working and to harness the opportunities that these create. Particular focus will be given to championing flexible and agile working to support health and wellbeing, and to enable staff to give the best of themselves and deliver to their full potential.

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 I&D 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

The Legacy Corporation's Modern Slavery Statement for 2019/20 was approved by the Board in November 2019 and is set out below. An updated Statement updating on LLDC's progress and priorities was approved by the Audit Committee in July 2021 and the Board in September 2021.

London Legacy Development Corporation Modern Slavery and Human Trafficking Statement 2021

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

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

LLDC 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 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 businesses 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 report 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, a further briefing will be given in 2021 along with a roll out of the emerging Home office e-learning tool for public sector procurement.

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 comes to the end of its operations. 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, by Nov 2021.
- 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.
- Consider enhancing Modern Slavery requirements for construction procurements at the Invitation to Submit Outline Proposal phase.
- 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 was approved by the LLDC Board on 21 September 2021 and will be published on the Corporation's website.

The Legacy Corporation has made progress in 2020/21 to deliver on our modern slavery action plan though it's Modern Slavery Group which includes officers from the Legacy Corporation's finance, regeneration, procurement and PMO teams and support from TfL's responsible procurement lead.

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 have report 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.

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.

Financial and legal controls compliance

The Legacy Corporation'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 the Legacy Corporation (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:

    - specified 3 Mills Studio Agreements 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; specified standard form event hire agreements which have been delegated to senior members of the Park Operations and Venues team;

    - 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 £15,000 or less require which have been delegated to senior members of the Park Operations and Venues team;

- standard form employment contracts which have been delegated to any one of the Chief Executive, the Deputy Chief Executive or the HR Director;

- 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); and

- non-disclosure agreements which can be signed can be signed by any two members of EMT.

- 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.

The Legacy Corporation 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 the Legacy Corporation must also be approved by the TfL legal team for signing (unless the agreement is an un-amended the Legacy Corporation 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 Initiation Documents (PIDs) 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 the Legacy Corporation'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 or procurement) is ensured by the working policies, procedures and practice of the relevant the Legacy Corporation team. Policies are approved by the Executive Management Team following consultation with the Employee Forum and Management Forum and available for staff on the Legacy Corporation's intranet.

Audit Committee and internal audit

The Audit Committee helps to raise the profile of internal control and risk management within the Legacy Corporation through considering a standing item on internal control and risk management at each meeting and reporting back to the Legacy Corporation'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 the Legacy Corporation'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 the Legacy Corporation's website which helps to enhance public trust in the Legacy Corporation's financial governance.

The Audit Committee is made up of members of the Legacy Corporation'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) commenced work as the Legacy Corporations 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, as 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. The Legacy Corporation's progress against agreed internal audit recommendations are 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 2020/2021 annual report is on the agenda for the first Audit Committee meeting in 2021/2022:

The Head of Internal Audit's overall opinion for 2020/2021 is that the Legacy Corporation has an adequate internal control environment which is generally operating effectively.

The full audits carried out as part of the 2020/2021 Internal Audit plan are listed below with assurance ratings[5]:

- Contract Management Advisory Review - To be concluded in 2021/22
- Legal Services – Adequate Assurance
- East Bank – Project Management Partner (MACE) – To be concluded in 2021/22
- LLDC, E20 & LS185 Human Resources Policy – Adequate Assurance
- LLDC, E20 & LS185 Payroll - To be concluded in 2021/22
- LS185 Governance - To be concluded in 2021/22
- Procure to Pay Advisory Review – Adequate Assurance

Completed follow up reports are set out below:

- Construction Management – Adequate Assurance
- London Stadium Review - To be concluded in 2021/22

Other reports:

- Health, Safety and Security Committee - Adequate Assurance

[5] 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.

Code of Corporate Governance

The Legacy Corporation's code of corporate governance sets out the Legacy Corporation's approach to openness, accountability and effective governance. The code was revised in 2017 to reflect the seven 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 the Legacy Corporation's former code was based. The revised code was presented to the Audit Committee in July 2017.

Performance against the code is evaluated on an annual basis and included in the Annual Governance Statement and any areas for improvement identified. Overall, the Legacy Corporation 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 2020/21 includes:

- a refresh of the code for review by the Audit Committee in July 2020
- adding information about new initiatives such as Inclusion and Diversity and healthy workplace to the code
- commencement of a review of information that could be published for LLDC subsidiaries
- working with the other functional bodies to procure a whistleblowing service provider to provide a telephone and online reporting tool for employees

The areas for further work identified for the next financial year include:

- ongoing reviewing the corporate policies referenced in the code
- refreshing the transparency pages and including information about LLDC subsidiaries

Greater London Authority (GLA) Corporate Governance

The Legacy Corporation 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 also an on-going dialogue with the Mayor's office to ensure that the activities of the Legacy Corporation are aligned with the Mayor's general policy framework. The Legacy Corporation became a signatory to the GLA Group Framework Agreement in September 2016 and has incorporated its requirements of the Agreement into its operational and governance arrangements. During 2020/21, LLDC updated its register of interests form and Gifts and Hospitality Policy in line with changes made by the GLA and is reviewing its code of conduct policy to align with the changes in relation to declarations of interests.

Whistleblowing and complaints

The Legacy Corporation's Whistleblowing Policy is on its intranet, available for all staff setting out how employees can report concerns. The Policy includes provision for staff members to report concerns directly to the Chair of the Audit Committee if necessary. The Audit Committee last reviewed the policy in November 2019. During 2020/21, LLDC has worked with other GLA functional bodies to procure a procure a whistleblowing service provider to provide a telephone and online reporting tool for employees. The service will be rolled out in 2021 and the policy will be updated.

The Legacy Corporation's Complaints Policy was formally adopted and added to the website in May 2013 and was last updated in July 2020. It sets out how the Legacy Corporation 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 Legacy Corporation's response. This includes a dedicated email address to receive complaints.

Meeting development needs of members and senior staff

LLDC's aim is to support staff to enhance their skills and knowledge whilst creating a learning culture that encourages personal responsibility for development. We have done this through delivery of a comprehensive learning programme for all staff, which has provided inclusive leadership and management, diversity and inclusion, governance and business and health and wellbeing training including mental health line manager training and 15 mental health first aiders. In addition, we have participated in a Women's Leadership Development programme, 'Our Time' for the second year which has enabled 4 women to learn, develop and network through routes that may not have previously been accessible to them.

Community and Business Team

Creating successful new places is about much more than building houses, roads and schools. Its people that bring a place to life and give it identity and potential. This is what the Communities and Business programme – "Living Places" is all about. The Legacy Corporation's Community and Business Team manages a programme of active engagement with local people and organisations through the delivery of; community projects and interim uses, community sports programme, consultation on development proposals and through participation in relevant local community forums and hosting its own local representative groups including Park Panel, Youth Board and Legacy Youth Voice. These groups provide important ongoing opportunities for the two-way flow of information, issues and ideas between the diverse local communities around the Park and the Legacy Corporation. Last year, the Communities and Business team merged with the Sustainability team and expanded the remit of the overall programme to include an increased focus on Innovation activity (digital infrastructure, data management, urban testbed development, accelerator programmes, network management, shared resources, co-ordinated research and funding bids etc) alongside a climate adaptation strategy, fair energy project, supporting Library of Things to open in Hackney Wick and delivering core environmental sustainability objectives. Over the last 12 months work has focused on forming the partnership, business plan and branding strategy for the Park's inclusive innovation district. This includes establishing the Park as an urban testbed and delivering a number of innovation trials within the themes of Mobility, Health & wellbeing, Clean Tech and Culture & Creation.

During the financial year, the Legacy Corporation has progressed pre-application consultation on Pudding Mill masterplan development. The Corporation is also working closely with Network Rail, TfL and the London Borough of Newham to progress the business case and outline design detail for redeveloping Stratford station which includes consultation with local businesses and members of the public. The Corporation continues to deliver on a number of community led interim uses including Mobile Garden (which this year moved to its second location on Park at Hackney Bridge), skatepark, Hub 67 and The Hall. Hub 67 (a temporary community centre in Hackney Wick designed and built by the Corporation in direct collaboration with local residents) is now in its 6th year of operation and has welcomed thousands of regular visitors over the years. The Corporation also supports East Village Trust in the delivery and management of the East Village community space called "The Hall" and this year the community space at Chobham Manor was completed and fitted out with residents involved in selecting the operator.

The last 12 months have clearly been unusual and extremely challenging in the fallout from the pandemic. The Corporation responded through the community and business programme by delivering emergency COVID-19 response grants, helping set up and support a local foodbank (based at The Hall) and supporting local community partners to deliver response work such as local delivery schemes to those who were isolating or vulnerable. We also transferred many of our engagement programmes on line such as East Summer school, Legacy Youth Voice and our Youth Conference. The Corporation's Youth Board is in the process of recruiting six new members and a position on the Corporation's main Board has been ringfenced for applications from current or former Legacy Youth Board members; this is the first time the Corporation's main Board will include a board member that is 30 years or under.

Sadly, community events such as Great Get Together, Festival of Sport and Family Fun days were not able to happen in 2020. However, we are developing a series of smaller community events this summer in order to build back confidence in the shared public realm. The Corporation has delivered the Blossom Garden as a reflection space in memory of all those affected most by Covid-19 and in addition we have delivered a community grants programme to help activate this beautiful space with a range of mindful and reflective experiences.

Clearly the impact of the Covid-19 global pandemic has altered the course of delivery methods and activity considerably. Huge sways of the Community and Business programmes have had to adapt rapidly to changing circumstances. Some events and projects have been paused or cancelled but a massive amount of work has been directed towards assisting the community and business response both immediate and more medium to long term recovery.

Significant changes in the Board

Following the postponement of the 2020 Mayoral election due to Covid-19, the planned recruitment of new Board members was delayed and the appointment terms of the four Board members whose terms were due to end in September 2020 were extended to September 2021. Following a recruitment process for a Board member with a track record in commercial and residential property development, Jamie Kerr was appointed to the Board on 1 January 2021. A recruitment process to identify four new Board members is underway with appointments expected in autumn 2021. One of the Board members will be recruited from the pool of former and existing Legacy Youth Board members.

Significant governance developments since the reporting date

LLDC Board and Committees were able to meet remotely and take decisions because of the flexibilities in the Coronavirus Act 2020 and its associated Regulations[6]. These flexibilities ceased on 7 May 2021. Given that it may not have been practicable to convene in-person public meetings due to ongoing Coronavirus uncertainty, LLDC adopted a new Remote Decision-Making Scheme from 7 May 2021[7].

Under the new Scheme, the Chair or the Committee Chairs have a delegation from the Board to decide whether it is appropriate or desirable to transact business either at an in-person meeting, or with decisions being taken by the relevant Chair under a delegation conferred by the Scheme following consultation at a proceeding of the relevant Advisory Panel.

The provisions of the new Scheme will apply 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 current and developing risks to public health posed by Covid-19, the practicality and availability of members to meet in person in compliance with social distancing guidance and requirements.

As with the previous Remote Decision-Making Scheme (in place from April-July 2020), Advisory Panel proceedings will mirror the way in which physical meetings take place so that they can be open and transparent to the public and enable Board or Committee members to participate remotely in

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

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

discussions, with the decision being taken by the relevant Chair[8], following consultation in line with the provisions set out in the Scheme. This will involve agendas being published 5 working days in advance, with details of how the public can follow the remote proceedings and, in the case of the Planning Committee Advisory Panel, be able to make representations. A record of the proceedings containing a statement of to the Chair's decisions on each of the items of business on the Advisory Panel Agenda will be published on the website as soon as is practicable.

The new Remote Decision-Making Scheme was put in place using the urgent action provision in the Scheme of Delegations so that this could be in place by 7 May 2021.

LLDC has conducted risks assessments to enable it to hold in-person meetings in a Covid-secure way

[8] Under the 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

Significant governance issues

Significant governance challenges for the Legacy Corporation in the year ahead are set out below together with the proposed management response:

Issue	Proposed response
Enabling an effective and high performing Board.	Annual meetings by the Chair with Board members. Regular Board away days to enable strategic input. Consideration of the scope, format and timing of a Board effectiveness review during 2020/21. Continued succession planning which takes account of term lengths of Board members. Recruitment of new Board members during 2020/21 to replace key skill requirements. Continuous improvement of quality of Board and Committee papers.
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, this also sets out the medium-term funding challenges including the impact of Covid-19. Development of the Marketing, Sponsorship and Park Assets Strategy 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.	Integrated assurance framework in place which follows recognised best practice of the three lines of defence model to provide assurance to funders, partners and the Legacy Corporation Board that the risks to the programme are being successfully managed. East Bank Risk and Assurance Board, with an independent Chair reviews construction delivery of East Bank. Independent Chair also attends Investment Committee. Governance structures in place include partners and funders. Regular review of governance structures.
Developing staff and corporate culture to respond to a changing role.	Delivery of the Inclusion and Diversity strategy and action plan including the Inclusive Culture Campaign. Regular employee surveys. Workforce transition planning and employee engagement. Focus on health and wellbeing and clear internal communications during lockdown.

	Consultation with employees to ensure that recovery plans are made with recognition to employees' requirements, in line with business need, and are well communicated.
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 sharing some elements of procurement with the GLA.
Continuing enhancing the internal control environment.	Continuous review and enhancement of budgeting and business planning process. Regular audits of finance systems.
Ensuring the Legacy Corporation has the right skills to deliver its objectives as its purpose evolves.	Continued workforce planning and reviews of staff and resourcing. Developing talent from within is a key strand of Inclusion and Diversity action plan and transition planning.
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 the Legacy Corporation executive provide oversight and monitor development of a commercial strategy for the Stadium. Development of a commercial strategy for the Stadium.
Ensuring a comprehensive Transition Strategy is developed and laying the foundations for effective implementation	Regular engagement with the Board, GLA and local Boroughs and staff. Board approved high level transition strategy in February 2020. Effective transition governance structure in place

The Legacy Corporation 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

5 November 2021

Peter Hendy

Chair

5 November 2021

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 the Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation's accounts.

Creditors

Amounts owed by the Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation, 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 the Legacy Corporation has made proper arrangements to secure value for money in its use of resources.

Expenditure

This is amounts paid by the Legacy Corporation 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 the Legacy Corporation, 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 the Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation 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 the Legacy Corporation).

Intangible fixed assets

These are fixed assets that do not have physical substance but are identifiable and controlled by the Legacy Corporation. 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 the Legacy Corporation.

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 the Legacy Corporation 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 the Legacy Corporation. 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 the Legacy Corporation 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 the Legacy Corporation.