LONDON LEGACY DEVELOPMENT CORPORATION

ANNUAL REPORT AND ACCOUNTS

2021/22

STATEMENT OF AUDITED ACCOUNTS

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Chair’s foreword

In celebrating the 10th anniversary of the London 2012 Olympic and Paralympic Games, it would be easy to simply focus on that wonderful summer of sport, and the greatest Olympic and Paralympic Games ever held.

Yet, Queen Elizabeth Olympic Park, as it now is, is about so much more than national and international sporting success. There has been extraordinary urban regeneration taking place in east London in the decade since London 2012, whose benefits are now becoming increasingly apparent.

The changes that can be seen all around the Park have been made possible because of brave and decisive political decisions at local, London and national level, continued cross-party support and collaboration between the public and private sectors.

This is a world-beating park with vibrant venues and glorious open spaces, but it is only successful if it drives change, opportunity and investment which benefit the people who live and work here. Working closely with our partners – including the London Boroughs of Newham, Hackney, Tower Hamlets and Waltham Forest - much has already been achieved, and we also know there is more to come.

As we emerge from the pandemic and we get to grips with London’s economic recovery, Queen Elizabeth Olympic Park will start to play an ever-larger role as our legacy work continues.

We have started to welcome back major events – Commonwealth Games cycling at Lee Valley VeloPark, world diving at the London Aquatics Centre, England Roses Netball at the Copper Box Arena, Premiership football at London Stadium and the new ABBA Arena at Pudding Mill – which help cement this area as an international visitor destination. And I am as proud that these brilliant venues, and the Park, also host many hundreds of thousands of visits each year, many from local people, who can access some of the best sporting facilities anywhere in the world.

In the summer we launched our inclusive innovation district SHIFT, later this year UCL has opened the first part of its huge new campus as part of East Bank, which will then welcome UAL's London College of Fashion, Sadler’s Wells, the V&A, and BBC Music. These are huge opportunities and bring into focus why we must look to the future as much as to the past.

None of this would be possible without our people, who get on and deliver with our partners. On behalf of the Board, I would like to thank our Chief Executive Lyn Garner, her executive directors, and the staff at LLDC, for their continued outstanding work that has delivered so much already for east London.

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

Congratulations to the Mayors and Leaders, who following the local elections, returned to our Board. We are delighted also to welcome our new Board Members – Gabrielle Appiah, Gurpreet Dehal, Phil Mead, Helene Raynsford and Lutfur Rahman – who between them bring a wealth of experience to help shape our future direction.

My particular thanks go to the members who have retired from the Board; Sonita Alleyne, Nicky Dunn, Keith Edelman and Baroness Tanni Grey-Thompson, Cllr Clare Coghill, and Cllr Rachel Blake for their very significant contributions, which have helped shape the legacy of the London 2012 Games

Lord Peter Hendy CBE
Chair
28 July 2023

Chief Executive's statement

The celebrations marking the 10th anniversary of the London 2012 Games gave an opportunity not just to reminisce about the summer of 2012 but also to look forward to what is still to come.

All of our work is focused on delivering the projects and schemes that will realise the promises made in the run up to 2012 – homes, jobs, and opportunities for local people.

One such project is East Bank, our flagship culture and education district. Topping out ceremonies have now been held for all the key buildings - UCL East's new campus, UAL's London College of Fashion building, the new V&A East Museum, BBC Music and Sadler's Wells East.

It has been a phenomenal effort to maintain building work on such constrained sites during the pandemic but later this year, UCL's first building opened at One Pool Street marking the countdown to the conclusion of the construction phase of this amazing development and all the institutions opening their doors to students and visitors and all the opportunities that will flow.

Our eye to the future is also ensuring that the infrastructure exists to support the ambition for the area. Working with Network Rail, Transport for London, and LB Newham, we appointed 5th Studio architects to deliver the planning and development framework for improving Stratford Regional Station and developing plans for the wider regeneration of Stratford town centre. This is a hugely ambitious project that will help to secure the long-term transport infrastructure the area needs to drive the maximum benefit from the investment already made.

Our work to deliver new homes continued throughout the year – with Chobham Manor, the first neighbourhood at Queen Elizabeth Olympic Park, nearing completion delivering 880 homes – 75 per cent of them family-sized. Across the River Lea a further 300 homes have been built and occupied on the first phase of our second neighbourhood, East Wick. The Reserved Matters planning application was also approved for the following phases, increasing affordable housing levels from 31 per cent to 34 per cent.

We worked with the London Borough of Hackney to submit a masterplan for a new neighbourhood centre around Hackney Wick train station. The plans include 190 new homes, and 4,000 square metres of commercial space, of which 24 per cent is low-cost. The Planning Decisions Committee resolved to approve the application in July 2022.

The Pudding Mill neighbourhood also progressed with an outline planning application for 950 homes and 36,000 square metres of employment space at Pudding Mill Lane, which will create a new Neighbourhood Centre adjacent to the DLR Station, and an outline planning application for 575 homes, including 50% affordable homes at Bridgewater Triangle as well as a new bridge across Waterworks River to improve connections with the surrounding area. The Planning Decisions Committee resolved to approve the Bridgewater Triangle application in July 2022 and Pudding Mill Lane in October.

Connections between the Park and surrounding area were boosted with the opening of Gainsborough Bridge in November 2021, which provides new pedestrian and cyclist access to the north of the Park. A new underpass at Hackney Wick Station also opened to improve north-south connections between Hackney Wick and Fish Island.

We saw the Park returning towards pre-pandemic levels of activity. The world-class venues reopened to the public during the summer, although London Stadium's summer events had to be postponed. Even so, the former Olympic stadium hosted a mass vaccination centre in June 2021 before opening its doors to West Ham United's fans for the start of the 2021-22 season, with record numbers attending throughout the year. Planning permission was also granted to increase future capacity to 62,500.

Elite sports and events have returned with professional netball and basketball at the Copper Box Arena; international hockey at the Lee Valley Hockey and Tennis Centre; elite cycling at the Lee Valley VeloPark; and swimming championships at the London Aquatics Centre.

Again, with an eye to the future, major events were announced throughout the year for summer of 2022 – in particular, concerts at London Stadium, and the Park serving as one of the main venues for this year's London Festival of Architecture. Included in these were plans to mark the 10th anniversary of the London 2012 Olympic and Paralympic Games with the lighting of an Anniversary Flame; and the staging of one of the biggest community events the Park has yet hosted, the Great Get Together. The Mayor of London also announced the return of Major League Baseball to the capital with matches planned for 2023, 2024 and 2026.

ABBA Voyage was announced in September 2021 with a temporary 3,000-seat venue that will host concerts featuring digital avatars of ABBA and a ground-breaking light and sound show. Strong early ticket sales, with more than 25 per cent coming from overseas buyers, highlighted the importance of the Park and its events to London's economic recovery.

The London Aquatics Centre operated by GLL was at the centre of a major incident following a chlorine gas leak, in March 2022. The emergency services responded magnificently to assist all those affected. The investigation into the cause of the incident continues.

The fourth year of the Shared Training and Employment Programme (STEP) was launched in May 2021. This programme gives young east Londoners 12-month traineeships, paying the London Living Wage, in culture and creative organisations like Sadler's Wells, the V&A, the BBC, UCL, Prettybird, Worldwide FM and Bow Arts Trust. STEP is delivered as part of the Good Growth Hub at Hackney Bridge, a new focal point for local people seeking Park-based careers and for employers looking to recruit diverse, local talent.

In July 2021, East Summer School saw 300 young east Londoners sampling courses in fashion, engineering, dance, horticulture, and coding, to give them a taste of the career opportunities being created around the Park.

And in the autumn, 200 horticultural apprentices took part in a Green Spaces and Wild Places Discovery Day in October, hosted by LLDC and the Royal Parks Guild. The apprentices were able to learn about career paths in horticulture and environmental management.

February 2022 saw TfL Commissioner, Andy Byford, join apprentices at Build East, the Park's construction, and training skills academy, to mark National Apprenticeship Week. The following month, 350 14 to 18 year-old from across east London took part in East Careers Week, with workshops run by East Bank and local partners.

The film studios at 3 Mills have been an incredible success story and in the autumn the Mayor announced £6m of investment via the GLA, the government and LLDC to support the renovation and modernisation of historic buildings. The funding will enable the creation of new and improved lettable spaces for film and television production businesses.

The excellence of our parkland was recognised with the Park achieving the Green Flag Award for the eighth consecutive year. The award is testament to the quality of the landscape and the vital importance green spaces played in the lives of Londoners during the pandemic.

It is fitting that the Park hosts the London Blossom Garden, opened in May 2021. Its 33 trees – one for each of the London boroughs plus the City of London Corporation – provide a place for reflection to remember those who lost their lives during the pandemic and pays tribute to London's brave key workers who risked their own lives to help others and keep our city moving.

The Park is a place of numbers – thousands of homes, tens of thousands of jobs, millions of pounds of investment. But perhaps one of the most telling figures came from a survey which highlighted what local people think of this new place. The results showed that 81 per cent of people believe it was right to invest in the Olympics and Paralympics 79 per cent are proud of its legacy. A fitting testimony for our anniversary year.

Lyn Garner
Chief Executive
28 July 2023

Members of the London Legacy Development Corporation

The Members of the London Legacy Development Corporation during the year ending 31 March 2022 are set out below. This includes Members who joined and left the Board during the year.

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 the last 25 years Simon Blanchflower has been involved in leading the development and delivery of major infrastructure projects. Following the successful conclusion of his role as the Major Programme Director on the Thameslink Programme, which included the re-building of London Bridge station, he was appointed as the Chief Executive of East West Rail Co Ltd in 2018, a role he retired from at the end of March 2022. He has experience of chairing the Boards of charitable companies and for the last 35 years has invested into his local community in North Kensington with particular interests in education and housing. He is a Fellow of the Institution of Civil Engineers.

Pam Alexander OBE

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

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

In April 2023, LLDC was very saddened to hear that Pam Alexander had passed away. See the statement published by LLDC at this link.

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, the Freelands Foundation and Wickes Plc. Previous roles have included: Governor of the Museum of London, 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.

Sonita stood down from the Board on 30 September 2021 at the end of her appointment term.

Shanika Amarasekara MBE

Shanika is the Chief Impact Officer at British Business Bank with responsibility for the Insight & Impact team which incorporates Economics, ESG, Policy and Strategy and Public Affairs 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 previously worked at RBS as a Director and prior to that was a Senior Associate in the Capital Markets team at Allen & Overy. In 2020, Shanika was 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.

Rachel stepped down from the Board in May 2022.

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 stood down from both Leadership of the Council and from LLDC Board in September 2021.

Nicky Dunn OBE

Nicky Dunn OBE has extensive experience in the leisure industry. In her executive career she held senior positions for SMG the world's largest venue operator, overseeing feasibility, studies, planning, designing, construction and then operating large venues. Her experience includes theatres, arenas, stadia and conference and exhibition venues. As a non -executive director (NED) Nicky has become increasingly involved in infrastructure as well as maintaining roles in leisure. Nicky chairs Jockey Club Live, she is an NED of Ports of Jersey, (Ports and Harbours) a NED of Todd Architects and is a Trustee of the Young Vic Theatre. Previous roles include Chair of Titanic Foundation, which owns the award-winning Titanic Belfast visitor attraction in Belfast and Chair of Netball World Cup 2019

Nicky stood down from the Board on 30 September 2021 at the end of her appointment term.

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

Keith stood down from the Board on 30 September 2021 at the end of his appointment term.

Mayor Rokhsana Fiaz OBE

Mayor Rokhsana Fiaz OBE was elected the Mayor of Newham in May 2018 and is the lead member for Inclusive Economy and Housing Delivery. Since her election, she has been leading a transformative and radical agenda in Newham, reflecting a series of manifesto commitments to address inequality and poverty in the Newham, invest in young people to widen opportunities, embed Community Wealth Building as the economic approach being adopted by the Council, increase participatory democracy and respond to the Climate Emergency.

As part of an ambitious programme of scaling up Council housing delivery in the borough she is leading one the most ambitious genuinely affordable housing programmes in London through a number of significant regeneration schemes, including the Carpenters Estate and the Affordable Homes for Newham programme.

In response to Covid-19, she has led the Council's development of its 'Towards a Better Newham' strategy and action plan, and Newham has become the first council in the country to make the health, happiness and wellbeing of its residents the key indicator of economic success. She is the co-chair of London's only Enterprise Zone in the Royal Docks and is a member of the Mayor of London's LEAP Board.

As an advocate for racial justice and equalities, Rokhsana was awarded an OBE in 2019 for services to Black and Minority Ethnic Communities in the UK.

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 LLDC'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.

Tanni stood down from the Board on 30 September 2021 at the end of her appointment term.

Sukhvinder Kaur-Stubbs

Sukhvinder's commitment to community investment and place based working spans 30 years including leadership roles at English Partnerships, the Black Country Development Corporation, the Regional Development Agency (West Midlands) and housing associations. She 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 social justice. She served on the Prime Minister's Taskforce for Deprived Neighbourhoods and the Cabinet Office Better Regulation Executive. During the 2012 Olympics, she Chaired Volunteering England and was a member of the Prime Minister's Giving Summit. More recently, she was an Our Time Champion for the Mayor of London.

At the heart of Sukhvinder's work, is her commitment to improving life chances and enabling everyone to achieve their best. She is passionate about supporting the communities of East London to secure long term benefits of local investment.

Jamie Kerr

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

Jules Pipe CBE

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

Geoff Thompson MBE

Geoff Thompson MBE FRSA DL 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 educational non-attainment, health inequality, anti-social behaviour and crime in some of Britain's most troubled communities.

Geoff is also an Advisory Board Member of the Muhammad Ali Centre, Louisville, Kentucky. His public and private sector appointments have included chairing Sport England's Advisory Group on Racial Equality in Sport and serving as a member of its grant assessment panel, Director of the Sports Council Trust Company, board member of the New Opportunities fund, an honorary fellow of the former Institute of Leisure, Amenities and Management, fellow of the Royal Society of Arts and Independent Assessor for the Office of the Commissioner for Public Appointments. He was the Chair of the Board of Governors of the University of East London between 2017 - 2019.

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 this year awarded an honorary professorship of the International Business School at Xi'an Jiaotong-Liverpool University, Suzhou, China. Geoff was recently appointed as an independent non-executive director and Chair of the Professional Footballers Association's Operational Board. He is also Deputy Chair of the Birmingham 2022 Commonwealth Games.

Cllr Grace Williams

Grace has recently become Leader of Waltham Forest and is overseeing the Council's 'Fair Deal' programme to support residents to recover from the pandemic. Before this, Grace was Cabinet Member for Children, Young People and Families for five years, leading Children's Services to a good with outstanding for leadership and management judgement in 2019. Grace still oversees Waltham Forest's Life Chances programme which is improving outcomes for children and young people. Grace's role including leading work to reform our SEND service and to ensure fairer and more sustainable funding principles. Before becoming a councillor in 2014, Grace was a Civil Servant in central government, working on research and policy including in the areas of child poverty and disability equality. This was followed by five years working as a secondary English teacher in London schools. Grace has regularly supported other Children's Cabinet leads as an LGA Mentor. Grace is also a trained coach which informs her approach to leadership and management. Grace lives in Waltham Forest with her husband and two children.

Grace was appointed to the Board on 27 October 2021.

Gabrielle Appiah

Gabrielle Appiah is a former member of Legacy Youth Board from 2014-19 who went on to study Planning at undergraduate and master's level. She is currently a Senior Stakeholder Engagement Consultant at AECOM delivering consultation and engagement for internationally significant infrastructure projects across the UK. Gabrielle is also Co-Vice Chair of Women in Planning London, and a Licentiate representative member of The Royal Town Planning Institute General Assembly and International Committee.

Gabrielle was appointed to the Board on 1 October 2021.

Gurpreet Dehal

Gurpreet Dehal is an experienced non-executive director whose current portfolio includes Defence Infrastructure, Equiti Capital UK, The University of Derby and E-ACT Multi Academy Trust. His executive career had a strong focus on risk, business and operational leadership, working for large corporations including Merrill Lynch and Credit Suisse - where he held the role of Managing Director and Chief Operating Officer for Global Prime Services. He left Credit Suisse in 2014 to begin his portfolio career.

Gurpreet was appointed to the Board on 19 October 2021.

Phil Mead

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

Phil was appointed to the Board on 2 November 2021.

Helene Raynsford

Helene Raynsford became the first ever Paralympic Rowing Gold Medallist at the 2008 Beijing Games after becoming World Champion in 2006 as a single sculler. Prior to rowing she was part of the Great Britain Women's Wheelchair Basketball Team. Growing up Helene had hoped for a career in dance having attended both the Royal Ballet School & Elmhurst Ballet School. However, injury meant a career change into projects covering both science and sports governance.

Helene has over 14 years' experience in the NHS and Local Authority as a trained Public Health Professional at local, regional and national level. She took a secondment to LOCOG[1] as part of the Sport

[1] The London Organising Committee of the Olypmpic and Paralympic Games (LOCOG)

Management Team for rowing across both Olympics and Paralympics and went on to Chair the 2012 Paralympics Legacy Programme 'Motivate East' from 2014-2016.

Helene is Chair of the British Paralympic Associations Athletes' Commission where she is also a Non-Exec Director. She Chaired the 2016 Inclusion summit at the Rio Games on behalf of the IPC & is on the International Advisory Board for of the World Academy of Sport. Helene has great passion for increasing levels of physical activity within communities at grass roots level and the benefits to individual's wider outcomes of wellbeing. Helene is in her second term an Elected Non-Exec Director at the Sport & Recreation Alliance, that brings together nearly 400 member organisations of the sport and recreation sector to act as a voice for them to Government and support by providing advice and guidance at a grassroots level. She is also a member of the International Advisory Board of the World Academy of Sport and having completed an MSc and MPH she is currently studying a Post Grad in International Sports Management. She undertakes consultancy work and project work covering a wide range of partners across health and sport as well as being part of a research group at Oxford University.

Helene is a trustee and patron for a number of charities supporting young people and adults with disabilities. She believes in the power of sport and physical activity has huge impact upon the wellbeing (both physical and emotional) of everyone, especially those with long term health conditions and disabled people. Helene is interested in mental health having been part of the NICE Committee, as an expert panel member, who wrote the national Suicide Prevention Guidelines as an expert member and as an Ambassador for the British Inspiration Trust looking to increase inclusive physical activity opportunities for young people at university and college whilst raising money for charities who support student mental health.

Helene was appointed to the Board on 22 December 2021.

Changes to Board membership

Four Board members (Sonita Alleyne, Nicky Dunn, Keith Edelman and Tanni Grey-Thompson) stood down from the Board on 30 September 2021 at the end of their appointment terms. Following an external recruitment, four new Board members were appointed to the Board: Gabrielle Appiah on 1 October 2021, Gurpreet Dehal on 19 October 2021, Phil Mead on 2 November 2021 and Helene Raynsford on 22 December 2021.

Cllr Clare Coghill of the London Borough of Waltham Forest stood down from the Board in September 2021. Following her appointment as Leader of Waltham Forest Council in September 2021, Cllr Grace Williams was appointed to the Board on 27 October 2021.

The Mayor of the London Borough of Hackney Phillip Glanville and the Mayor of the London Borough of Newham Rokhsana Fiaz were reappointed to the board in May 2022 following their re-elections in the local government elections. Cllr Rachel Blake of the London Borough of Tower Hamlets stepped down from the Board in May 2022. Following his election as Mayor of the London Borough of Tower Hamlets in May 2022, Lutfur Rahman was appointed to the Board on 12 July 2022.

Attendance at LLDC Board and Committee meetings during 2021/22

	Meetings of the Board attended	Meetings of the Audit Committee attended	Meetings of the Investment Committee attended	Meetings of the Regeneration and Communities Committee attended	Meetings of the People, Organisation and Culture Committee attended	Meetings of the Health, Safety and Security Committee attended	Meetings of the Planning Decisions Committee attended	Notes
Total number in the period	6	4	4	3	3	4	5	See note 1
Sir Peter Hendy	6/6	-	2/4	-	3/3	-	-	
Pam Alexander	6/6	-	-	-	-	-	5/5	
Sonita Alleyne	1/3	-	-	1/2	-	-	-	See note 2, 3
Shanika Amarasekara	5/6	4/4	3/4	-	-	-	-	
Cllr Rachel Blake	6/6	-	-	-	-	-	-	
Simon Blanchflower	6/6	-	4/4	-	3/3	4/4	-	
Cllr Clare Coghill	1/1	-	-	-	-	-	-	See note 2
Nicky Dunn	3/3	-	0/1	-	1/1	2/2	-	See note 2, 3
Keith Edelman	2/3	2/2	1/1	-	1/1	2/2	-	See note 2, 3
Rokhsana Fiaz	6/6	-	-	-	-	-	-	See note 4
Philip Glanville	5/6	-	-	-	-	-	-	
Baroness Tanni Grey-Thompson	3/3	2/2	-	2/2	-	-	-	See note 2, 3
Sukhvinder Kaur-Stubbs	6/6	-	-	3/3	3/3	-	4/5	See note 3
Jamie Kerr	5/6	-	-	-	1/1	-	4/5	See note 3
Jules Pipe	5/6	-	-	-	-	-	-	
Geoff Thompson	5/6	3/4	-	3/3	-	-	-	
Gurpreet Dehal	3/6	2/2	3/3	-	-	-	-	See note 2, 3
Phil Mead	3/6	-	2/2		-	1/2	-	See note 2, 3
Gabrielle Appiah	3/6	-	-	-	-	-	-	See note 2
Helene Raynsford	2/6	1/1	-	-	-	0/1	-	See note 2, 3
Cllr Grace Williams	3/6	-	-	-	-	-	-	See note 2
Cllr Nick Sharman (LBH)	-	-	-	-	-	-	5/5	See note 4
Cllr Marie Pye (LBWF)	-	-	-	-	-	-	4/5	See note 4
Cllr Dan Tomlinson (LBTH)	-	-	-	-	-	-	4/5	See note 4
Cllr Rachel Tripp (LBN)	-	-	-	-	-	-	4/5	See note 4
Cllr James Beckles (LBN)	-	-	-	-	-	-	4/5	See note 4
Cllr Daniel Blaney (LBN)	-	-	-	-	-	-	0/1	See note 4
Piers Gough	-	-	-	-	-	-	5/5	
Emma Davies	-	-	-	-	-	-	2/2	See note 3
James Fennell	-	-	-	-	-	-	4/5	

Victoria Oakley	-	-	-	-	-	-	2/2	See note 3
Abdul Thahid	-	-	-	-	-	-	3/3	See note 3
Martha Grekos	-	-	-	-	-	-	3/3	See note 3

Notes:

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

1. During the financial year, LLDC reverted to holding in-person Board and Committee meetings following the end of the Coronavirus Act flexibilities (see Annual Governance Statement). Advisory Panel meetings were held under LLDC Remote Decision-Making Scheme as follows: Board in May and July 2021; Audit Committee in July 2021; January 2022 and March 2022; Investment Committee in June 2021; Regeneration and Communities Committee in June 2021 and December 2021; People, Organisation and Culture Committee in July 2021 and March 2022; Health, Safety and Security Committee in June 2021; Planning Decisions Committee in July 2021. Where in-person meetings were held, only those Members physically present counted towards the quorum and were able to vote. Some Members joined these in-person meetings remotely and were not counted in the quorum or did not vote.

2. Joined or left the Board during the course of the financial year (Cllr Clare Coghill left in September 2021, Cllr Simon Miller attended the July 2021 Board on her behalf; Sonita Alleyne, Nicky Dunn, Keith Edelman and Tanni Grey Thompson left at the end of September 2021); Cllr Grace Williams, Gabrielle Appiah and Gurpreet Dehal joined in October 2021; Phil Mead joined in November 2021; Helene Raynsford joined in December 2021).

3. Joined or left a Committee during the course of the financial year (Nicky Dunn and Keith Edelman left the Investment Committee, the Health, Safety and Security Committee, the People, Organisation and Culture Committee and the Audit Committee at the end of September 2021; Sonita Alleyne and Tanni Grey Thomson left the Regeneration and Communities Committee at the end of September 2021; Gurpreet Dehal joined the Investment Committee in October 2021 and the Audit Committee in November 2021; Phil Mead joined the Investment Committee and the Health, Safety and Security Committee in November 2021; Jamie Kerr joined the People, Organisation and Culture Committee in February 2022; Helene Raynsford joined the Health, Safety and Security Committee, the Audit Committee and the Regeneration and Communities Committee in February 2022; in relation to the Planning Decisions Committee, Cllr Daniel Blaney left the in June 2021, Emma Davies and Viktoria Oakley left in July 2021, Cllr Rachel Tripp joined in July 2021, and Martha Grekos and Abdul Thahid joined in September 2021.

4. 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, Cllr Rachel Tripp (until June 2021) and Cllr Joshua Garfield (from July 2021) are substitutes for Cllr Daniel Blaney (until June 2021), Cllr Rachel Tripp (from July 2021) and Cllr James Beckles). Cllr Rachel Tripp attended the June 2021 meeting for Cllr Daniel Blaney.

Narrative Report

London Legacy Development Corporation

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

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

The Mayor of London appoints the Members to LLDC's Board and allocates its budget. In addition, LLDC is required to prepare its Statement of Accounts in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

The Local Government Act 2003 section 21 empowers the Secretary of State to make provision about the accounting practices to be followed by a local authority and likewise issue guidance. Section 23 defines 'local authority' to include functional bodies of the GLA and therefore LLDC comes within the definition.

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

Financial review

Overview

As London continues its recovery from the Covid-19 pandemic, LLDC's financial position has remained robust despite the ongoing impacts of the pandemic. As reported in the Quarter 4 draft year-end outturn position[2], LLDC broadly delivered within its revenue funding envelope, despite pressures at the London Stadium due to cancellation of the summer event schedule. These were managed through over-delivery against savings targets elsewhere in the Corporation. In addition, the Corporation ended the year well within its approved borrowings limit, which supports its capital programme – both at East Bank and in bringing forward sites for development. Further details of the Corporation's capital and revenue position are provided later in this report. As the financial year came to a close in March 2022, the financial impacts of other global events were starting to be felt on LLDC's budgets. Inflationary pressures, particularly those relating to utility costs, will be prevalent throughout 2022/23 and likely for some time beyond. Whilst LLDC is financially resilient to absorb some of these pressures, support will also be required from the GLA.

The operations of LLDC's **venues,** principally the ArcelorMittal Orbit, Copper Box Arena and London Aquatics Centre, resumed successfully during the year, in accordance with changing Government guidelines. In line with previous trends, 3 Mills Studios continued to perform strongly as the studios and other ancillary space remained in high demand. This helped to offset the continued adverse impact of the

[2] Corporate Performance Report – March 2022 (see link here)

pandemic on LLDC's revenue position. LLDC is currently re-procuring its major operational contracts, the first of which (security services) was launched in 2021/22.

At the **London Stadium**, summer events were cancelled or postponed in 2021 due to the pandemic. However, following changes to lockdown restrictions, spectators returned to the Stadium for Premier League football in May 2021, where 10,000 supporters saw West Ham United's final match of the season against Southampton Football Club. West Ham subsequently completed their best season for many years, finishing in sixth place and qualifying for the Europa League.

Ultimately, the cancellation of 2021 summer events, and additional costs from West Ham United's Europa League matches, impacted adversely on the Stadium's financial results for 2021/22. There was also slippage to some areas of the Stadium's commercial income, which continued to be impacted by the pandemic. These factors resulted in an outturn for the London Stadium that was c£4.1m worse than budget. The financial results of London Stadium 185 Limited (the Stadium operator) are consolidated into LLDC's Group Accounts (via the E20 Stadium LLP Group accounts) in line with International Accounting Standards.

Events at the Stadium are returning in the summer of 2022 with major concerts, such as Red Hot Chili Peppers and Green Day, and other events including Monster Jam, Soccer Aid and the National League Final. The Mayor of London recently announced a long-term strategic partnership with Major League Baseball to hold major events in London over the next five years including regular season games in 2023, 2024 and 2026, futher enhancing London Stadium's reputation as a world-class multi-use venue.

At **East Bank** – LLDC's flagship project to deliver a world-class cultural and education district on the Park – construction work on the Corporation delivered Stratford Waterfront site continued in line with the revised programme. This project is bringing together the Victoria and Albert Museum (V&A), Sadler's Wells Theatre and the BBC alongside the UAL's London College of Fashion (UAL) in the heart of the Park at Stratford Waterfront. The V&A Collection and Research Centre will be located at Here East. Together, these institutions will form a new cultural and educational hub for east London, cementing the regeneration of the area, being a catalyst for job creation and economic growth, and strongly complementing the world-leading creative and technology sectors of east London. The four building structures on Stratford Waterfront are all now well progressed, with the V&A and UAL buildings holding their 'topping out' ceremonies in 2021, marking the buildings reaching their full height. Construction of the public realm is also underway. The programme of procurement of package contractors has completed, with the last of 38 procurements selected (awarded in April 2022).

Construction work at University College London's (UCL) new campus, UCL East, also progressed well during 2021/22. UCL East comprises academic facilities and student residential accommodation, in the south of the Park at Marshgate and Pool Street; the Pool Street site topped out in May 2021.

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 Quarter 4 Corporate Performance Report, the Anticipated Final Cost (AFC) of the East Bank project was £633.4m as at 31 March 2022, which was £5.1m higher than the current baseline budget. The main drivers of this were increases in the cost of design development and integration issues on site. The AFC is regularly updated, monitored and publicly reported in the Corporate Performance Report. Work to refine the forecast in line with the latest project programme continues.

In March 2021, LLDC Board approved a preferred bidder for the **Stratford Waterfront and Bridgewater Triangle** residential sites. These developments will be delivered via a joint venture, with LLDC (via its 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 are reflected in LLDC's budgets. Subject to Mayoral consent being granted, the appointment of the preferred bidder will allow the establishment of the joint venture in 2022/23.

Elsewhere on the Park, works on the **Chobham Manor** development progressed towards overall completion during 2021/22 with both Phases 3 and 4 due complete in 2022/23. LLDC's share of sales receipts from the development was £40.1m in 2021/22.

At **East Wick and Sweetwater**, a joint venture between Balfour Beatty and Places for People, construction of 302 homes (Phase 1) completed in 2021/22. Planning permission was also granted for the Reserved Matters applications for Phases 4 and 5 of the development – totalling 744 homes – allowing detailed design work to progress. Of these, 226 homes are affordable homes. All future phases of the development are now approved. For Phase 2, construction work is expected to start in 2022/23. LLDC's share of sales receipts from the development 2021/22 was £9.4m.

On LLDC's other key residential development sites:

- Notting Hill Genesis are to develop three strategic sites close to the recently refurbished Hackney Wick Overground Station, **Hackney Wick Neighbourhood Centre (Hackney Wick Central),** which is next to Queen Elizabeth Olympic Park. LLDC's Hackney Wick sites will deliver approximately 190 new homes. This will include 50% affordable housing in line with the London Plan and 4,500m² of commercial space, including flexible retail and community facilities. RIBA Stage 2 design is now complete with the planning submission and commencement of construction are expected to take place in 2023.

- Plans for **Pudding Mill** include new homes to meet the needs of families, a new neighbourhood centre around Pudding Mill Lane Docklands Light Railway (DLR) station, the creation of new workspace and improving connections between the Park to Stratford High Street and beyond. Pudding Mill's two sites: Pudding Mill Lane and Bridgewater Triangle , which together will deliver around 1,500 new homes and workspace for around 2,000 people. An outline planning application for Bridgewater Triangle was submitted in 2021 and the Planning Decisions Committee resolved to grant planning permission at its meeting in July 2022. The outline planning application for Pudding Mill Lane was submitted in December 2021 to be determined in late 2022. In March 2022, LLDC Board approved the delivery strategy for Pudding Mill Lane, which is to be via a joint venture similar to that for Stratford Waterfront and Bridgewater Triangle, which is a 50/50 joint venture with Ballymore and was formed in July 2022.

- 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, Pudding Mill Lane and Bridgewater Triangle) that are to deliver 50% affordable housing across the portfolio. Rick Roberts Way is expected to provide approximately 450 homes and potentially a secondary school. LLDC is working 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 2021/22 targeted particularly at young people. For example, Build East, the new Construction Training Centre at East Wick opened to learners at the beginning of June 2021 as the hub for the Park's Training Association. The Training Association is a partnership of major construction contractors on the Park and promotes a collaborative approach to skills training, apprenticeship recruitment, pay rates and conditions. A range of pre- employability training programmes have been designed to support under-represented groups to access apprenticeships and employment opportunities. Elsewhere, EAST Education, which is a partnership with the East Bank partners along with local partners including Here East, Liverpool Media Academy, Staffordshire University and Art Clubbers, delivered the East Careers week with over 20 sessions on the Park, with a total of 15 partners, with over 300 young people from a number of local schools.

Work has continued during the year on the planned **Transition** of the organisation in 2025. LLDC was established as the first ever Mayoral Development Corporation in 2012, to take forward commitments made in the original London 2012 bid in relation to the physical and socio-economic regeneration of Stratford and the surrounding area. There remains significant work to do to fulfill the commitments made in the original London 2012 bid with respect to the regeneration of east London. However, it is anticipated that a large part of LLDC's direct role in this will be complete by 2025. With a robust prioritisation of its workload, key objectives will have been delivered by 2025 and plans will be in place for the delivery of ongoing functions and the long-term operation and oversight of the Park. At its September 2021 meeting, the LLDC Board agreed that the Corporation will be restructured to oversee the long-term management of the estate, to realise the ongoing delivery of legacy, social and economic aims, and to coordinate future inward investment for the area.

For the long-term financial sustainability of the restructured body, LLDC's objective is that post-Transition, when developments on the Park are completed (early 2030s) and income from the Fixed Estate Charge has increased accordingly, the requirement for grant funding, excluding the London Stadium, will be eliminated. There is a substantial gap to bridge to achieve full financial sustainability; therefore, work is ongoing to review how this objective can be achieved. This includes reviewing the post-Transition cost base and focussing on increasing commercial income via the Park Business Plan. There are no financial implications for the 2021/22 financial year.

Funding for LLDC's **capital programme** for the development of the Park is provided through loan financing from the GLA, to be repaid from capital receipts generated from the exploitation of LLDC's ownership of land/development platforms on and around the Park and contributions from East Bank partners towards development costs. As detailed in LLDC's Treasury Management Strategy Statement 2022/23 (approved by the Board on 17 May 2022), LLDC's borrowing limit is currently £520m increasing to £550m in 2023/24; the GLA directly grant fund part of the East Bank project, and provide grant funding to LLDC directly so that its borrowing limit is not breached.

In 2021/22, LLDC drew £26.9m in loan funding from the GLA. The total outstanding loan balance due to the GLA as at 31 March 2022 is therefore £399.1m (from £372.2m as at 31 March 2021). Additional funding during the year for LLDC's capital programme came from £20.8m of capital receipts (including contributions from East Bank partners towards the cost of their buildings) and £100m of capital grants from the GLA.

Overall, as reported in LLDC's Quarter 4 2021/22 Corporate Performance Report, the net capital funding requirement for the year from the GLA was £14.9m (on an accruals basis), which was less than budgeted (£25.9m). LLDC's capital expenditure for the year was £184.6m against a budget of £244.5m reflecting mainly timing differences on capital projects, most particularly East Bank and Hostile Vehicle Mitigation (HVM) works on the Park. Capital income was £49.0m 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** was revalued at 31 March 2022 in line with accounting policies. These assets are either being developed for capital appreciation and disposal, or held by LLDC for their ongoing income potential, and are therefore classified as investment properties. A number of valuation methodologies are applied, for example the investment method, where rental income is capitalised at appropriate yields, and the profits method, where earnings are multiplied by an appropriate factor; land that is to be developed for residential and commercial use (but where development has not yet commenced) is valued based on what it is expected to be sold for (discounted using an appropriate rate to reflect the time value of money and risk). Also included in the valuation are parts of the East Bank project, which are being delivered at a net cost to LLDC (and therefore has a negative valuation until fully built).

LLDC's investment property portfolio is now valued at £167.2m, a net increase of £62.4m from the prior year. This is largely due to positive changes in the valuations for East Wick and Sweetwater and Rick Roberts Way (both residential developments) and 3 Mills Studios. Investment properties are detailed more fully in Note 13 to the accounts.

Note that a fundamental review of the accounting and presentation of investment properties was undertaken for 2021/22, resulting in the following changes:

- LLDC's **residential development plots** should be reclassified as inventories from the 'commencement of development' (which LLDC defines as the start on site date); and
- The **East Bank buildings** (UAL, BBC, Sadler's Wells and V&A) and retail should be reclassified as inventories.

The review also concluded that a provision should be established for LLDC's contributions towards the costs to complete the East Bank buildings (deemed to be 'grant'), against which costs are offset as incurred.

These changes required prior year balances to be restated; see Notes 1 and 13 for further details.

The inventories balance is now £161.9m at 31 March 2022, as set out in Note 17 to the accounts.

A **deferred tax net asset** of £7.4m is recognised within LLDC's accounts (2020/21: £7.0m). The asset is made up of a net deferred tax liability, which will crystallise as and when LLDC disposes of its investment property portfolio and the historic increase in the value of its portfolio is realised, offset by a deferred tax asset on LLDC's defined benefit pension liability. The deferred tax liability is charged to LLDC's Capital Adjustment Account, in accordance with the Local Authorities Capital Finance and Accounting Regulations, whereas the deferred tax asset on the pension liability is recognised in the Pensions Reserve.

LLDC provided funding to **E20 Stadium LLP** for its operational and capital requirements in the year by way of equity funding, amounting to £20.9m 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 2021/22 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 2022 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 2022, 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; the accounting treatment for this methodology is reviewed each year and confirmed as part of the audited accounts. This year, following an update to International Accounting Standard 37 (Provisions, Contingent Liabilities and Contingent Assets), a detailed review of the provision and its underlying assumptions (including the discount rates applied) was undertaken. The updated methodology differs from that adopted previously as follows:

- It now uses only those revenues, costs and overheads that are directly attributable to the West Ham United Football Club and UK Athletics agreements. Revenues, costs and overheads not directly attributable to those agreements are no longer included in the calculation.
- The calculation is now based on cashflows for the remaining 93-year term of the West Ham United Football Club concession agreement (note the calculation includes cashflows relating to the UK Athletics agreement up to its expiry in 41 years); previously the cashflow was calculated in perpetuity.
- A discount rate is now adopted to reflect a risk-free rate (based on Government gilt rates at the reporting date).

The has required a restatement of the provision in prior years and an increase to the provision in the year to 31 March 2022. It may also lead to increased volatility in future years if the technical assumptions upon which the provision is based change – for example, the discount rate, which is now based on the prevailing government gilt rate. Annual changes in the provision, including those in the prior year due to the change in approach, are necessarily reflected in the partnership's income statement (and, therefore, the LLDC Group Comprehensive Income and Expenditure Statement); however, these are not reflective of any fundamental changes in the underlying performance of the partnership.

The overall E20 Stadium LLP Group operating loss for the year to 31 March 2022 is £43.7m. This figure includes amounts relating to capital items (depreciation, impairment and purchases recharged within the Group), exceptional costs (such as the UK Athletics compensation) and changes relating to the onerous contracts prevision. Therefore, once these items are excluded, the underlying partnership operating loss in the year to 31 March 2022 was £13.7m. This is shown in the following table:

2021/22	E20 Stadium LLP Group
	£'000
Operating profit/(loss) per income statement	**43,687**
Remove:	
Depreciation and impairment	(4,624)
Purchases recharged within the Group	(3,542)
Exceptional costs	(2,394)
Total net change in provisions	(19,422)
Underlying operating (loss)	**13,705**

LLDC has delivered significant **revenue savings** in recent years and a further £2.1m additional income/savings and efficiencies were incorporated into the approved budget for the 2021/22 financial year. Against this target, LLDC delivered total additional income/savings of £6.0m (£3.9m greater than the target); this was largely driven by overperfrmance in its trading activities (such as 3 Mills Studios).

Of the £3.9m additional income/savings:

- £3.0m is proposed was rolled-forward into 2022/23, including £1.3m to fund specific corporate priorities, such as the Park and Venues operational contracts re-procurement, and £1.7m of corporate contingency (against which risks are held);
- £0.6m was factored into the November 2021 budget submission and therefore already recognised in LLDC's funding position for 2022/23; and
- £0.3m was carried-forward (as funding) to offset risks in 2022/23 (including those relating to increased utility costs).

Land ownership

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

London Aquatics Centre and Copper Box Arena

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

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

In 2021/22 the Arena hosted a wide range of events including successful seasons for the home teams London Lions (basketball) and London Pulse (netball), championship boxing, the Vitality Netball Superleague final eleven matches, British Taekwondo, England Netball international series, two indoor hockey tournaments, and international Jiu-Jitsu. A number of the events were held without audiences due to the ongoing pandemic situation, and venue attendance was c150k visits compared with 450k in 2019/20.

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

In 2021/22 LLDC was awarded two National Lottery grants of £0.05m from the Sports England Community Leisure Recovery Fund for the London Aquatics Centre and Copper Box Arena. The grant has contributed to the venue's recovery following the impact of coronavirus (Covid-19) and helped ensure the sustainable reopening of facilities and delivery of sporting activities to meet the needs of the local communities.

Stadium

The Stadium is surrounded by water on three sides and the 'island' site, excluding bridges, is leased by LLDC to E20 Stadium LLP until 2115. The venue was transformed from its Olympic use into a multi-use world class stadium. Since reopening in 2016, the Stadium played host to Premier League football as the home of West Ham United, as well as international athletics, premiership rugby, and major concerts.

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

Here East

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

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

Here East consists of 1.2 million square feet of space and features three main buildings — a 300,000 square feet innovation centre, a 1,045-seat auditorium and an 850,000 square feet building housing educational space, broadcast studios and office space. Here East tenants 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 978,000 visits to the ArcelorMittal Orbit. By the end of 2021/22, over 490,000 people had bought tickets for the Slide since it first opened in 2016.

Although attendance improved from the previous year, it continued to be affected by the pandemic, with few international tourists and therefore an increased focus on the domestic market. To reduce operating costs, opening days were restricted and the ArcelorMittal Orbit was open for 157 days, with 60,000 tickets sold, compared with 123,000 in 2019/20. In September ABBA chose the ArcelorMittal Orbit for the global webcast announcing the ABBA Voyage concerts coming to the Park. The pandemic also affected the hospitality market and there were fewer private events than previously. Public attendance and private bookings are showing significant improvement in the current year.

LLDC retains the freehold of the ArcelorMittal Orbit and Equans manage the venue on behalf of LLDC as part of their wider contract for delivering estates and facilities management services on the Park and receive a management fee. LLDC 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. Equans pay LLDC a rent, estates and service charges for the premises, with a potential turnover share. The contract with Equans runs to December 2023.

Timber Lodge

The Timber Lodge is in the northern part of Queen Elizabeth Olympic Park. It is a single storey timber framed building providing a café and canteen, toilet facilities and two function rooms, which are available for hire. The building also houses the Park public conveniences for the north part of the Park. The land is leased by LLDC from Lee Valley Regional Park Authority, which expires in July 2053. The Timber Lodge underlease was awarded to Change Please, a social enterprise working with homeless people, and successfully reopened in the autumn of 2021. All of Change Please profits, go into giving people experiencing homelessness, a living wage job, housing, training, onwards opportunities and a fresh shot at a life. Change Please pay LLDC a rent, estates and service charges for the premises, with a turnover share.

Off Park properties

Several off-Park properties were transferred to LLDC from the former London Development Agency and former London Thames Gateway Development Corporation and located in the areas neighbouring the Park. The majority are in Hackney Wick and to the south of Stratford High Street in Bromley-by-Bow. The portfolio is now managed by Glenny LLP on behalf of LLDC and is occupied on a variety of short-term leases.

3 Mills Studios

3 Mills Studios is a large film and TV studio offering sound stages, rehearsal rooms, production offices, prop stores, make up, costume, green rooms. Acquired originally for LOCOG to be used for the 2012 Games ceremonies rehearsals. The site is on land owned by the Lee Valley Regional Park Authority with a long lease to LLDC until August 2103, plus an option to extend for further 26 years. In 2021/22 3 Mills Studios has provided a stage for many world-class TV series and films, including High End Television (HETV) series The Great (MRC Television) starring Elle Fanning and Nicholas Hoult, the BBC's MasterChef (Shine TV) which has been based here since 2014, and Expendables 4 (Millennium Media) featuring an ensemble cast including Sylvester Stallone and Jason Statham. TV and film production business has seen less impact from Covid than other industries though theatre rehearsals were impacted

in first part of the year. 3 Mills Studios therefore contributed a healthy trading surplus for the 2021/22 year.

The Clock Mill forms part of this site and is let to East London Science School Trust until 2024 with options to extend to 2026 being discussed.

LLDC has managed 3 Mills Studios since 2011. LLDC's appointed managing agent for the site is Knight Frank LLP who are contracted to March 2023, with the option to extend for a further 2 years.

LLDC completed a £10.0m river wall flood defence project around the Three Mills island site. LLDC continues to invest in the site with grants secured from the Government's Getting Building Fund via a £3.0m grant allocated by the Mayor of London, and a further £1.9m funding through LLDC's Community Infrastructure Fund. In total, inclusive of these grants, LLDC is investing nearly £6.0m into the renovation, infrastructure and modernisation projects on the site. The works will create new lettable spaces to support businesses from creative industries aligned to TV and film production to make greater use of the busy screen production campus and will help deliver a world-class cultural and creative production hub throughout the Thames Estuary Production Corridor. The renovations will see the sensitive transformation of several of the site's heritage industrial buildings, including the Grade II listed Custom House and the historic Gin Still building, into over 10,000sqft of modern creative workspaces, enabling the Studios' ambitions and capacity to further support British and International TV drama and film production to be completed in 2022/23.

Development platforms

LLDC owns several development platforms, listed as follows:

Chobham Manor

LLDC has a development agreement in place with Chobham Manor LLP, which is a Limited Liability Partnership between L&Q (London and Quadrant) and Taylor Wimpey. The agreement is to deliver a new residential neighbourhood at Chobham Manor, just south of Lee Valley VeloPark. The development 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.

All phases have now completed with only a minority of Phase 4 units left to sell. The commercial units are predominantly let and due to open over summer 2022 along with community facility for which an operator has been appointed.

East Wick and Sweetwater

LLDC entered into an agreement with a joint venture between Places for People Homes and Balfour Beatty Investments in February 2015. Negotiations have now concluded on a variation to the agreement, the Deed of Variation to the DMA has been signed in September 2022 and expected to come in effect in November 2022. Phase 1 is now complete with all units sold out or let. The Reserved Matters Applications for Phases 2-5 and 7 were approved in 2021. In total East Wick Sweetwater will provide 1,859 new homes, including private rented and affordable homes. The homes will be accompanied by a mix of social infrastructure including nurseries, health centre and a library. Construction works on Phase 2 are due to commence in 2022/23.

Stratford Waterfront

Located opposite the London Aquatics Centre in the south of the Park, this development platform forms part of the East Bank project and will be home to UAL's London College of Fashion, Sadler's Wells, Victoria and Albert Museum, and the BBC as well as residential, retail and public realm space. All partner institutions have signed binding Agreements for Lease with LLDC, with the lease durations ranging from 199 to 399 years. Construction has continued on the partner buildings following approval of the planning application in June 2019, the buildings are due to start to open from 2023. A procurement exercise was launched in 2020/21 for a joint venture partner to develop the Stratford Waterfront residential land alongside the Bridgewater Triangle development site at Pudding Mill. The contract has been awarded to Ballymore.

Bridgewater Triangle

LLDC has agreed with the GLA to apply a portfolio approach to deliver affordable housing on this site linked to the delivery of affordable homes at Stratford Waterfront, Pudding Mill Lane and Rick Roberts Way. Overall, the combined sites will deliver 50% affordable housing. LLDC submitted an outline planning application for the Bridgewater Triangle site in August 2021, which will replace the existing outline planning consent under the Legacy Communities Scheme. The scheme will deliver c.575 homes, a new bridge and key infrastructure. In July 2022, the Planning Decisions Committee resolved to grant planning permission. The site will be delivered alongside Stratford Waterfront under a 50/50 joint venture between LLDC and Ballymore.

UCL East

Also, part of the East Bank project, this development platform will, in its first phase, comprise approximately 50,000m2 of new university campus, with academic and student residential accommodation. UCL's Reserved Matters Application was approved by the Planning Decisions Committee in March 2019, subject to conditions. 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 nearing completion, with Pool Street West opening 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 in 2022.

Pudding Mill Lane

LLDC has agreed with the GLA to apply a portfolio approach to deliver affordable housing on this site linked to the delivery of affordable homes at Stratford Waterfront and Rick Roberts Way. Overall, the combined sites will deliver 50% affordable housing. LLDC submitted a revised outline planning application for this site in December 2021 – which will replace the existing outline planning consent under the Legacy Communities Scheme – to be approved in 2022/23. The scheme will deliver c950 homes, employment space and a new local centre close to the Docklands Light Railway station.

Rick Roberts Way

Rick Roberts Way is jointly owned by LLDC and the London Borough (LB) of Newham. It forms part of LLDC's portfolio of sites (including Stratford Waterfront, Pudding Mill Lane and Bridgewater Triangle) which are to deliver 50% affordable housing across the portfolio. Rick Roberts Way is expected to provide approximately 450 homes and potentially 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.

Hackney Wick Central

LLDC has appointed Notting Hill Genesis (NHG) as development partner for the Hackney Wick Central LLDC sites to deliver approximately 190 homes, including 50% affordable homes, and over 4,000m2 commercial space. The Development Agreement has been completed in July 2022. The Reserved Matters Application was submitted in January 2022 and the Panning Decisions Committee resolved to grant planning permission at its meeting in July. NHG expect construction to commence towards the end of 2022, subject to planning approval.

Comprehensive Income and Expenditure Statement

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

£'000	2021/22 Actual	2021/22 Budget	2021/22 Variance
Total net revenue expenditure	35,911	35,207	704
Trading net (surplus)/deficit	601	1,458	(857)
Total	**36,512**	**36,665**	**(153)**

LLDC recorded net expenditure of £35.9m for the year, which was £0.7m higher than budget. This is mainly due to:

- the number and type of planning applications have not met expectations;
- increases in utility costs across the venues; and
- loss of income and higher costs at the Stadium due to cancellation of 2021 summer events and higher costs for additional stewarding, COVID requirements and additional Europa League Matches.

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

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

Balance Sheet

The Balance Sheet as at 31 March 2022 is summarised in the following table.

	31 March 2022 £'000	31 March 2021 (Restated) £'000
Long term assets	189,976	117,211
Cash and cash equivalents	66,838	62,881
Net current assets/(liabilities)	(75,512)	36,527
Net pension liabilities	(32,695)	(36,923)
Other long term liabilities	(505,194)	(673,240)
Net assets	**(356,587)**	**(493,546)**
Represented by		
Usable reserves	(10,379)	2,836
Unusable reserves	366,964	490,709
Total reserves	**356,587**	**493,546**

Long term assets

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

The investment property portfolio was valued as at 31 March 2022 by JLL – external, independent property valuers, who have appropriate recognised professional qualifications. The assets are being held by LLDC for their income generating potential or for capital appreciation (prior to disposal) and are therefore classified as investment property in accordance with IAS 40. Overall, the value of LLDC's investment property assets has increased from £104.8m at the end of last year to £167.2m as at 31 March 2022. The inventories balance at 31 March 2022 is £161.9m.

Cash and cash equivalents

LLDC's short-term cash balances, which relate to balances held to meet liabilities on LLDC's balance sheet in respect of its obligation under the Olympic Park Transport Environment Management Strategy (OPTEMS) and Section 106 schemes, 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 Commissioner, the London Pensions Fund Authority and The Mayor's Office for Policing and Crime.

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

As at 31 March 2022 the value of LLDC's cash and cash equivalents was £66.8m (31 March 2021: £62.9m). The balance held with the GIS at 31 March 2022 is £45.7m (31 March 2021: £52.2m), with the balance of £6.7m (31 March 2021: £10.7m) being held within LLDC's bank accounts (see Note 16). As at 31 March, £32.8m of cash and cash equivalent balances related to Section 106 liabilities, £0.4m to the OPTEMS fund and £16.3m to CIL liabilities.

LLDC does not hold significant cash balances for its operational need. Working capital is requested from the GLA on a weekly basis based on forecast requirements. Cash inflows are generated from other sources including trading operations, planning fees and events held on the Park. Consequently, LLDC usually has relatively low sensitivity to variations in cash flow during the year. In 2021/22, LLDC also received £49.5m 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 LLDC's capital and revenue costs, housing market movements, planning assumptions and the level of affordable housing that are material to receipts from the disposal of development land.

Pension Scheme

LLDC is a member of the Local Government Pension Scheme, administered by the London Pensions Fund Authority. The net liability (the amount by which pension liabilities exceed assets) affects LLDC's net worth as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that LLDC's financial position in relation to its pension obligations remains healthy. The net pension liability has decreased from £36.9m (as at 31 March 2021) to £32.7m as at 31 March 2022 due to changes in membership data and assumptions used by the actuary. A total of £6.4m (net) has been credited to the Comprehensive Income and Expenditure Statement of which negative £8.4m is related to the re-measurement of the net defined benefit liability, offset by service costs (£4.7m), net interest charged on the deferred liability, administration expenses (£0.8m) and the movement on the deferred tax pension asset (£3.4m). The net deficit on the Pension Scheme will be made good by contributions by LLDC over the employees' remaining working life, as assessed by the Scheme actuary.

Other assets and liabilities

LLDC has a rolling loan facility with the GLA to finance LLDC's capital expenditure. As at 31 March 2022, LLDC had drawn down loan funding to the value of £399.1m. This loan will be repaid from capital receipts generated from the exploitation of LLDC's ownership of development platforms on and around the Park. Interest payable on the loan is based on a 50-year Public Works Loan Board rate and is funded by GLA grant.

£49.5m of liabilities on LLDC's balance sheet relate to its obligations under the OPTEMS, Section 106 schemes and Community Infrastructure Levy. As noted previously, LLDC has ring-fenced the funds required to meet its obligations.

Provisions and contingent liabilities

LLDC continues to recognise a contingent liability in relation to a loan of £14.2m (principal £9.2m plus unpaid interest), which was used to part fund the construction of the ArcelorMittal Orbit and is repayable to ArcelorMittal Orbit Limited from future profits from the operation of the ArcelorMittal Orbit as and when they are generated (in the first instance against interest on the loan until wholly repaid then 50% against the principal thereafter). A discounted projected cash flow is used for calculation of the carrying amount. The projected cash flows result in the carrying value of the loan being set at nil. This position remains despite the surplus reported in prior years.

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

For the East Bank project, LLDC has determined that it has constructive obligations under the agreements with the respective East Bank partners to contribute towards (or pay for entirely) the costs of their buildings. LLDC has concluded that these constructive obligations were created at the date the respective agreements for lease became unconditional. The balance on this provision as at 31 March 2022 is £224.5m – see Note 28.

Reserves

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

Changes to LLDC's reserves mirrors the movement of its net assets. Accordingly, at the end of the financial year, LLDC had usable reserves of £10.4m in the General Fund (2020/21 restated: negative £2.8m). However, considering LLDC's funding arrangements with the GLA, the level of usable reserves reported in the statutory accounts is considered adequate for LLDC to meet its current and future financial challenges.

Forecast net cash position

In line with LLDC's approved long-term financial model, as updated for the 2021/22 outturn, the net cash position of LLDC's activities in the coming three years is expected to be as follows:

Capital

	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m
Capital expenditure	**184.6**	**247.9**	**90.5**	**42.5**	**565.5**
Funded by:					
Capital receipts	(57.7)	(42.4)	(17.1)	(25.5)	(142.6)
Other grants/funding	(100.0)	(108.7)	(49.0)	(0.1)	(257.8)
Borrowing from GLA drawdown	(26.9)	(96.8)	(24.4)	(17.0)	(165.1)
Total funding	**(184.6)**	**(247.9)**	**(90.5)**	**(42.5)**	**(565.5)**

Revenue

	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m
Income	(16.1)	(17.1)	(20.2)	(20.6)	(74.0)
Revenue expenditure	52.0	54.2	48.8	51.6	206.6
Financing costs	11.2	12.0	14.9	15.6	53.6
Net expenditure	**47.1**	**49.0**	**43.5**	**46.6**	**186.2**
Funded by:					
GLA funding for core activities	(27.3)	(31.8)	(29.5)	(30.1)	(118.8)
GLA funding for financing	(11.2)	(12.0)	(14.9)	(15.6)	(53.6)
Reserves	(8.6)	(5.2)	0.9	(0.9)	(13.8)
Net revenue position	**-**	**-**	**-**	**-**	**-**

Changes to accounting policies

As part of the prior year adjustments described in Note 1, LLDC has now introduced an accounting policy for inventories (see Accounting Policies).

Commentary on key projects

East Bank

At Stratford Waterfront, construction work has continued during 2021/22 in line with the revised programme. The four building structures are now well progressed, with the V&A and UAL buildings holding their 'topping out' ceremony in 2021, marking the building reaching its full height. Construction of the public realm is also underway. The programme of procurement of package contractors has completed, with the last of 38 procurements selected (awarded in April 2022). A further revision to the programme (Rev.11) was developed during 2021/22 for approval in April 2022.

Following LLDC Investment Committee's approval for the revised delivery approach and procurement plan, procurement of a developer for the residential development completed in 2021/22 with the selection of a joint venture development partner, approved by LLDC Board, subject to legal agreements and Mayoral consent.

Work on UCL East has continued where UCL is delivering its development; construction activity at their One Pool Street and Marshgate sites are both progressing well and are on programme. During 2021/22, UCL gave a preview of the courses that will be taught in the new buildings, which showcased the depth, range, and ambition of UCL as they move east.

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. In total, this investment is anticipated to generate 2,500 new jobs, economic benefits of over £1.5 billion at net present values and deliver 100,000m^2 of cultural and educational space.

LLDC continues to work with partners to develop collaborative projects and proposals to help deliver the programme's strategic objectives. LLDC 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) and delivery of the East Careers week with over 20 sessions on the Park, with a total of 15 partners, with over 300 young people from a number of local schools. LLDC also worked with partners to deliver East Summer School 2021, which has run each year since 2018, including online during the pandemic. In 2021/22 the Summer School moved back to being in-person and took place in and around the Park and East London, reaching 350 local young people. The Summer School is free, and the face-to-face sessions ranged from one-off one-day workshops to week-long courses, covering subjects as diverse as arts and fashion, engineering medical solutions, skateboarding and break dancing.

Chobham Manor development

In November 2012, LLDC 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.

Phases 1 and 2 have completed and all units have been sold. Both final Phases, 3 and 4, were close to completion at the end of 2021/22. All of the Phase 3 homes have been sold and the affordable units handed over to Land &Quadrant; Phase 4 sales were going well at the end of 2021/22.

In 2021/22 LLDC recognised £40.1m of capital receipts arising from its share of proceeds from sales of homes on the Chobham Manor site.

This development zone is now classified as inventories in LLDC's accounts, further detail of which is given in Note 17.

East Wick and Sweetwater

East Wick and Sweetwater Projects Limited (a joint venture between Places for People and Balfour Beatty PLC) was appointed by LLDC in February 2015 to create new neighbourhoods on the Park in East Wick and Sweetwater. The plans include building up to 1,500 new homes with up to 30 per cent affordable and 500 homes to rent. East Wick and Sweetwater will create a vibrant new community on the west of the Park, linking to existing communities in Hackney Wick and Fish Island. Construction works on the development and related infrastructure works is underway: Phase 1 construction complete in 2021/22, delivering 302 homes, with all but seven sold by the end of 2022/23. Reserved Matters Applications for all future phases were determined in 2021/22. Construction of Phase 2 of the development is due to commence in 2022/23. The whole development is scheduled for 2030/31 completion.

LLDC 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 completed in 2021/22.

In 2021/22, LLDC recognised £9.4m of capital receipts from Phase 1 of this development, which is classified as inventories in LLDC's accounts (see Note 17). The remaining phases, which have not commenced development at the reporting date, are held as an investment property (as part of 'Queen Elizabeth Olympic Park' asset) in LLDC's accounts, see Note 13.

Hackney Wick Neighbourhood Centre

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

Procurement for a developer completed in 2020/21 with Notting Hill Genesis selected. LLDC is working with Notting Hill Genesis to progress design work and build local relationships. RIBA stage 2 design is complete, and the Reserved Matters Application was submitted in 2021/22; 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 completed in 2021/22, with construction works commencing on the improvements at Gin Still and Customs House.

Prospects and outlook

Looking forward, LLDC has a number of key milestones to achieve in 2022/23.

LLDC'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 LLDC, 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 LLDC.

Construction on the Chobham Manor development is now complete. Whilst the developer will be finalising the site, focus will now switch to concluding the development agreement.

Procurement to select a developer joint venture partner for Stratford Waterfront and Bridgewater Triangle will conclude in early 2022/23 with outline planning consent for Bridgewater Triangle and Pudding Mill

Lane to be secured. Developer procurement for Rick Roberts Way to be launched in 2022/23 and for a JV Partner for Pudding Mill Lane in Quarter 4 2022/23.

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 2022/23 UCL's Pool Street West Building will open and the construction of its Marshgate Campus is scheduled for completion. The construction work on the other East Bank partner buildings will progress in preparation of planned handover in 2023/24.

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, with the Stadium returning to full capacity for the start of the 2021/22 season. Planning permission was granted in October 2021 to increase the matchday capacity for West Ham football matches to 62,500 with the relevant licensing in place for the 2022/23 season start. This will meet the growing demand for tickets, with consistent 60,000 capacity crowds for Premier League matches in the early part of the 2021/22 season and high attendances for Europa League matches. The seats will be released once the safety certificate application has been approved and are expected to be available for the 2022/23 season.

LLDC will continue to work with the four Boroughs and the GLA to deliver the Transition programme. A Mayoral Decision is anticipated in August 2022 on a move to a "reset LLDC" model from 1 April 2025 with a reconstituted Board and governance structure and (subject to consultation) a reduced geographical development area from 1 December 2024. The Mayoral Decision will also formally approve the transfer of LLDC's town planning functions to relevant Boroughs from the same date. A Mayoral Consultation on the reduced geographical development area is in the process of being prepared and is anticipated to be published in Autumn 2022 and run for two months.

LLDC has access to sufficient funding through the GLA to complete the development programme set out in its 2022/23 budget submission and capital strategy and begin to repay the investment made by the Greater London Authority in the Olympic and Paralympic legacy.

The Corporation's 2022/23 budget was approved by LLDC Board and the Mayor in February 2022 and will be revisited annually as part of the statutory budget process of the GLA.

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

Performance Measures

The following performance indicators demonstrate how LLDC has used its resources to deliver against its five strategic objectives during 2021/22.

Measure	Progress to 31 March 2022
Chobham Manor development construction complete (Phases 3 and 4)	Phases 1 and 2 have completed and all units have been sold. Both of the final Phases, 3 and 4, were close to completion at the end of 2021/22.
East Wick and Sweetwater construction continues on schedule, including commencement of Phase 2.	Construction of 302 homes at East Wick and Sweetwater (Balfour Beatty) Phase 1 completed in 2021/22. Phase 2 works to start in 2022/23.

Submit a planning application for Pudding Mill Lane and Bridgewater Triangle sites.	The Outline Planning applications for Pudding Mill Lane and Bridgewater Triangle were submitted in 2021/22 for determination in 2022/23.
Urban Design Framework complete for Rick Roberts Way and land swap concluded with LBN. Masterplanning and developer procurement commence.	Approval has been secured from Board for a consolidation of interests with London Borough of Newham and Heads of Terms have been agreed. The Urban Design Framework completed in 2021/22. Developer procurement is scheduled to commence in early 2022/23.
Developer selected for Stratford Waterfront and Bridgewater Triangle residential development; Joint Venture established.	Following procurement, a preferred bidder has been identified and approved by Board, subject to legal and a Mayoral consent. Appointment of the preferred bidder will allow the establishment of a joint venture in 2022/23.
Hackney Wick Neighbourhood Centre design and Planning complete; commencement of construction.	Notting Hill Genesis have been selected as developer. RIBA Stage 2 design is complete, and the Reserved Matters Application was made in 2021/22: determination and commencement of construction is scheduled for 2022/23.
Progress Aquatics Triangle and Chobham Farm developments.	A purchaser for the Chobham Farm North site has been approved and they are currently undertaking site surveys with a view to exchange in due course. Aquatics Triangle procurement strategy to be considered in due course.
Successful operation of the QEOP Training Association, including the Training Centre (now known as Build East): 50 apprenticeships per annum, 500 people trained in demand led construction skills.	Build East opened to learners in 2021/22 and in 9 months of operation there have been 34 apprenticeships and 444 people trained.
Successful operation of the Good Growth Hub (GGH), the physical facility to consolidate and scale the East Works. Targets for year 1: • Local young people accessing GGH Services - 113 • Employers accessing GGH services – 240 • Collaborations with GGH community partners - 39 • GGH service users securing LLW+ positions 58 • GGH Service users progressing to HE/FE - 8 • GGH service users receiving careers info, advice. guidance - 193 • GGH service users receiving freelance training - 30 • GGH service users supported by mentors - 68 • Match funding raised - £0	GGH has operated successfully in 2021/22 and performed well against targets: • Local young people accessing GGH Services - 113 • Employers accessing GGH services - 240 • Collaborations with GGH community partners - 39 • GGH service users securing LLW+ positions 63 • GGH Service users progressing to HE/FE - 4 • GGH service users receiving careers info, advice. guidance - 192 • GGH service users receiving freelance training - 30 • GGH service users supported by mentors - 57 • Match funding raised - £115,000

Completion of 2020/21 Shared Training and Employment Programme (STEP) programme and commencement of 2021/22 programme.	The 2020/21 programme completed online. The Good Growth Hub is delivering 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 2021/22.
Delivery of Town Planning programme, including: Annual monitoring report publication Supplementary Planning Documents (SPDs) for Planning Obligations and Carbon Offset adopted and published	The Annual Monitoring report was published in 2021/22 Drafts of the revised SPDs were completed and considered at the March 2022 Planning Decisions Committee and will be submitted to Board in early 2022/23.
Annual Environmental Sustainability Report published.	Annual Environmental Sustainability Report for 2020/21 was published in 2021/22.
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 2022: • 23% of construction employees working on the Park are Host Borough residents • 79% of the workforce are from Black, Asian, and Minority Ethnic (BAME) groups • 6% of the workforce are women • 3% of the workforce are disabled people • 4% of the workforce are apprentices The local % and low number of apprentices are both due to the low number of vacancies sourced – alongside data reporting integrity issues managed by Mace as the Project Management Partner. LLDC has implemented performance improvement steps with Mace and is maintaining a weekly overview of progress.
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	Copper Box Arena and London Aquatics Centre Workforce performance as of March 2022 (these figures are reported annually): • 70% workforce Host Borough residents • 28% workforce are from BAME groups • 58% workforce are women • 1% workforce are disabled people • There are no apprentices currently working across the two sites

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 2022, the workforce performance is shown below: • 65% workforce Host Borough residents • 62% workforce are from BAME groups • 30% workforce are women • 8% workforce are disabled people • 6% are apprentices
Maintain safe and well-maintained Park, making adjustments in line with any changes to guidelines relating to COVID-19 and attracting visitors: (the estimate was set at the pre-COVID level of 6.2m, noting that delivery of this estimate may be impacted by COVID restrictions) Manage and maintain the quality of the Park and venues, including retaining Green Flag status.	LLDC maintained safe and high- quality Parklands as lockdown measures changed, supported by on Park, web, and social media communications. There were just over 3.4 million visits to the Park from April 2021 to March 2022, which is roughly 55% of the usual visitor numbers before the COVID-19 pandemic. The Park was awarded Green Flag Status for the eighth consecutive year in 2021/22.
Operate safe and well-maintained venues, making adjustments in line with any changes to guidelines relating to COVID-19 and attracting visitors in line with those restrictions. The targets are set at pre-COVID levels: 1m visitors to the London Aquatics Centre; 445k visitors to the Copper Box Arena, noting delivery of these targets may be impacted by COVID restrictions	The London Aquatics Centre and Copper Box Arena re-opened for community use in line with safety guidelines on 12 April 2021. In 2021/22 there were: just over 150,000 visitors to the Copper Box Arena; and over 814,000 visitors to the London Aquatics Centre. There were also over 63,000 visitors to the ArcelorMittal Orbit. On 23 March 2022 there was an incident at the London Aquatics Centre. A release of gas in the plant room that receives pool chemicals led to a number of people in the area becoming unwell and the emergency services attending the venue. The venue was evacuated and closed, and the East Bank construction site was closed for a day. Following this incident, the venue re-opened for gym workouts on 29 March and for fitness classes on 30 March.
Support safe delivery of major events including the Rugby League Wheelchair World Cup. Support safe delivery of small events, community sports and filming on the Park. Open High Ropes visitor attraction	The Rugby League Wheelchair World Cup which was scheduled for November 2021 was postponed to 2022. The Park delivered other major events safely and successfully, including the Arena Games Triathlon Series at the London Aquatics Centre. Small events took place in the Park over the year, including runs. and commercial filming has continued to take place. The High Ropes project has been cancelled following the impacts of COVID-19.
Delivery of the Great Get Together and any smaller community events on the Park.	A smaller-scale version of the Great Get Together – the Get Together – was held successfully in summer 2021, with 3,000 people attending.
Continue Stadium operations including football, summer concerts and athletics.	Following the successful start to the 2021/22 Premier League football league season at the London Stadium in August, the Stadium has operated well and hosted European football for the first time in September 2021

Continue construction of East Bank Stratford Waterfront cultural and educational buildings to programme.	Construction work has continued to progress in line with the programme reflecting the impacts of the COVID-19 crisis. The four building structures are now well above ground and the topping out of the UAL and V&A buildings took place in 2021/22. Construction of the public realm is also underway.
Completion of procurement for all East Bank Stratford Waterfront construction packages	The programme of procurement has completed, with all 38 packages procured (final package selected in 2021/22 and awarded in April 2022)
UCL continue construction of their new university campus, UCL East, on programme.	Works at the East Bank UCL East's Pool Street West and Marshgate sites continued to progress well and to programme. Both buildings have topped out.
Continue to work with East Bank partners to ensure delivery of the East Bank strategic objectives and to maximise the value of the cluster.	The Benefits Delivery Plan for the East Bank Strategic Objectives 2020-2023 has been agreed and all partners are working together to deliver this.
Continue to generate a surplus through 3 Mills Studios and manage effectively the planned refurbishments. Complete parapet and handrail works and the towpath finish work	3 Mills Studios' trading performance continues to generate a surplus. Parapet, handrail final towpath works completed in 2021/22 and construction works commenced on improvements at the Gin Still and Customs House.
Progress EAST Education, an education engagement programme with East Bank partners.	EAST Education programme being implemented, monthly working group ongoing. Highlights in 2021/22 include delivery of the East Summer School and the first East Careers week with East Bank partners.
Delivery of an annual Youth Conference in conjunction with partners.	The Legacy Youth Board and Legacy Youth Voice lead the delivery of the Annual Youth Conference which took place on 23 March 2022 at the London Stadium, see below.
Health and safety: Construction undertaken without a fatal accident on site; to prevent any life-changing injury or occupational ill-health for any individual; and to minimise reportable accidents to a rate below 0.17 per 100,000 hours worked.	There have been four RIDDOR[3] reportable incidents in 2021/22, one at each of the 3 East Bank sites and one at Chobham Manor. Across LLDC construction sites there have been more than 3.5m hours worked, so the rate is below 0.17 reportable accidents per 100,000 hours.
Unqualified annual accounts for LLDC, E20 Stadium LLP and London Stadium 185 Limited for 2020/21.	The 2020/21 LLDC Group accounts were signed, with a clean audit opinion and published on LLDC's website.
Progress LLDC's Transition strategy	Following the Board's approval for the proposed approach to Transition at the March 2022 meeting, work is underway to seek Mayoral approval for the approach in 2022/23.

Corporate risks

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

[3] Reporting of Injuries, Diseases and Dangerous Occurrences Regulations

Summary	Impact	Mitigation	Current RAG
Risk relating to East Bank budget and programme.	Financial and/ or delivery impacts. Reputational impacts.	Management of Project Management Partner, focus on risk mitigation, design management and partner engagement.	R
Risk relating to meeting Long Term Model requirements through the Housing Delivery Plan.	Financial and/ or delivery impacts. Reputational impacts.	Housing strategy, tight monitoring and financial control, commercial opportunities, close working with GLA. Affordable housing grant from GLA secured.	R
Risk that the Stadium restructuring will not sufficiently improve the financial position of the Stadium.	Financial and reputational impacts.	E20 Stadium LLP Board and funders considering commercial options. Stadium operations brought in house. 5-year improvement plan in place.	R
Risk of adverse outcome from LLDC's Corporation Tax non-statutory clearance application (and related use of losses matter)	Financial impact.	Tax and legal advice, engagement with HMRC, submitted application and awaiting response.	R
Risk relating to delivery of Housing Delivery Plan ahead of Transition and meeting Town Planning requirements	Financial and reputational impacts.	Close working with GLA, monitoring of progress against the plan, resolving issues relating to individual development, ensure attractive propositions to market. Affordable housing grant from GLA secured.	R
Risk relating to security on the Park and the threat level.	Reputational, operational and financial implications.	Monitoring threat levels across the Park ensuring appropriate security resource and implementation of new initiatives.	R
Stratford Station insufficient for growing demand.	Strategic and operational impacts. Potential limiter on economic development in Stratford area.	Work with partners to determine and deliver transport projects to improve infrastructure.	R
Risk about the impacts of Health and Safety failures, including East Bank and unauthorised climbers at ArcelorMittal Orbit.	The possibility of serious injuries or fatalities, the consequences of which may include significant delays and reputational damage.	A comprehensive Health and Safety programme is in place, designed to identify and manage the construction risks and led actively by LLDC and its project management partner. Measures in place at ArcelorMittal Orbit. Oversight through Health, Safety and Security Committee.	R
Risk relating to commercial performance, delivery of Park Business Plan.	Financial impacts, reduced income or increased costs.	Delivery of Sponsorship, Marketing and Park Assets Strategy and development of Park Business Plan.	R

Risk relating to carbon savings from the District Heating Network	Reputational and financial impacts.	Liaison with GLA, Engie and working with Government.	R
Delivery of LLDC activities and objectives pre- and post-Transition	Negative impacts on regeneration of the area; employee 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 relating to failure to embed fraud and assurance processes, including group subsidiaries (E20/LS185).	Financial and reputational impacts.	New finance system implemented; anti-fraud policy updated; financial and procurement controls; assurance from internal and external audit; ongoing fraud awareness briefings. Mandatory fraud workshop held for finance practitioners.	A
Risk relating to information security non-compliance, including GDPR. Risk also relates to group subsidiaries (E20/LS185).	Potential loss, theft or corruption of data with reputational and financial impacts.	Information security gap analysis complete, action plan being implemented. Ongoing information security briefings.	A
Risk relating to sustainability objectives and responding to the climate emergency.	Missing opportunities and reputational impacts.	Delivery of sustainability programme, close work with partners, monitoring and reporting on KPIs.	A
Risk relating to improving performance in Inclusion and Diversity (I&D) in relation to LLDC's workforce.	Missing opportunities and reputational impacts.	Delivery of I&D strategy action plan.	A
Risk relating to Park and venue operations.	Poor visitor experience.	Contractual and working arrangements in place with operators; communications and marketing.	A
Risk relating to delivery of physical connectivity programmes on the Park.	Missing opportunities and reputational impacts.	Partner engagement on delivery and funding.	A

Corporate Issues

Below is a summary of the corporate issues that were presented to LLDC Audit Committee in March 2022.

Summary	Action Plan
Red issue relating to East Bank philanthropic funding.	Fundraising strategy in development with GLA.
Red issue relating to COVID19 crisis.	Crisis management plans in place, recovery plans in place.
Amber issue relating to London Stadium crowd control.	Working closely with partners including West Ham United.
Red issue relating to Fixed Estate Charge (FEC) impact on community and political relationships.	Engagement with resident associations. Information on the website about FEC.
Amber issue relating to impact of residential tax on property developers	Close working with the GLA; potential engagement with HMT.

Purposes of major schedules within the financial statements

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

Comprehensive Income and Expenditure Statement

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

Balance Sheet

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

Cash Flow Statement

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

Movement in Reserves Statement

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

Statement of Responsibility for the Accounts

LLDC's responsibilities

LLDC is required to:

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

The Deputy Chief Executive's responsibilities

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

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

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

Certificate of the Deputy Chief Executive

I certify that the Statement of Accounts gives a true and fair view of the financial position of LLDC Group at the accounting date and of the income and expenditure for the year ended 31 March 2022.

Gerry Murphy
Deputy Chief Executive
28 July 2023

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

Opinion

We have audited the financial statements London Legacy Development Corporation (the 'Corporation') of and its subsidiaries (the 'Group') for the year ended 31 March 2022 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- Corporation and Group Movement in Reserves Statement,
- Corporation and Group Comprehensive Income and Expenditure Statement,
- Corporation and Group Balance Sheet,
- Corporation and Group Cash Flow Statement
- the related notes 1 to 29 to the Corporation Accounts, and G1 to G19 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 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

In our opinion the financial statements:

- give a true and fair view of the financial position of London Legacy Development Corporation and Group as at 31 March 2022 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 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report and Account 2021/22, 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 Account 2021/22**.**

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

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

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Group and Corporation
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and
- Accountability Act 2014 (as amended)
- we are not satisfied that the Group and Corporation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

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 38, 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 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Deputy Chief Executive determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Local Government Act 1972,
- Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992)
- Local Government Act 2003,
- The Local Audit and Accountability Act 2014 (as amended),
- The Accounts and Audit Regulations 2015, and
- Greater London Authority Acts 1999 and 2007.

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

We understood how London Legacy Development Corporation is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management/head of internal audit/those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Group and the Corporation's committee minutes, through enquiry of employees to confirm the Group and the Corporation's 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 Group and the Corporation's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance (through improper recognition of revenue), incorrect classification of capital spend and management override of controls to be our fraud risks.

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

To address our fraud risk of inappropriate classification of capital spend, we tested the Group and 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 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in December 2021**,** as to whether the London Legacy Development Corporation had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the London Legacy Development Corporation put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

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

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

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

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Group and 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 our work on value for money arrangements.

In addition, we cannot formally conclude the audit and issue an audit certificate until we have issued our Auditor's Annual Report for the year ended 31 March 2022**.** We have completed our work on the value for money arrangements and will report the outcome of our work in our commentary on those arrangements within the Auditor's Annual Report.

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 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

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

Corporation’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Brittain (Key Audit Partner)

Ernst & Young LLP (Local Auditor)

London

28 July 2023

Comprehensive Income and Expenditure Statement

For the year ended 31 March 2022

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

For the year ended 31 March 2021

	Notes	Gross Income (Restated) £'000	Gross Expenditure (Restated) £'000	Net Expenditure (Restated) £'000
Communication, Marketing and Strategy	2/4	(60)	1,512	1,452
Development	2/4	(37,220)	38,378	1,158
Executive Office	2/4	(215)	2,267	2,052
Finance, Commercial and Corporate Services	2/4	(1,559)	9,438	7,879
Park Operations and Venues	2/4	(423)	2,023	1,600
Planning Policy & Decisions	2/4	(2,019)	3,045	1,026
Regeneration and Community Partnerships	2/4	(16)	2,363	2,347
Stadium	2/4	(313)	370	57
East Bank	2/4	(30,000)	47,005	17,005
GLA Grant	2/4	(34,510)	-	(34,510)
Corporate Items	2/4	-	-	-
Net cost of services		**(106,335)**	**106,400**	**65**
Financing and investment income	7	(18,961)	-	(18,961)
Change in fair value of investment properties	13	-	83,153	83,153
Impairment of investment in joint venture	14	-	22,057	22,057
Financing and investment expenditure	8	-	32,114	32,114
Capital grants and contributions	9	(38,130)	-	(38,130)
(Surplus) or deficit on provision of services before tax		**(163,426)**	**243,724**	**80,297**
Corporation tax	10	-	1,637	1,637
Deferred tax	10	-	(2,264)	(2,264)
(Surplus) or deficit on the provision of services after tax		**(163,426)**	**243,097**	**79,670**
Deferred tax asset on the net defined benefit liability	10	(3,679)	-	(3,679)
Remeasurement of the net defined benefit liability/asset	19	-	17,224	17,224
Total comprehensive income and expenditure		**(167,105)**	**260,321**	**93,215**

Balance Sheet

	Notes	1 April 2020 (Restated) £'000	31 March 2021 (Restated) £'000	31 March 2022 £'000
Long term assets				
Intangible assets	11	139	270	285
Property, plant and equipment	12	3,149	5,124	5,458
Investment property	13	168,698	104,802	167,244
Investment in subsidiary	14	0	0	0
Long term debtors	15	1,000	0	9,630
Deferred tax asset		1,072	7,015	7,358
		174,058	**117,211**	**189,976**
Current assets				
Short term debtors	15	26,412	27,618	43,184
Cash and cash equivalents	16	59,119	62,881	66,838
Inventories	17	92,123	112,208	161,871
Corporation tax asset		337	4,029	0
		177,992	**206,736**	**271,894**
Total assets		**352,050**	**323,947**	**461,869**
Current liabilities				
Short term creditors	18/28	(109,728)	(107,328)	(275,684)
Corporation tax liability		0	0	(4,884)
		(109,728)	**(107,328)**	**(280,567)**
Long term liabilities				
Long term borrowing	18	(356,386)	(373,236)	(399,594)
Long term creditors	18/28	(268,764)	(300,004)	(105,600)
Retirement benefit obligation	19	(17,558)	(36,923)	(32,695)
		(642,708)	**(710,163)**	**(537,889)**
Total liabilities		**(752,436)**	**(817,491)**	**(818,457)**
Net assets		**(400,389)**	**(493,546)**	**(356,587)**
Reserves				
Usable reserves	21	10,075	2,836	(10,379)
Unusable reserves	21	390,313	490,709	366,964
Total reserves		**400,389**	**493,546**	**356,587**

Movement in Reserves Statement

As at 31 March 2022

	Notes	General Fund	Total usable reserve	Unusable reserves	Total unusable and other reserves	Total reserves
		£'000	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 31 March 2021 (Restated)		2,836	2,836	490,766	490,766	493,602
Movement in reserves during 2021/22						
Deficit on the provision of services	From CIES	(125,168)	(125,168)	-	-	(125,168)
Other comprehensive income and expenditure	From CIES		-	(11,792)	(11,792)	(11,792)
Total comprehensive income and expenditure		**(125,168)**	**(125,168)**	**(11,792)**	**(11,792)**	**(136,960)**
Adjustments between accounting and funding basis under regulations	22	111,954	111,954	(111,954)	(111,954)	-
Transfer to reserve		-	-	-	-	-
Decrease/(Increase) in 2021/22		**(13,214)**	**(13,214)**	**(123,746)**	**(123,746)**	**(136,960)**
Balance at 31 March 2022		**(10,378)**	**(10,378)**	**367,020**	**367,020**	**356,642**

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 31 March 2020 (Restated)		10,075	10,075	390,313	390,313	400,388
Movement in reserves during 2020/21 (Restated)						
Deficit on the provision of services	From CIES	79,670	79,670	-	-	79,670
Other comprehensive income and expenditure	From CIES		-	13,545	13,545	13,545
Total comprehensive income and expenditure		**79,670**	**79,670**	**13,545**	**13,545**	**93,215**
Adjustments between accounting and funding basis under regulations	22	(86,908)	(86,908)	86,908	86,908	-
Transfer to reserve		-	-	-	-	-
Decrease/(Increase) in 2020/21		**(7,238)**	**(7,238)**	**100,453**	**100,453**	**93,215**
Balance at 31 March 2021 (Restated)		**2,837**	**2,837**	**490,766**	**490,766**	**493,603**

Statement of Cash Flows

	Notes	31 March 2022 £'000	31 March 2021 (Restated) £'000
Surplus/(Deficit) on the provision of services		125,168	(79,672)
Adjustments to net (deficit) for non-cash movements	20	(24,315)	121,515
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	20	(102,167)	(38,330)
Net cash flows from operating activities		**(1,314)**	**3,513**
Investing activities	20	(30,159)	(39,546)
Financing activities	20	35,430	39,793
Net increase/(decrease) in cash and cash equivalents		**3,957**	**3,760**
Cash and cash equivalents at the start of the year		62,881	59,119
Cash and cash equivalents at the end of the year		**66,838**	**62,879**

Accounting policies

a) General Principles

LLDC is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 (the 2015 Regulations). These regulations require the financial statements to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2021/22* (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 LLDC's and LLDC Group's ("the Group") transactions for the 2021/22 financial year and its position at 31 March 2022. The Group financial statements have been prepared in accordance with the Code.

b) Basis of accounting

The Accounts are made up to 31 March 2022.

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 LLDC's performance.

c) Accruals of income and expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made; and
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure 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 LLDC and LLDC Group has in place appropriate funding and liquidity from the Greater London Authority, and other sources.

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

e) Accounting Standards issued but not yet effective

The Code requires LLDC to 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 – LLDC has deferred implementation of the new standard following the recent agreement from the CIPFA/LASAAC local authority accounting Code Board and the government's Financial Reporting Advisory Board to defer implementation in local authority financial statements to 2024/25. The new standard introduces a single lessee model which will require LLDC to disclose assets leased under Operating leases on its Balance Sheet. LLDC will continue to refine its impact assessment during 2022/23.

LLDC 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 2021/22.

f) Cash and cash equivalents

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

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

g) Critical judgements on applying accounting policies

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

Funding

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

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

Classification between investment properties and inventories

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

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

The classification of properties is a significant judgement which directly impacts the net asset position and reported financial performance, as inventory properties are held at the lower of cost and net realisable value or, when appropriate, at lower of cost and current replacement cost, whilst investment properties are held at fair value, with gains or losses taken through the Comprehensive Income and Expenditure Statement. Refer to notes 13 and 17 for further information.

Joint Ventures and Subsidiaries

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

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

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.

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

In January 2019, LLDC acquired 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 2021/22 are consolidated into LLDC's Group Accounts (via the E20 Stadium LLP accounts) in line with International Accounting Standards.

LLDC 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 LLDC but, to date, no transactions have been processed through this entity.

Stratford East London Developments Limited (SELD), a wholly-owned subsidiary of LLDC, was established in 2020/21 to enter into a joint venture to deliver the Stratford Waterfront and Bridgewater Triangle residential developments. The joint venture is now established as Stratford East London Partners (SELP) LLP and its current members are LLDC and SELD. As at 31 March 2022, no transactions have taken place through SELD or SELP.

h) Assumptions made about the future and 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 LLDC'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 property	Investment property valuations are based on the potential income to be generated by the various assets. Should evidence emerge that causes LLDC to amend these estimates, the estimated fair value of its investment properties could change. This includes changes to the affordable housing requirements and/or construction price inflation assumptions on LLDC's remaining development sites on the Park (where they are not already transferred to Inventories). The investment property balance at 31 March 2022 is £167.2m – see Note 13.	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 £16.7m charge to the CIES. This could be driven, for example, by a change in forecast future house price inflation.
Inventories	Inventories are held at the lower of cost and net realisable value or the lower of cost or current replacement cost where they are being distributed for no charge or for a nominal charge (IPSAS 12). The net realisable value is based upon the potential income to be generated by the various assets. Should evidence emerge that causes LLDC to amend these estimates, the carrying value of its inventories could change. This includes changes to the affordable housing and/or construction price inflation assumptions on LLDC's development sites under construction. Where there is a transfer to inventories from investment properties arising from a change of use, the inventory's deemed cost is its fair value at the date of change in use. For residential development inventories, the fair value at the date of transfer will be based upon the potential income to be generated by the various assets. Again, any change in these estimates could impact the carrying value of the inventories, which could result in a write-down in value to the CIES. The inventories balance at 31 March 2022 is £161.9m – see Note 17, including for more information on the judgements and estimates used by management.	A reduction in the estimated inventory 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 LLDC's inventories would result in a £16.2m charge to the CIES. This could be driven, for example, by a change in forecast future construction price inflation for the East Bank buildings.

Item	Uncertainties	Effect if actual results differ from assumptions
Provisions	Judgement and estimation techniques are used in the calculation of the best estimate of the amount required to settle obligations, including determining how likely it is that LLDC will incur expenditure as a result. For the East Bank provision, this is based upon LLDC's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Accordingly, LLDC is using estimates of the future cost of delivering the buildings to determine the value of the related provisions. These are based on a variety of assumptions, including construction prices, which may vary and impact upon the level of provision required and, therefore, the associated movements through the Comprehensive Income and Expenditure Accounts. The total provisions balance at 31 March 2022 is £224.5m – see Note 28.	If actual results differ from assumptions, then there may be the need for the provision(s) to be increased, with a consequential impact upon the CIES. For example, a 10 per cent increase in the value of LLDC's provisions at 31 March 2022 would result in a £22.5m charge to the CIES.

i) Events after the Reporting Period

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

Adjusting events

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

Non-adjusting events

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

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

j) Revenue recognition

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

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

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

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

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

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

k) Segmental reporting

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

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

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

Communications, Marketing and Strategy

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

Development

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

Executive Office

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

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

Finance, Commercial and Corporate Services

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

Park Operations and Venues

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

Planning Policy and Decisions

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

Regeneration and Community Partnerships

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

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

Stadium

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

Construction

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

l) Government grants and contributions

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

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

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

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

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

Community Infrastructure Levy

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

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

m) Financing and investment income and expenditure

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

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

n) Corporation and chargeable gains taxation

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

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

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

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

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

o) Value Added Taxation (VAT)

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

p) Revenue expenditure funded from capital under statute

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

q) Intangible assets

Other intangible assets

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

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

r) Property, plant and equipment

Recognition

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

Measurement

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

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

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

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

Depreciation

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

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

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

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

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

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

Disposals

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

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

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

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

s) Interests in companies and other entities

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

t) Investment property

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

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

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

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

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

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

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

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

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

u) Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liabilities

A contingent liability arises where an event has taken place that gives rise to a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of LLDC. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

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

Contingent assets

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

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

v) Foreign currencies

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

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

w) Leases (LLDC as lessee)

Leased assets

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

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

Lease payments

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

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

Determining whether an arrangement contains a lease.

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

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

x) Leases (LLDC as lessor)

Leased assets

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

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

Lease payments

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

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

y) Impairment of non-financial assets

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

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

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

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

z) Employee benefits

Defined benefit plans

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

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

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

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

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

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

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

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

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

Actuarial gains and losses: changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

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

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

Defined benefit plans - multi-employer exemption

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

Other employee benefits

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

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

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

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

bb) Financial instruments

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

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

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

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

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

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

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

cc) Financial assets at amortised cost

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

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

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

dd) Trade and other receivables

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

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

ee) Trade and other creditors

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

ff) Impairment of financial assets

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

gg) Embedded derivatives

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

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

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

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

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

ii) Fair Value Measurement

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

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

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

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

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

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date

- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

- Level 3 – unobservable inputs for the asset or liability.

jj) Inventories

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

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

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

Notes to the Statement of Accounts

1. Correction of prior period accounting errors

LLDC has made several prior period adjustments within these accounts, the majority of which relate to a review of the classification and presentation of LLDC's investment properties:

1. **Classification of impaired loan interest:** LLDC has reclassified the impairment of interest accrued on its intra-Group loan to E20 Stadium LLP from Gross Expenditure to Finance and Investment Expenditure. This now correctly reflects the requirements of the Code of Practice (section 3.4.2.39), which defines loan interest (and any associated impairments) as relating to financing and investment activities. This reclassification affects the Comprehensive Income and Expenditure Statement (CIES), Note 3 Expenditure and Funding Analysis and Note 4 Gross Expenditure and Note 8 Financing and Investment Expenditure.

2. **Correction of Cashflow Statement and related notes disclosure errors:** Two errors, relating to the disposal of property, plant and equipment assets and investment properties, were identified in the prior-year notes to the Cashflow Statement; these did not affect the final closing cash balance. LLDC has adjusted for these errors; however, note that these are ultimately superseded by Prior Period Adjustment 5.

3. **Correction of REFCUS disclosures:** Revenue expenditure funded from capital under statute (REFCUS) was incorrectly shown as additions and disposals (net nil effect) within Note 12 Property, Plant and Equipment in the 2020/21 accounts. LLDC has therefore corrected the prior-year comparators in this year's accounts. Note that these are subsequently superseded by Prior Period Adjustment 5.

4. **Reclassification of investment properties (residential) to inventories:** As set out in the accounting policies section, LLDC is required to make a series of complex judgements within these accounts, including the classification of its assets in line with IAS 40 (Investment Property). Each year, LLDC documents these judgements. This year, a review of the investment property classification identified that two of LLDC's residential development assets – Chobham Manor and East Wick and Sweetwater (phase 1) – had in a previous accounting period triggered the criteria[4] to be transferred from investment properties to inventories, so needed correcting. This reclassification affects the prior-year CIES, Balance Sheet, Cashflow Statement and various supporting notes. It also requires a restatement of the opening Balance Sheet as at 1 April 2020.

5. **Reclassification of investment properties (East Bank) to inventories:** The review noted in point 4 above also identified that parts of the East Bank project should also be reclassified from investment properties to inventories as these properties are ultimately being built for sale (albeit some are for nil consideration). This is in line with IAS 40 (Investment Properties) and IAS 2 (Inventories) and relates to the cultural and education buildings (University of the Arts London, V&A, Sadler's Wells and BBC) and the retail units at Stratford Waterfront. The costs incurred on the buildings up to 31 March 2021 were previously classified as either Assets under Construction (within Property, Plant and Equipment) or REFCUS and so require reclassification[5] to inventories. This reclassification affects the CIES, Balance Sheet, Cashflow Statement and various supporting notes. It also requires a restatement of the opening Balance Sheet as at 1 April 2020.

6. **Reclassification of East Bank expenditure from Assets under Construction to investment properties:** The review noted in point 4 above identified that previous years' expenditure relating to the parts of the East Bank project remaining as investment properties (public realm and the Carpenters Land Bridge) needed to be reclassified from Assets under Construction to investment properties in line with IAS 40 (Investment Property). This reclassification affects the Balance Sheet and two supporting notes (Property, Plant and Equipment and Investment Properties). It also requires a restatement of the opening Balance Sheet as at 1 April 2020.

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[4] see inventories accounting policy

[5] note that part of this adjustment also corrects an error in the prior-year accounts, where the release of expenditure from Assets under Construction, relating to UAL, was incorrectly charged to the General Fund (rather than the Capital Adjustment Account)

7. **Establishment of a provision for LLDC's contributions towards the cost of the East Bank buildings now classified as inventories:** The review of East Bank (as part of the review noted in point 4) identified that LLDC's contributions towards the cost of the cultural and education buildings (University of the Arts London, V&A, Sadler's Wells and BBC) and the retail units at Stratford Waterfront require a provision to be established from the date that the agreements for lease were signed (all pre-31 March 2020). The provision is in line with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) and is based on LLDC's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. This adjustment affects the CIES, Balance Sheet, Cashflow Statement and various supporting notes. It also requires a restatement of the opening Balance Sheet as at 1 April 2020.

8. **Deferral of East Bank partner contributions:** The review of East Bank (as part of the review noted in point 4) project identified that any contributions towards the cost of the cultural and education buildings by the Partners (mainly University of the Arts London and BBC) should be deferred until the buildings are completed and handed over to the Partners (expected to occur in 2023/24). This adjustment is in line with IAS 18 (Revenue) and affects the CIES, Balance Sheet, Cashflow Statement and various supporting notes. It also requires a restatement of the opening Balance Sheet as at 1 April 2020.

9. **Reversal of deferred tax asset on the net defined benefit liability:** The deferred tax asset on the net defined benefit liability was incorrectly adjusted twice from the General Fund (via the Movement in Reserves Statement) in the audited 2020/21 accounts. This is now corrected and affects the Balance Sheet, Movement in Reserves Statement and associated supporting notes.

10. **Corporation and Deferred Tax changes:** Prior period adjustments 4 to 8 all have a consequential impact upon LLDC's Corporation and Deferred Tax liabilities/assets, which are now corrected in the restated accounts. This adjustment affects the CIES, Balance Sheet, Cashflow Statement and various supporting notes. It also requires a restatement of the opening Balance Sheet as at 1 April 2020. Note that this prior period adjustment also includes changes to now correctly disclose LLDC's net Corporation and Deferred Tax liabilities/assets in accordance with IAS 12.

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

Balance Sheet

	31 March 2021 audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Long term assets												
Property, plant and equipment	136,143	-	-	-	-	(102,403)	(28,616)	-	-	-	-	5,124
Investment property	245	-	-	-	(54,907)	159,464	-	-	-	-	-	104,802
Deferred tax net asset	0	-	-	-	-	-	-	-	-	-	7,015	7,015
	136,658	**-**	**-**	**-**	**(54,907)**	**57,060**	**(28,616)**	**-**	**-**	**-**	**7,015**	**117,211**
Current assets												
Short term debtors	41,995	-	-	-	-	-	-	-	(2,076)	-	(12,302)	27,618
Inventories	-	-	-	-	52,775	59,433	-	-	-	-	-	112,208
Corporation tax net asset	0	-	-	-	-	-	-	-	-	-	4,029	4,029
	104,876	**-**	**-**	**-**	**52,775**	**59,433**	**-**	**-**	**(2,076)**	**-**	**(8,272)**	**206,736**
Total assets	**241,534**	**-**	**-**	**-**	**(2,132)**	**116,493**	**(28,616)**	**-**	**(2,076)**	**-**	**(1,257)**	**323,947**
Current liabilities												
Short term creditors	(66,503)	-	-	-	-	-	-	(55,179)	-	-	14,354	(107,328)
	(66,503)	**-**	**-**	**-**	**-**	**-**	**-**	**(55,179)**	**-**	**-**	**14,354**	**(107,328)**
Long term liabilities												
Long term creditors	(39,892)	-	-	-	-	-	-	(222,620)	(37,493)	-	-	(300,004)
Retirement benefit obligation	(29,908)	-	-	-	-	-	-	-	-	-	(7,015)	(36,923)
Deferred tax net liability	(11)	-	-	-	-	-	-	-	-	-	11	0
	(443,047)	**-**	**-**	**-**	**-**	**-**	**-**	**(222,620)**	**(37,493)**	**-**	**(7,004)**	**(710,163)**
Total liabilities	**(509,550)**					**-**	**-**	**(277,798)**	**(37,493)**	**-**	**7,350**	**(817,491)**
Net assets	**(268,018)**	**-**	**-**	**-**	**(2,132)**	**116,493**	**(28,616)**	**(277,798)**	**(39,569)**	**-**	**6,093**	**(493,546)**
Reserves												
Usable reserves	39,914	-	-	-	-	(33,399)	-	-	-	(3,679)	-	2,836
Unusable reserves	228,103	-	-	-	2,132	(83,094)	28,616	277,798	39,569	3,679	(6,093)	490,709
Total reserves	**268,018**	**-**	**-**	**-**	**2,132**	**(116,493)**	**28,616**	**277,798**	**39,569**	**-**	**(6,093)**	**493,546**

	31 March 2020 audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	1 April 2020 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Long term assets												
Property, plant and equipment	118,447	-	-	-	-	(91,053)	(24,245)	-	-	-	-	3,149
Investment property	58,015	-	-	-	(78,708)	189,391	-	-	-	-	-	168,698
Deferred tax net asset	0	-	-	-	-	-	-	-	-	-	1,072	1,072
	177,601	**-**	**-**	**-**	**(78,708)**	**98,338**	**(24,245)**	**-**	**-**	**-**	**1,072**	**174,058**
Current assets												
Short term debtors	47,147	-	-	-	-	-	-	-	(13,763)	-	(6,972)	26,412
Inventories	-	-	-	-	57,765	34,358	-	-	-	-	-	92,123
Corporation tax net asset	0	-	-	-	-	-	-	-	-	-	337	337
	106,266	**-**	**-**	**-**	**57,765**	**34,358**	**-**	**-**	**(13,763)**	**-**	**(6,635)**	**177,992**
Total assets	**283,867**	**-**	**-**	**-**	**(20,943)**	**132,697**	**(24,245)**	**-**	**(13,763)**	**-**	**(5,563)**	**352,050**
Current liabilities												
Short term creditors	(63,567)	-	-	-	-	-	-	(59,084)	-	-	12,922	(109,728)
	(63,567)	**-**	**-**	**-**	**-**	**-**	**-**	**(59,084)**	**-**	**-**	**12,922**	**(109,728)**
Long term liabilities												
Long term creditors	(35,897)	-	-	-	-	-	-	(232,867)	-	-	-	(268,764)
Retirement benefit obligation	(14,222)	-	-	-	-	-	-	-	-	-	(3,336)	(17,558)
Deferred tax net liability	(529)	-	-	-	-	-	-	-	-	-	529	0
	(407,034)	**-**	**-**	**-**	**-**	**-**	**-**	**(232,867)**	**-**	**-**	**(2,807)**	**(642,708)**
Total liabilities	**(470,601)**	**-**	**-**	**-**	**-**	**-**	**-**	**(291,951)**	**-**	**-**	**10,115**	**(752,436)**
Net assets	**(186,736)**	**-**	**-**	**-**	**(20,943)**	**132,697**	**(24,245)**	**(291,951)**	**(13,763)**	**-**	**4,553**	**(400,389)**
Reserves												
Usable reserves	10,075	-	-	-	-	-	-	-	-	-	-	10,075
Unusable reserves	176,660	-	-	-	20,943	(132,697)	24,245	291,951	13,763	-	(4,553)	390,313
Total reserves	**186,736**	**-**	**-**	**-**	**20,943**	**(132,697)**	**24,245**	**291,951**	**13,763**	**-**	**(4,553)**	**400,389**

Comprehensive Income and Expenditure Statement

2020/21	Net Expenditure per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	Net Expenditure (Restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Development	1,120	-	-	-	(37,166)	(30,000)	-	-	-	-	-	(66,046)
East Bank	74,822	-	-	-	-	(74,822)	-	44,931	-	-	-	44,931
Net cost of services	**64,557**	**(6,712)**	**-**	**-**	**(37,166)**	**(104,822)**	**-**	**44,931**	**-**	**-**	**-**	**(39,213)**
Financing and investment income	(18,961)	-	-	-	-	-	-	-	-	-	-	(18,961)
Change in fair value of investment properties	37,703	-	-	-	(18,807)	64,257	-	-	-	-	-	83,153
Financing and investment expenditure	25,402	6,712	-	-	37,204	2,074	-	-	-	-	-	71,391
Capital grants and contributions	(63,936)	-	-	-	-	-	-	-	25,806	-	-	(38,130)
(Surplus) or deficit on provision of services before tax	**66,822**	**-**	**-**	**-**	**(18,770)**	**(38,492)**	**-**	**44,931**	**25,806**	**-**	**-**	**80,297**
Corporation tax	1,432	-	-	-	-	-	-	-	-	-	205	1,637
Deferred tax	(518)	-	-	-	-	-	-	-	-	-	(1,746)	(2,264)
(Surplus) or deficit on the provision of services after tax	**67,736**	**-**	**-**	**-**	**(18,770)**	**(38,492)**	**-**	**44,931**	**25,806**	**-**	**(1,541)**	**79,670**
Total comprehensive income and expenditure	**81,281**	**-**	**-**	**-**	**(18,770)**	**(38,492)**	**-**	**44,931**	**25,806**	**-**	**(1,541)**	**93,215**

Movement in Reserves Statement

2020/21	Total reserves as per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	Total reserves (Restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2020 (Restated)	**186,735**	**-**	**-**	**-**	**20,943**	**(132,697)**	**24,245**	**291,951**	**13,763**	**-**	**(4,553)**	**400,388**
Movement in reserves during 2020/21												
Deficit on the provision of services	67,737	-	-	-	(18,770)	(38,492)	-	44,931	25,806	-	(1,541)	79,672
Total comprehensive income and expenditure (Restated)	**81,282**	**-**	**-**	**-**	**(18,770)**	**(38,492)**	**-**	**44,931**	**25,806**	**-**	**(1,541)**	**93,217**
Balance at 31 March 2021 (Restated)	**268,017**	**-**	**-**	**-**	**2,174**	**(171,188)**	**24,245**	**336,882**	**39,569**	**-**	**(6,094)**	**493,605**

Movement in Reserves Statement note – Adjustments involving the Capital Adjustment Account

	Total Usable Reserves per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	Total Usable Reserves (Restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement												
Movements in the market value of investment property	**(37,703)**	-	-	-	18,807	(64,257)	-	-	-	-	-	**(83,153)**
Disposals of investment property	**(67,366)**	-	-	-	37,166	30,000	-	-	-	-	-	**(200)**
Disposals of inventories and increase/decrease to net realisable value	**-**	-	-	-	(37,204)	(2,074)	-	-	-	-	-	**(39,277)**
(Increase)/decrease in provisions	**-**	-	-	-	-	-	-	(44,931)	-	-	-	**(44,931)**
Current and Deferred tax liability movements	**2,765**	-	-	-	-	-	-	-	-	(3,679)	1,541	**627**
Capital grants and contributions applied	**63,936**	-	-	-	-	-	-	-	(25,806)	-	-	**38,130**
Revenue expenditure funded from capital under statute	**(42,238)**	-	-	-	-	41,423	-	-	-	-	-	**(815)**
Total adjustments	**(37,895)**	**-**	**-**	**-**	**18,770**	**5,092**	**-**	**(44,931)**	**(25,806)**	**(3,679)**	**1,541**	**(86,908)**

Reserves – Capital Adjustment Account

2020/21	Per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April	158,910	-	-	-	20,943	(132,697)	24,245	291,951	13,763	-	(4,553)	372,563
Charges for depreciation and amortisation	699	-	-	-	-	-	-					699
Capital grants and contributions applied	(63,936)	-	-	-	-	-	-		25,806			(38,130)
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	-	-	-	(37,166)	(30,000)	-	-	-	-	-	200
Amounts of inventories written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement and increase/decrease to net realisable value	-	-	-	-	37,204	2,074	-	-	-	-	-	39,277
Increase/decrease in provisions	-	-	-	-	-	-	-	44,931	-	-	-	44,931
Capital receipts received during the year	(67,766)	-	-	-	-	-	-					(67,766)
Capital receipts used during the year		-	-	-	-	-	-	-	-	-	-	-
Revenue expenditure funded from capital under statute	42,238	-	-	-	-	(41,423)	-	-	-	-	-	815
(Revaluation)/Impairment charged to the Comprehensive Income and Expenditure Statement	59,760	-	-	-	(18,807)	64,257	-	-	-	-	-	105,210
Deferred tax liability on revaluation charged to the Comprehensive Income and Expenditure Statement	(4,197)	-	-	-	-	-	-	-	-	3,679	(1,541)	(2,059)
Corporation Tax liability for the year	1,432	-	-	-	-	-	-	-	-	-	-	1,432
Balance at 31 March	**194,506**	**-**	**-**	**-**	**2,174**	**(137,789)**	**24,245**	**336,882**	**39,569**	**3,679**	**(6,094)**	**457,172**

Statement of Cashflows

2020/21	31 March 2021 audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 (Restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Surplus/(Deficit) on the provision of services	(67,737)	-	-	-	18,770	38,492	-	(44,931)	(25,806)	-	1,541	(79,672)
Adjustments to net (deficit) for non-cash movements	119,588	-	33,459	-	(48,770)	32,931	-	(14,153)	-	-	(1,541)	121,515
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	(63,936)	-	-	-	(200)	-	-	-	25,806	-	-	(38,330)
Net cash flows from operating activities	**(12,085)**	**-**	**33,459**	**-**	**(30,200)**	**71,423**	**-**	**(59,084)**	**-**	**-**	**-**	**3,513**
Investing activities	(23,948)	-	(74,882)	41,423	200	17,661	-	-	-	-	-	(39,546)
Financing activities	39,793	-	-	-	-	-	-	-	-	-	-	39,793
Net increase/(decrease) in cash and cash equivalents	**3,760**	**-**	**(41,423)**	**41,423**	**(30,000)**	**89,084**	**-**	**(59,084)**	**-**	**-**	**-**	**3,760**
Cash and cash equivalents at the start of the year	59,119	-	-	-	-	-	-	-	-	-	-	59,119
Cash and cash equivalents at the end of the year	**62,879**	**-**	**(41,423)**	**41,423**	**(30,000)**	**89,084**	**-**	**(59,084)**	**-**	**-**	**-**	**62,879**

Statement of Cashflows – Notes

Adjustments to net deficit for non - cash movements

	31 March 2021 audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 (Restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Depreciation of property plant and equipment	501	-	-	-	-	-	-	-	-	-	-	501
Amortisation of intangibles	198	-	-	-	-	-	-	-	-	-	-	198
Movement in Pension Liabilities	3,319	-	-	-	-	-	-	-	-	-	-	3,319
Reversal of impairment on investment in joint venture	22,057	-	-	-	-	-	-	-	-	-	-	22,057
Cash Payments for employer's contributions to pension funds	(1,178)	-	-	-	-	-	-	-	-	-	-	(1,178)
(Increase)/ Decrease in trade and other debtors	6,176	-	-	-	-	-	-	-	-	-	-	6,176
Increase/(decrease) in trade and other creditors	(16,007)	-	-	-	-	-	-	-	-	-	205	(15,802)
Increase/(decrease) in deferred tax liability	(518)	-	-	-	-	-	-	-	-	-	(1,746)	(2,264)
Increase/(decrease) in bad debt provision	(24)	-	-	-	-	-	-	-	-	-	-	(24)
Increase/(decrease) in provisions	-	-	-	-	-	-	-	(14,153)	-	-	-	(14,153)
Inventory disposals (non-East Bank)	-	-	-	-	37,204	-	-	-	-	-	-	37,204
Inventory net change to net realisable value	-	-	-	-	-	2,074	-	-	-	-	-	2,074
Net book value of non-current asset disposals	67,366	-	-	-	(67,166)	-	-	-	-	-	-	200
Property, plant and equipment assets written out	-	-	33,459	-	-	(33,399)	-	-	-	-	-	60
Changes in Fair Value of Investment Property	37,703	-	-	-	(18,807)	64,257	-	-	-	-	-	83,153
Stadium Lease Premium	(5)	-	-	-	-	-	-	-	-	-	-	(5)
Adjustment to net deficit for non-cash movements	**119,588**	**-**	**33,459**	**-**	**(48,770)**	**32,931**	**-**	**(14,153)**	**-**	**-**	**(1,541)**	**121,515**
Adjust for items included in the net deficit on the provisions of services that are investing or financing activities												
Cash received for the disposal of investment properties	-	-	-	-	200	-	-	-	-	-	-	200
Capital grants and contributions credited to the deficit on the provision of services	63,936	-	-	-	-	-	-	-	(25,806)	-	-	38,130

Investing activities

	31 March 2021 audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 (Restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Purchase of property, plant and equipment, investment property and intangible assets	(140,708)	-	-	41,423	32,214	44,809	-	-	-	-	-	(22,262)
Property, plant, and equipment assets written out	74,882	-	(74,882)	-	-	-	-	-	-	-	-	-
Disposal of investment properties	-	-	-	-	200	-	-	-	-	-	-	200
Investment in joint venture	(22,057)	-	-	-	-	-	-	-	-	-	-	(22,057)
Inventory purchases not set against provision (East Bank)	-	-	-	-	-	(27,148)	-	-	-	-	-	(27,148)
Inventory purchases (non-East Bank)	-	-	-	-	(32,214)	-	-	-	-	-	-	(32,214)
Capital grant received and other capital receipts	63,936	-	-	-	-	-	-	-	-	-	-	63,936
Net cash outflow from investing activities	**(23,947)**	**-**	**(74,882)**	**41,423**	**200**	**17,661**	**-**	**-**	**-**	**-**	**-**	**(39,545)**

Notes to the accounts:

Gross Income

	31 March 2021 per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross disposal proceeds from the sale of inventory	-	-	-	-	(37,166)	-	(30,000)	-	-	-	-	(67,166)
Total	**(39,169)**	**0**	**0**	**0**	**(37,166)**	**0**	**(30,000)**	**0**	**0**	**0**	**0**	**(106,335)**

Gross Expenditure

	31 March 2021 per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
REFCUS - Recharges	41,629	-	-	-	-	(41,423)	-	-	-	-	-	206
Impairment of financial assets	6,742	(6,712)	-	-	-	-	-	-	-	-	-	30
Increase/(decrease) in provision	-	-	-	-	-	-	-	44,931	-	-	-	44,931
Gross costs from disposal of inventories	-	-	-	-	37,204	-	-	-	-	-	-	37,204
Net (increase)/decrease to net realisable value for East Bank inventory	-	-	-	-	-	2,074	-	-	-	-	-	2,074
Project costs expensed	33,399	-	-	-	-	(33,399)	-	-	-	-	-	(0)
Total	**103,728**	**(6,712)**	**-**	**-**	**37,204**	**(72,748)**	**-**	**44,931**	**-**	**-**	**-**	**106,402**

Financing and investment expenditure

	31 March 2021 audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Impairment losses	-	6,712	-	-	-	-	-	-	-	-	-	6,712
Financing and investment expenditure	**25,403**	**6,712**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**32,115**

Investment properties

	31 March 2021 audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 (Restated)
Valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance at 1 April	58,015	-	-	-	(78,708)	189,391	-	-	-	-	-	168,698
Additions:												
Subsequent expenditure	47,299	-	-	-	(32,214)	-	4,371	-	-	-	-	19,456
Disposals	(67,366)	-	-	-	37,166	30,000	-	-	-	-	-	(200)
Changes in fair value	(37,703)	-	-	-	18,807	(59,886)	(4,371)	-	-	-	-	(83,153)
Total Investment property	**245**	**-**	**-**	**-**	**(54,949)**	**159,506**	**-**	**-**	**-**	**-**	**-**	**104,802**

Inventories

	31 March 2021 audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	**-**	**-**	**-**	**-**	**57,765**	**34,358**	**-**	**-**	**-**	**-**	**-**	**92,123**
Purchases	-	-	-	-	32,214	86,232	-	-	-	-	-	**118,446**
Transfer to investment properties	-	-	-	-	-	-	-	-	-	-	-	**-**
Recognised as an expense in the year	-	-	-	-	(37,204)	-	-	-	-	-	-	**(37,204)**
Purchases offset against grant provision	-	-	-	-	-	(59,084)	-	-	-	-	-	**(59,084)**
Write down to net realisable value	-	-	-	-	-	(2,074)	-	-	-	-	-	**(2,074)**
Balance at 31 March	**-**	**-**	**-**	**-**	**52,775**	**59,433**	**-**	**-**	**-**	**-**	**-**	**112,208**
Split:												
Residential	-	-	-	-	52,775	-	-	-	-	-	-	**52,775**
East Bank	-	-	-	-	-	59,433	-	-	-	-	-	**59,433**
Balance at 31 March	**-**	**-**	**-**	**-**	**52,775**	**59,433**	**-**	**-**	**-**	**-**	**-**	**112,208**

Property, plant and equipment

	Total per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost												
At 1 April 2020	120,629	-	-	-	-	(91,053)	(24,245)	-	-	-	-	5,331
Additions (restated)	93,080	-	-	(41,423)	-	(11,350)	(37,830)	-	-	-	-	2,477
Disposals (restated)	(74,882)	-	-	41,423	-	-	33,459	-	-	-	-	0
At 31 March 2021	**138,827**	**-**	**-**	**-**	**-**	**(102,403)**	**(28,616)**	**-**	**-**	**-**	**-**	**7,808**
Depreciation												
At 1 April 2020	2,182	-	-	-	-	-	-	-	-	-	-	2,182
Charged during the period	501	-	-	-	-	-	-	-	-	-	-	501
At 31 March 2021	**2,683**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,683**
Net book value at 31 March 2021 (restated)	**136,144**	**-**	**-**	**-**	**-**	**(102,403)**	**(28,616)**	**-**	**-**	**-**	**-**	**5,124**

Current and non-current liabilities

	Total per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Current												
Central government bodies	(17,843)	-	-	-	-	-	-	-	-	-	14,354	(3,489)
Short Term Provisions	-	-	-	-	-	-	-	(55,179)	-	-	-	(55,179)
Total current liabilities	**(66,503)**	**-**	**-**	**-**	**-**	**-**	**-**	**(55,179)**	**-**	**-**	**14,354**	**(107,328)**
Non-current												
Deferred income (East Bank)	-	-	-	-	-	-	-	-	(37,493)	-	-	(37,493)
Long Term Provisions	-	-	-	-	-	-	-	(222,620)	-	-	-	(222,620)
Deferred tax net liability	(11)	-	-	-	-	-	-	-	-	-	11	-
Retirement benefit obligation (pension liability)	(29,908)	-	-	-	-	-	-	-	-	-	(7,015)	(36,923)
Long term creditors	**(69,812)**	**-**	**-**	**-**	**-**	**-**	**-**	**(222,620)**	**(37,493)**	**-**	**(7,004)**	**(336,928)**
Total non-current liabilities	**(443,048)**	**-**	**-**	**-**	**-**	**-**	**-**	**(222,620)**	**(37,493)**	**-**	**(7,004)**	**(710,164)**

Current assets

	Total per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Short-term												
Central government bodies	17,562	-	-	-	-	-	-	-	-	-	(12,302)	5,260
Other entities and individuals	24,309	-	-	-	-	-	-	-	(2,076)	-	-	22,233
Corporation tax net asset	-	-	-	-	-	-	-	-	-	-	4,029	4,029
Total Short-term	**41,995**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,076)**	**-**	**(8,272)**	**31,647**

Provisions

	Total per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2020	-	-	-	-	-	-	-	291,951	-	-	-	291,951
Additional provisions made	-	-	-	-	-	-	-	44,931	-	-	-	44,931
Amounts used	-	-	-	-	-	-	-	(59,084)	-	-	-	(59,084)
Balance at 31 March 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**277,798**	**-**	**-**	**-**	**277,798**

Corporation and Deferred Tax

	Total per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net surplus/(deficit) on provision of services before tax	(66,823)	-	-	-	-	-	-	-	-	-	(13,474)	(80,297)
Remeasurement of the net defined benefit liability/asset	(17,224)	-	-	-	-	-	-	-	-	-	-	(17,224)
Non-taxable income/non-deductible expenditure	86,336	-	-	-	-	-	-	-	-	-	50,313	136,649
Disposals and Group Losses	16,994	-	-	-	-	-	-	-	-	-	(33,887)	(16,893)
Profits chargeable to corporation tax (pre-losses)	**19,283**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,952**	**22,235**
Loss brought forward	9,663	-	-	-	-	-	-	-	-	-	3,954	13,617
Corporation tax	**1,828**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(190)**	**1,637**
Corporation tax rebate (prior years)	(396)	-	-	-	-	-	-	-	-	-	396	-
Corporation tax	**1,432**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**206**	**1,637**

	Total per audited accounts	PYA 1 Loan interest	PYA 2 CFS disclosures	PYA 3 REFCUS	PYA 4 IP to inventories (Residential)	PYA 5 IP to inventories (East Bank)	PYA 6 East Bank Assets under Construction (to IP)	PYA 7 East Bank provision	PYA 8 East Bank deferred income	PYA 9 Deferred tax asset	PYA 10 Corporation and Deferred Tax	31 March 2021 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Deferred tax assets												
Investment property	217	-	-	-	-	-	-	-	-	-	6,248	6,465
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	446	446
Capital losses carried forward	1,825	-	-	-	-	-	-	-	-	-	-	1,825
Total	**2,042**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,694**	**8,736**
Deferred tax liabilities												
Investment property	(2,503)		-	-	-	-	-	-	-	-	(6,233)	(8,736)
Property, plant and equipment	450		-	-	-	-	-	-	-	-	(450)	-
Total	**(2,053)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,683)**	**(8,736)**
Net deferred tax liability recognised in the surplus on the provision of services after tax	**(11)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11**	**0**
Deferred tax assets												
Pension	7,015	-	-	-	-	-	-	-	-	-	-	7,015
Net deferred tax asset recognised in other comprehensive income and expenditure	**7,015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,015**

2. Gross income

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

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Grants received	(46,418)	(34,516)
Gross disposal proceeds from the sale of inventory	(66,893)	(67,166)
Planning fees	(580)	(515)
Recharges	(2,923)	(2,761)
Events income	(98)	(42)
Other	(704)	(1,335)
Total	**(117,616)**	**(106,335)**

The grants received are those from the Greater London Authority (including £10.7m for 20/21 interest on LLDC's borrowings from the GLA) and the recharges are mainly related to legal and other services provided by LLDC to E20 Stadium LLP.

The gross proceeds from the sale of inventories are from the planned sale of residential properties on the Chobham Manor and East Wick and Sweetwater developments.

3. Expenditure and Funding Analysis

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

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

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.

2020/21 (Restated)	Net Expenditure in the Comprehensive Income and Expenditure Statement	Adjustments for revenue items reported below Net Cost of Services	Other differences	Net Expenditure Chargeable to the General Fund Balances (Management Reporting)
Subjective analysis	**£'000**	**£'000**	**£'000**	**£'000**
Communication, Marketing and Strategy	1,452	-	-	1,452
Development	1,158	(115)	(1,109)	(67)
Executive Office	2,052	-	133	2,185
Finance, Commercial and Corporate Services	7,879	1,460	(4,022)	5,317
Park Operations and Venues	1,600	2,385	(16)	3,969
Planning Policy & Decisions	1,026	0	-	1,026
Regeneration and Community Partnerships	2,347		20	2,367
Stadium	57	-	7,364	7,422
East Bank (previously Cultural and Educational District)	17,005	(74,867)	27,817	(30,045)
Management Reporting Total	**34,576**	**(71,135)**	**30,188**	**(6,372)**
GLA Grant	(34,510)			
Net Cost of Services	**66**			
Other income and expenditure (GF Only)	(7,303)			
Other income and expenditure (non-GF)	86,908			
Surplus or deficit	**79,670**			
Other income and expenditure (non-GF)	(86,908)			
Movement on General Fund balance	**(7,239)**			
Opening General Fund Balance at 31 March 2020	**10,075**			
Closing General Fund at 31 March 2021	**2,836**			

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 2022	31 March 2021 (Restated)
	£'000	£'000
Staff costs:		
Wages and salaries	7,561	7,282
Social security costs	913	894
Pension costs	4,237	2,517
Other staff costs	275	253
Grants and contributions	390	557
Consultancy and Strategy Development costs	2,560	2,592
Accommodation costs	1,442	1,431
Legal fees	1,577	987
Communications, events and marketing	733	382
Agency and seconded staff costs	511	763
REFCUS	417	609
REFCUS - Recharges	295	206
Insurance	1,972	1,804
IT and Stationery	1,236	1,019
Security	1	-
Travel	15	17
Gross costs from disposal of inventories	60,106	37,204
Net (increase)/decrease to net realisable value for East Bank inventory	(2,159)	2,074
Amortisation	305	198
Depreciation	436	501
Increase/decrease in provision for doubtful debts	116	(91)
Stamp Duty Land Tax	-	23
Impairment of financial assets	(113)	30
Increase/(decrease) in provision	1,872	44,931
Project costs expensed	1,225	-
Other	483	220
Total	**86,406**	**106,403**

LLDC’s contributions towards the cost of the cultural and education buildings (University of the Arts London, V&A, Sadler’s Wells and BBC) and the retail units at Stratford Waterfront require a provision to be established from the date that the agreements for lease were signed (all pre-31 March 2020). The provision is in line with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) and is based on LLDC’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period – see Note 27 for further details. The in-year movement on the provision is reflected in this note.

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

5. External audit fees

External audit fees are made up as follows:

	31 March 2022	31 March 2021
	£'000	**£'000**
Auditors' remuneration		
for statutory audit services	85	107
for non-statutory audit services	-	-
for non- audit services	-	-
Total	**85**	**107**

6. Remuneration

The Code requires disclosure of remuneration for LLDC's employees whose total remuneration in the year was £50,000 or more, grouped in rising bands of £5,000. Senior employees are included in the following table; 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 2022	31 March 2021
£	**Number**	**Number**
50,000- 54,999	10	9
55,000- 59,999	6	11
60,000- 64,999	12	14
65,000- 69,999	8	7
70,000- 74,999	7	8
75,000- 79,999	7	4
80,000- 84,999	4	6
85,000- 89,999	4	5
90,000- 94,999	7	3
95,000- 99,999	1	-
100,000- 104,999	1	-
105,000- 109,999	-	4
110,000- 114,999	2	2
115,000- 119,999	2	-
120,000- 124,999	-	-
125,000- 129,999	4	5
130,000- 134,999	-	1
135,000- 139,999	3	3
140,000 - 144,999	2	-
145,000 - 149,999	-	-
150,000- 154,999	-	-
155,000- 159,999	-	-
160,000- 164,999	2	2
165,000- 169,999	-	-
170,000- 174,999	-	-
175,000-179,999	1	1
180,000- 184,999	2	1
185,000- 189,999	-	1
190,000- 194,999	-	-
195,000- 199,999	-	-
200,000- 204,999	-	-
205,000- 209,999	1	-
210,000- 214,999	-	-
215,000- 219,999	-	-
220,000- 224,999	-	-
225,000- 229,999	-	-
230,000- 234,999	-	-
235,000- 239,999	-	-
240,000 - 244,999	-	-
245,000 - 250,000	-	1

Senior employees' remuneration

Members of LLDC's Executive Management Team

Year to 31 March 2022

Name	Title	Salary (incl fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
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 Communication, Marketing and Strategy	126	-	-	-	15	141
	Director of Human Resources	89	-	-	-	11	100
	Director of Planning Development (1)	129	-	-	-	15	144
	Finance Director (1)	110	-	-	-	13	124
	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 Additional members added to LLDC's Executive Managent Team Board in November 2020. These roles will rotate in 2022-23

Members of LLDC's Executive Management (continued)

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.

Board Members' remuneration

Year to 31 March 2022

Name	Title	Salary (incl fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Sir Peter Hendy	Chairman	36					36
Keith Edelman	Chair of the Audit Committee	21					21
Nicky Dunn	Chair of E20 Stadium LLP	21					21
Geoff Thompson MBE	Member	14					14
Pam Alexander	Member	28					28
Sonita Alleyne	Chair of the Regeneration and	7					7
	Communities Committee						-
Sukhvinder Kaur-Stubbs	Member	28					28
Baroness Grey-Thompson	Member	7					7
Shanika Amarasekara	Member	27					27
Simon Blanchflower	Chair of the Health	29					29
	and Safety Committee						-
Jamie Kerr	Member	14					14
Ms Gabrielle Appiah	Member	7					7
Mr Gurpreet Dehal	Member	6					6
Mr Phil Mead	Member	6					6
Helene Raynsford	Member	-					-
Rachel Blake	Member	-					-
Jules Pipe	Mayor's Representative	-					-
Clare Coghill	Member	-					-
Grace Williams	Member						
Rokhsana Fiaz OBE	Member	-					-
Philip Glanville	Member	-					-

Board Members' remuneration (continued)

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**
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	-	-	-	-	-	-
Rokhsana Fiaz OBE	Member	-	-	-	-	-	-
Philip Glanville	Member	-	-	-	-	-	-

Termination payments

The Code requires the separate disclosure of the number and cost of compulsory and voluntary severance termination packages agreed during the year. No staff left under compulsory severance terms during the year. Those who left LLDC did so under LLDC's voluntary severance terms, by choosing to accept the voluntary severance terms 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 2022	31 March 2021	31 March 2022	31 March 2021
£0 – £20,000	4	1	14	3
£20,001 -£40,000	1	-	28	-
£40,001- £60,000	-	-	-	-
£60,001 - £80,000	-	-	-	-
£80,001 - £100,000	-	-	-	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
£200,001 - £250,000	-	-	-	-
£250,001 - £300,000	-	-	-	-

7. Financing and investment income

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Interest income on deposits	(7)	(5)
Income in relation to investment property	(22,113)	(18,557)
Gross proceeds from disposal of investment property	-	(400)
Financing and investment income	**(22,120)**	**(18,961)**

Income in relation to investment property includes income generated by LLDC's venues, such as the ArcelorMittal Orbit and 3 Mills Studios.

8. Financing and investment expenditure

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Net interest on the net defined benefit liability (asset)	745	398
Expenditure in relation to investment property	19,469	14,282
Interest costs on borrowing	11,213	10,723
Impairment losses	7,133	6,712
Financing and investment expenditure	**38,560**	**32,115**

Interest costs of £11.2m were incurred in 2021/22 relating to the GLA loan facility used to fund LLDC's capital programmes (note these costs are fully funded by the GLA, see Note 2).

9. Taxation and non-specific grant income

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Capital grants and contributions	(102,167)	(38,130)

Capital grants and contributions in 2021/22 is the funding received by LLDC from the GLA towards the East Bank capital project (£100m), S106 funding towards capital development programmes (£0.6m) and recharged services provided by LLDC to other organisations including E20 Stadium LLP (£0.2m).

10. Corporation tax

a) Corporation tax

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Net surplus/(deficit) on provision of services before tax	137,098	(80,297)
Remeasurement of the net defined benefit liability/asset	9,065	(17,224)
Non-taxable income/non-deductible expenditure	23,164	136,649
Disposals and Group Losses	(70,504)	(16,893)
Profits chargeable to corporation tax (pre-losses)	**98,823**	**22,235**
Loss brought forward	51,911	13,617
Corporation tax	**8,913**	**1,637**

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

	Balance at 31 March 2021 (Restated)	Movement in period	Balance at 31 March 2022
	£'000	**£'000**	**£'000**
Deferred tax assets			
Investment property	6,465	13,505	19,970
Property, plant and equipment	446	23	469
Capital losses carried forward	1,825	576	2,401
Total	**8,736**	**14,081**	**22,840**
Deferred tax liabilities			
Investment property	(8,736)	(17,121)	(25,857)
Total	**(8,736)**	**(17,121)**	**(25,857)**
Net deferred tax liability recognised in the surplus on the provision of services after tax	**0**	**(3,040)**	**(3,017)**
Deferred tax assets			
Pension	7,015	3,360	10,375
Net deferred tax asset recognised in other comprehensive income and expenditure	**7,015**	**3,360**	**10,375**

A deferred tax net asset of £7.4m is recognised within LLDC's accounts (2020/21: £7.0m). The asset is made up of a net deferred tax liability, which will crystallise as and when LLDC disposes of its investment property portfolio and the historic increase in the value of its portfolio is realised, offset by a deferred tax asset on LLDC's defined benefit pension liability. The deferred tax liability is charged to LLDC's Capital Adjustment Account, in accordance with the Local Authorities Capital Finance and Accounting

Regulations, whereas the deferred tax asset on the pension liability is recognised in the Pensions Reserve.

The deferred tax rate used (19%) is deemed appropriate on the basis that it is the rate currently enacted by the Finance Act 2021, applying to financial years beginning 1 April 2021 (the temporary differences are not expected to be realised before that time).

LLDC has deferred tax assets (relating to unused taxable losses including those relating to E20 Stadium LLP) of £69.8m that are not being recognised.

11. Intangible assets

	Computer Software	Licences	Total
	£'000	**£'000**	**£'000**
Cost			
At 1 April 2020	89	611	700
Additions	163	167	329
Disposals	-	-	-
At 31 March 2021	**252**	**778**	**1,029**
At 1 April 2021	252	778	1,029
Additions	149	172	321
Disposals	-	-	-
At 31 March 2022	**401**	**949**	**1,350**
Amortisation			
At 1 April 2020	44	517	562
Charged during the period	63	135	198
Disposals	-	-	-
At 31 March 2021	**107**	**652**	**760**
At 1 April 2021	107	652	760
Charged during the period	155	150	305
Disposals	-	-	-
At 31 March 2022	**262**	**803**	**1,065**
Net book value at 31 March 2021	**145**	**125**	**270**
Net book value at 31 March 2022	**138**	**147**	**285**

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 2020 (Restated)	-	2,687	807	4	1,832	5,331
Additions (Restated)	1,985	-	117	-	375	2,477
Disposals (Restated)	-	-		-	0	0
At 31 March 2021 (Restated)	**1,985**	**2,687**	**924**	**4**	**2,208**	**7,808**
At 1 April 2021	1,985	2,687	924	4	2,208	7,808
Additions	-	-	325	-	445	770
Disposals	-	-	-	-	0	0
At 31 March 2022	**1,985**	**2,687**	**1,249**	**4**	**2,653**	**8,577**
Depreciation						
At 1 April 2020	-	1,817	360	4	-	2,182
Charged during the period	-	253	247	-	-	501
At 31 March 2021	**-**	**2,070**	**607**	**4**	**-**	**2,682**
At 1 April 2021	-	2,070	607	4	-	2,682
Charged during the period	-	110	326	-	-	436
Disposals	-	-	-	-	-	-
At 31 March 2022	**-**	**2,180**	**933**	**4**	**-**	**3,118**
Net book value at 31 March 2021 (Restated)	**1,985**	**617**	**317**	**-**	**2,208**	**5,125**
Net book value at 31 March 2022	**1,985**	**505**	**316**	**-**	**2,653**	**5,458**

Costs relating to the East Bank project were previously recognised within Asset under Construction. However, these are now recognised in inventories or offset against provisions as (see Note 1 for further information).

13. Investment property

	31 March 2022	31 March 2021 (Restated)
Valuation	**£'000**	**£'000**
Opening balance at 1 April	104,802	168,698
Additions:		
Subsequent expenditure	21,424	19,456
Transfers from inventories	-	-
Disposals	0	(200)
Changes in fair value	41,020	(83,153)
Total Investment property	**167,246**	**104,802**

Application of accounting policy

In applying the Investment Property accounting policy (see Accounting Policies), LLDC has made the following judgements:

- LLDC's role to develop has a clear commercial focus, which is embedded in its corporate strategy and the way that the organisation is funded and structured. LLDC therefore deems it appropriate to classify its investment properties as one overall balance.

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

Asset(s)	**Management reasoning for classification as investment properties**
London Aquatics Centre, Copper Box Arena and Arcelor Mittal Orbit	These assets are integral to the overall development of the Park and surrounding areas. No delivery of services from these assets. These assets are held for rental and while payments under the respective operator agreements are fully variable and profit-based, LLDC is not involved to the underlying operations of the assets.
Development plots: • Stratford Waterfront and Bridgewater Triangle • Pudding Mill Lane • Rick Roberts Way • East Wick and Sweetwater (Phases 2 to 7) • Hackney Wick Neighbourhood Centre	These are lands previously obtained with undetermined use and no commencement of development with a view to a sale at the reporting date, so not yet triggered the criteria to be transferred to inventories. These assets are integral to the overall development of the Park and surrounding areas.
East Bank (public realm, Carpenters Land Bridge)	No delivery of services from these assets and reflects the placemaking and ‘Great Estate’ principles upon which LLDC approaches its development of the Park and surrounding areas. These are treated as necessary costs attributable to the main investment properties to function as intended.

Valuation

LLDC's portfolio was valued as at 31 March 2022 by JLL Limited. The investment property portfolio is now valued at £167.2m, a net increase in fair value of £62.4m from the prior year. Included in the valuation are elements of the East Bank project, which are delivered at a net cost to LLDC (and therefore has a negative valuation).

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

LLDC's investment property is analysed as follows:

Asset	31 March 2022	31 March 2021 (Restated)	Change	Basis
	£'000	**£'000**	**£'000**	
London Aquatics Centre and Copper Box Arena	9,685	12,990	(3,305)	Greenwich Leisure Limited was appointed as the operator of the London Aquatics Centre and Copper Box Arena under a 10 year arrangement. These venues (including the car parks) are valued at £9.7m on the basis of the estimated future income the venues will produce until 2024
Here East (former Press and Broadcast Centre)	13,880	12,900	980	The valuation of the former Press and Broadcast Centre (known as Here East) is based on the potential net rental income that the Legacy Corporation will receive.
Multi Storey Car park	5,580	4,000	1,580	The valuation of the Multi Storey Car Park is based on the rental income streams which is there has been an increase within the Events and Adhoc revenue streams
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	3,455	3,265	190	The ArcelorMittal Orbit has been valued at £3.5m on the basis of the earnings that could be generated from operating the attraction.
Queen Elizabeth Olympic Park (excl. East Bank)	105,977	82,473	23,504	The valuation of the Queen Elizabeth Olympic Park is based on residual appraisal. The includes residential development plots where development has not yet commenced.
3 Mills Studios	28,850	10,400	18,450	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 significant improvement to trading figures
LTGDC transferred assets	10,545	13,455	(2,910)	These sites have been valued as industrial land to be developed, which has increased in value, using comparable evidence to establish market value, for all bar one property, where an estimated rental value was used.
Other assets	24,173	1,755	22,418	Other sites including Timberlodge and Kiosks, have been valued using a expected rental values applying an appropriate yield and comparable market value information from similar sites. The net increase in market value is mainly due to increased rental income.
Queen Elizabeth Olympic Park - East Bank	(36,400)	(37,936)	1,536	East Bank public realm and Carpenters Land Bridge
Total	**167,245**	**104,802**	**62,443**	

Fair Value Hierarchy

Details of LLDC's investment properties and information about the fair value hierarchy as at 31 March 2022 are as follows:

Asset	Fair Value as at 31 March 2022	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	£'000	£'000	£'000	£'000
London Aquatics Centre and Copper Box Arena	9,685	-	9,685	-
Here East (former Press and Broadcast Centre)	13,880	-	13,880	-
Multi Storey Car park	5,580	-	5,580	-
Stadium	1,500	-	-	1,500
ArcelorMittal Orbit	3,455	-	-	3,455
Queen Elizabeth Olympic Park (excl. East Bank)	105,977	-	105,977	-
3 Mills Studios	28,850	28,850	-	-
LTGDC transferred assets	10,545	10,545	-	-
Other assets	24,173	24,173		
Queen Elizabeth Olympic Park - East Bank	(36,400)	-	-	(36,400)
Total	**167,245**	**63,568**	**135,122**	**(31,445)**

Transfers between Levels of the Fair Value Hierarchy

The Queen Elizabeth Olympic Park (excl. East Bank) asset has moved from Level 1 to 2 during the year as this better represents the classification for those assets (development plots).

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

Significant Observable Inputs – Level 2

The fair value for the residential properties is based on the market approach using current market conditions (e.g. construction prices) and recent sales prices and other relevant information for similar assets in the local area.

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

Significant Unobservable Inputs – Level 3

The ArcelorMittal Orbit 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 was developed using the authority's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc. The Stadium Island land value is a discounted estimate of the land value following the end of the current lease period in 2115. Therefore, a change in the inputs would impact the fair value of the asset. The East Bank assets are valued based on the estimated costs to build those specific assets.

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

14. Investments in subsidiaries

E20 Stadium LLP

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

In January 2019, LLDC acquired the Stadium operator, London Stadium 185 Limited, via E20 Stadium LLP. Accordingly, the full financial results of London Stadium 185 Limited are consolidated into LLDC's Group accounts (via the E20 Stadium LLP accounts) in line with International Accounting Standards.

The following table summarises the 2021/22 financial information of E20 Stadium LLP, London Stadium 185 Limited and the E20 Stadium LLP Group (noting these exclude intra-Group transactions and balances) as included in the audited financial statements:

2021/22	E20 Stadium LLP	London Stadium 185 Ltd	E20 Stadium LLP Group
	£'000	**£'000**	**£'000**
Revenue	(4,510)	(18,990)	(8,007)
Cost of sales	12,649	10,244	10,943
	8,140	**(8,746)**	**2,936**
Other operating expenses	3,272	11,041	10,771
Depreciation and impairment	7,226	940	4,624
Exceptional costs	2,394	-	2,394
Purchases recharged within the Group	-	-	3,542
Increase in Provisions	19,422	-	19,422
Operating (Profit)/Loss	**40,453**	**3,235**	**43,687**
Financing costs - interest payable	7,133	-	7,133
Financing costs - provision (unwinding the discount)	3,065	-	3,065
Total Loss for the year	**50,651**	**3,235**	**53,885**

Within exceptional costs above is compensation of £1.8 million paid to UK Athletics to move their 2021 event to an alternative venue. Also included are costs relating to restructuring activities and certain legal fees. These are not deemed to be business-as-usual costs and are therefore disclosed separately from the Stadium's underlying operating expenses.

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.

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

- It now uses only those revenues, costs and overheads that are directly attributable to the West Ham United Football Club and UK Athletics agreements. Revenues, costs and overheads not directly attributable to those agreements are no longer included in the calculation.
- The calculation is now based on cashflows for the remaining 93-year term of the concession agreement (note the calculation includes cashflows relating to the UK Athletics agreement up to its expiry in 41 years); previously the cashflow was calculated in perpetuity.
- A discount rate is now adopted to reflect a risk-free rate (based on Government gilt rates at the reporting date).

The has required a restatement of the provision in prior years and an increase to the provision in the year to 31 March 2022 as shown in the following table:

	Provision Total Restated £'000
As at 31 March 2020 (audited)	(200,000)
Increase (changes in discount rate and assumptions)	
As at 1 April 2020	(275,844)
Unused provisions reversed during the period	17,274
Effect of the change in discount rate	40,554
Utilised in the year	10,364
Unwinding of discount	(1,812)
Balance at 31 March 2021	**(209,464)**

	Provision Total £'000
As at 1 April 2021 (restated)	(209,464)
Increases to existing provisions	(50,258)
Effect of the change in discount rate	22,272
Utilised in the year	8,564
Unwinding of discount	(3,065)
Balance at 31 March 2022	**(231,950)**

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

E20 Stadium LLP's forecasts also impact upon the Stadium's valuation as at 31 March 2022. 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 2022 the Stadium's fair value is assessed to be

£nil (31 March 2021 £nil) accordingly the value of the capital works on the Stadium are fully impaired in the partnership's draft accounts.

Given this, LLDC currently holds its interest in the partnership at nil value (31 March 2021: £nil). Furthermore, the funding provided to E20 Stadium LLP during the year by way of equity funding (£20.9m) is impaired as at 31 March 2022 based on E20 Stadium LLP's current financial forecasts.

	31 March 2022	31 March 2021
	£'000	**£'000**
Opening balance at 1 April	-	-
Investment during the year	20,859	22,057
Impairment	(20,859)	(22,057)
Total investment in joint ventures	**-**	**-**

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

As 31 March 2022, the E20 Stadium LLP group has capital commitments of £14.4m (2020/21: £9.9m). LLDC is committed to finance the full amount of £14.4m (2020/21: £9.9m).

E20 Stadium LLP is currently dependent for its working capital on funds provided by LLDC. E20 Stadium LLP is the only subsidiary of LLDC with transactions to date.

15. Short and long-term debtors

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Short-term		
Central government bodies	7,009	5,260
Other local authorities	361	124
Other entities and individuals	35,814	22,233
Total Short-term	**43,184**	**27,618**
Long-term		
Central government bodies	9,630	-
Total Long-term	**9,630**	**-**

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

The non-current debtor at 31 March 2022 of £9.6m relates to the amount available to University Of Arts London of a £40m Agreement for Loan Facility, which is to cover the costs of the tenant fit out of the UAL building at Stratford Waterfront.

16. Cash and cash equivalents

	31 March 2022	31 March 2021
	£'000	**£'000**
Cash in hand and at bank	21,184	10,665
Investments	45,654	52,216
Total cash and cash equivalents	**66,838**	**62,881**

17. Inventories

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Balance at 1 April	**112,208**	**92,123**
Purchases (Residential)	17,605	32,214
Purchases (East Bank)	145,185	86,232
Recognised as an expense in the year (Residential): disposals	(60,106)	(37,204)
Purchases offset against grant provision (East Bank)	(55,179)	(59,084)
Increase/(decrease) to net realisable value (recognised in CIES - East Bank)	2,159	(2,074)
Balance at 31 March	**161,871**	**112,208**
Split:		
Residential	10,273	52,775
East Bank	151,598	59,433
Balance at 31 March	**161,871**	**112,208**

Application of accounting policy

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

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

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

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

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

In applying the Inventories accounting policy (see Accounting Policies), LLDC has made the following judgements:

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

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

    - *University of the Arts London (UAL):* Measured at the lower of cost and net realisable value as UAL are paying a lease prepayment under the finance lease arrangement and making contributions towards the cost of their building under the terms of the agreement with them.

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

    - *Sadler's Wells and V&A:* Measured at the lower of cost and current replacement cost in accordance with IPSAS 12 as these buildings are being distributed to the partners at no charge or for a nominal charge.

    - *Retail units at Stratford Waterfront:* Measured at the lower of cost and net realisable value as LLDC expects to dispose of these assets for a contribution.

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

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

18. Current and non-current liabilities

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Current		
Central government bodies	(585)	(3,489)
Other local authorities	(11,556)	(11,223)
Other entities and individuals	(38,759)	(37,437)
Provisions	(224,784)	(55,179)
Corporation Tax liability	(4,884)	-
Total current liabilities	**(280,567)**	**(107,328)**
Non-current		
Borrowing	(399,594)	(373,236)
Section 106 contributions	(48,499)	(39,429)
Deferred income (East Bank)	(56,642)	(37,493)
Stadium rent premium	(459)	(464)
Provisions	-	(222,620)
Long term creditors	**(505,194)**	**(673,241)**
Deferred tax liability	-	-
Retirement benefit obligation (pension liability)	(32,695)	(36,923)
Total non-current liabilities	**(537,889)**	**(710,164)**

LLDC has a rolling loan facility with the Greater London Authority to finance LLDC's capital expenditure serving interest at the Public Works Loan Board 50-year rate, which is funded by GLA grant. As at 31 March 2022, LLDC had drawn down funding to the value of £399.1m. Interest payable in the year to 31 March 2022 is £11.2m (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 2024.

For the East Bank buildings, LLDC has determined that contributions received from East Bank partners towards the cost of their buildings should not be recognised until the buildings are complete and handed over to the partners (expected during the 2023/24 financial year). These are therefore recognised as deferred income within non-current liabilities.

LLDC is also recognising the East Bank cost provision within this note (split between current and non-current liabilities).

19. Pensions

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

Local Government Pension Scheme

LLDC provided the opportunity for its employees to participate in the Local Government Pension Scheme (LGPS). The LGPS is administered by the London Pension Fund Authority and is a defined benefit statutory scheme where the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The LGPS is triennially valued in accordance with the provisions of the Local Government Pension Scheme Regulations (2013). The fund's actuaries, Barnett Waddingham, carried out a full triennial valuation as at 31 March 2022, the results of which are reflected within these accounts. 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 2021/22 was 12% (2020/21: 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.

Employer contributions of £1.3m were paid in 2021/22 (2020/21: £1.2m). The number of participating employees was 168 active members as at 31 March 2022 (133 active members as at 31 March 2021). There were 167 deferred pensioners and 15 actual pensioners at 31 March 2022.

Principal assumptions used by the actuary

	31 March 2022	31 March 2021
Expected return on assets	%	%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.6	22.8
Women	24.9	24.8
Longevity at 65 for future pensioners:		
Men	23.4	23.9
Women	25.8	26.1
Rate of inflation	2.6%	2.1%
Rate of increase in salaries	4.2%	3.8%
Rate of increase in pensions	3.2%	2.8%
Rate for discounting scheme liabilities	2.6%	2.4%

The term of the employer's liabilities is estimated at 29 years.

Amounts charged to the Comprehensive Income and Expenditure Statement

	31 March 2022	31 March 2021
	£'000	**£'000**
Service cost	4,689	2,890
Total included in net cost of services	**4,689**	**2,890**
Net interest on the defined liability	745	398
Administration expenses	10	31
Total included in deficit on provision of services before tax	**755**	**429**
Remeasurement of the net defined benefit liability/asset	(8,432)	17,224
Deferred tax asset on the net defined benefit liability	(3,360)	(3,679)
Total	**(6,348)**	**16,864**

Reconciliation of present value of the defined benefit obligation

	31 March 2022	31 March 2021
	£'000	**£'000**
Opening balance	**67,967**	**41,678**
Current service cost	4,689	2,890
Contributions by scheme participants	905	848
Change in financial assumptions	(3,171)	21,563
Change in demographic assumptions	(1,412)	(449)
Experience loss/(gain) on defined benefit obligations	608	(506)
Estimated benefits paid net of transfers in	(292)	943
Interest cost	1,400	1,000
Closing defined benefit obligation	**70,694**	**67,967**

Reconciliation of fair value of scheme assets

	31 March 2022	31 March 2021
	£'000	**£'000**
Opening balance	**31,044**	**24,120**
Interests on assets	655	602
Return on assets less interest	3,621	3,384
Other actuarial gains/(losses)	836	-
Administration expenses	(10)	(31)
Contributions by scheme participants	905	848
Contributions by the Legacy Corporation including unfded benefits	1,240	1,178
Estimated benefit paid (net of transfers in and including unfunded)	(292)	943
Fair value of scheme assets as at 31 March	**37,999**	**31,044**

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

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Present value of the defined benefit obligation	(70,694)	(67,967)
Fair value of plan assets	37,999	31,044
Net liability arising from defined benefit obligation	**(32,695)**	**(36,923)**

Local Government Pension Scheme assets comprised:

	31 March 2022		31 March 2021	
	£'000	**%**	**£'000**	**%**
Employer asset share - Bid value				
Equities	20,889	56%	16,866	54%
Target Return Portofolio	8,266	22%	7,307	24%
Infrastructure	3,846	10%	2,631	8%
Property	3,369	9%	2,825	9%
Cash	1,253	3%	1,415	5%
Total	**37,623**	**100%**	**31,044**	**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	68,709	70,694	72,752
Projected service cost	4,083	4,254	4,432
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	70,848	70,694	70,542
Projected service cost	4,257	4,254	4,252
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	72,584	70,694	68,870
Projected service cost	4,431	4,254	4,084
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	73,426	70,694	68,064
Projected service cost	4,449	4,254	4,067

Impact on LLDC's cash flows

The total contributions expected to be made to the Local Government Pension Scheme by LLDC in the year to 31 March 2023 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 2022, the overall deficit of the pension scheme was £249.9m, of which LLDC's share represents 0.194% (£0.485m). Contributions on behalf of the one employee who is a member of the above scheme are accounted for in operating costs and amount to £35,124 in the year to 31 March 2022 (2021: £33,410).

20. Cash flow notes

a) Adjustments to net deficit for non-cash movements

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Depreciation of property plant and equipment	436	501
Amortisation of intangibles	305	198
Movement in Pension Liabilities	5,880	3,319
Reversal of impairment on investment in joint venture	20,859	22,057
Cash Payments for employer's contributions to pension funds	(1,240)	(1,178)
(Increase)/ Decrease in trade and other debtors	(24,808)	6,176
Increase/(decrease) in trade and other creditors	7,258	(15,802)
Increase/(decrease) in deferred tax liability	3,017	(2,264)
Increase/(decrease) in bad debt provision	113	(24)
Increase/(decrease) in provisions	(53,057)	(14,153)
Changes in Fair Value of Investment Property	(41,020)	83,153
Stadium Lease Premium	(5)	(5)
Inventory disposals (Residential)	60,106	37,204
Inventory net change to net realisable value	(2,159)	2,074
Net book value of non-current asset disposals	(0)	200
Property, plant and equipment assets written out	(0)	60
Adjustment to net deficit for non-cash movements	**(24,314)**	**121,515**

Adjust for items included in the net deficit on the provisions of services that are investing or financing activities		
Cash received for the disposal of investment properties	-	200
Capital grants and contributions credited to the deficit on the provision of services	102,167	38,130

b) Investing activities

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Purchase of property, plant and equipment, investment property and intangible assets	(22,515)	(22,262)
Property, plant, and equipment assets written out	0	0
Disposal of investment properties	(0)	200
Investment in joint venture	(20,859)	(22,057)
Inventory purchases not set against provision (East Bank)	(90,007)	(27,148)
Inventory purchases (Residential)	(17,605)	(32,214)
Capital grant received and other capital receipts	120,826	63,936
Net cash outflow from investing activities	**(30,159)**	**(39,545)**

c) *Financing activities*

	31 March 2022	31 March 2021
	£'000	**£'000**
Movement on Borrowings	26,358	16,850
Movement on OPTEMS fund	2	2
Movement on S106 fund	9,070	22,941
Net cash flow from financing activities	**35,430**	**39,793**

21. Reserves

Usable reserves

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

Accordingly, at the end of the financial year, LLDC had usable reserves of £10.4m in the General Fund. Considering LLDC's funding arrangements with the GLA, the level of usable reserves reported in the statutory accounts is considered adequate for LLDC to meet its current and future financial challenges.

The Local Authorities Capital Finance and Accounting Regulations permit Mayoral Development Corporations to use capital receipts to fund their Corporation Tax liabilities. It also means that any deferred tax charge (non-pension related) is recognised in LLDC's Capital Adjustment Account, rather than the General Fund.

General Fund

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
General funds	(10,379)	2,836
Balance usable reserves at 31 March	**(10,379)**	**2,836**

Unusable reserves

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Capital Adjustment Account	341,153	457,171
Pensions Reserve	25,656	33,244
Accumulated Absences Account	211	351
Balance unusable reserves at 31 March	**367,020**	**490,766**

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

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. LLDC accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However statutory arrangements require benefits earned to be financed as LLDC makes employee contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources that LLDC has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

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

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

Capital Adjustment Account

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Balance as at 1 April	**457,171**	**372,562**
Charges for depreciation and amortisation	741	699
Capital grants and contributions applied	(102,167)	(38,130)
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	(0)	200
Amounts of inventories written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement and increase/decrease to net realisable value	57,948	39,277
Increase/decrease in provisions	1,872	44,931
Capital receipts received during the year	(66,893)	(67,766)
Capital receipts used during the year	-	-
Revenue expenditure funded from capital under statute	712	815
(Revaluation)/Impairment charged to the Comprehensive Income and Expenditure Statement	(20,161)	105,210
Deferred tax liability on revaluation charged to the Comprehensive Income and Expenditure Statement	3,017	(2,264)
Corporation Tax liability for the year	8,913	1,637
Balance at 31 March	**341,153**	**457,171**

Pensions Reserve

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Balance as at 1 April	33,244	17,558
Remeasurements of the net defined benefit liability/(asset)	(8,432)	17,224
Deferred tax (asset) on the net defined benefit liability	(3,360)	(3,679)
Reversal of charges relating to retirement benefits	5,444	3,319
Employer's pension contribution and direct payments to pensioners payable in the year	(1,240)	(1,178)
Balance at 31 March	**25,656**	**33,244**

Accumulated Absences Reserve

	31 March 2022	31 March 2021
	£'000	**£'000**
Balance as at 1 April	351	193
Settlement or cancellation of accrual made at the end of the preceding year	(351)	(193)
Amounts accrued at the end of the current year	211	351
Balance at 31 March	**211**	**351**
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from	140	(158)

22. Adjustments between accounting basis and funding under regulations

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

For the year ended 31 March 2022

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation amortisation and impairment of non-current assets	(741)	-	-	**(741)**	741
Movements in the market value of investment property	41,020	-	-	**41,020**	(41,020)
Disposals of investment property	(0)	-	-	**(0)**	0
Disposals of inventories and increase/decrease to net realisable value	(57,948)	-	-	**(57,948)**	57,948
(Increase)/decrease in provisions	(1,872)	-	-	**(1,872)**	1,872
Current and Deferred tax liability movements	(11,930)	-	-	**(11,930)**	11,930
Impairment of joint venture investment	(20,859)	-	-	**(20,859)**	20,859
Capital grants and contributions applied	102,167		-	**102,167**	(102,167)
Revenue expenditure funded from capital under statute	(712)	-	-	**(712)**	712
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	66,893	(66,893)	-	**-**	-
Use of the Capital Receipts Reserve to finance new capital expenditure		66,893		**66,893**	(66,893)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(5,444)	-	-	**(5,444)**	5,444
Employer's pensions contributions and direct payments to pensioners payable in year	1,240	-	-	**1,240**	(1,240)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	140	-	-	**140**	(140)
Total adjustments	**111,954**	**-**	**-**	**111,954**	**(111,954)**

For the year ended 31 March 2021 (Restated)

	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	(83,153)	-	-	**(83,153)**	83,153
Disposals of investment property	(200)	-	-	**(200)**	200
Disposals of inventories and increase/decrease to net realisable value	(39,277)	-	-	**(39,277)**	39,277
(Increase)/decrease in provisions	(44,931)	-	-	**(44,931)**	44,931
Current and Deferred tax liability movements	627	-	-	**627**	(627)
Impairment of joint venture investment	(22,057)	-	-	**(22,057)**	22,057
Capital grants and contributions applied	38,130		-	**38,130**	(38,130)
Revenue expenditure funded from capital under statute	(815)	-	-	**(815)**	815
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	**(86,908)**	**-**	**-**	**(86,908)**	**86,908**

23. Trading operations

LLDC reflects seven key trading operations in its management accounts:

3 Mills Studios: LLDC holds a 99-year lease over 3 Mills Studios from Lee Valley Regional Park Authority, of which the unexpired term is 81 years. The Studios are managed by Knight Frank LLP on behalf of LLDC.

ArcelorMittal Orbit: The ArcelorMittal Orbit is managed by Engie on behalf of LLDC. 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. Equans pay LLDC 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: LLDC has a head lease from Lee Valley Regional Park Authority for the Timber Lodge. The underlease was awarded to Change Please Foundation who pay LLDC a rent, estate and service charge for the premises with a turnover share. The venue provides space to be rented out to community groups and local businesses and, along with The Podium in the South Park, provides public conveniences. LLDC became responsible for the four kiosks in the south park during the year; these are operated by Company of Cooks.

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

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

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

Operation		31 March 2022		31 March 2021	
		£'000	£'000	£'000	£'000
3 Mills	Turnover	(7,051)		(5,855)	
	Expenditure	5,110		3,800	
	EFM	-		-	
	Deficit/(Surplus)		(1,942)		(2,055)
ArcelorMittal Orbit	Turnover	(677)		(153)	
	Expenditure	750		537	
	EFM	169		204	
	Deficit/(Surplus)		242		588
The Podium	Turnover	(365)		(311)	
	Expenditure			(23)	
	EFM	173		179	
	Deficit/(Surplus)		(192)		(155)
London Aquatics Centre	Turnover	(57)		(65)	
	Expenditure	994		(83)	
	EFM	1,468		1,469	
	Deficit/(Surplus)		2,405		1,321
Copper Box Arena	Turnover	(79)		(92)	
	Expenditure	110		(345)	
	EFM	921		907	
	Deficit/(Surplus)		952		469
Timber Lodge	Turnover	(47)		(46)	
	Expenditure	17		17	
	EFM	92		104	
	Deficit/(Surplus)		62		75
Off-Park Assets	Turnover	(266)		(199)	
	Expenditure	71		196	
	EFM	-		-	
	Deficit/(Surplus)		(195)		(3)
Kiosks	Turnover	(36)		(5)	
	Expenditure	-		-	
	EFM	12		-	
	Deficit/(Surplus)		(24)		(5)
On Park Properties	Turnover	(976)		(1,120)	
	Expenditure	320		157	
	EFM	-		-	
	Deficit/(Surplus)		(656)		(963)
Other Trading	Turnover	(51)		(103)	
	Expenditure	1		3	
	EFM	-		-	
	Deficit/(Surplus)		(50)		(100)
Net (surplus) or deficit on trading operations			**601**		**(828)**

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 2022	31 March 2021
	£'000	**£'000**
Income in relation to investment property	(9,605)	(7,949)
Expenditure in relation to investment property	10,208	7,121
Net deficit on trading operations charged to financing and investment	601	(828)

24. Related party transactions

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

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

Related parties - Income and Expenditure

All relationships were as delivery partners to LLDC and significant transactions for the years ended 31 March 2022 and 2021 were as follows:

	31 March 2022	31 March 2021
	£'000	£'000
Income		
Greater London Authority[1]	(81)	(192)
E20 Stadium LLP[2]	(3,691)	(1,416)
Network Rail[6]	(90)	(17)
London Stadium 185[7]	(1,015)	(2,667)
British Broadcasting Corporation[8]	(176)	(211)
London Borough of Newman[5]	(128)	

	31 March 2022	31 March 2021
	£'000	£'000
Expenditure		
Greater London Authority[1]	145	141
E20 Stadium LLP[2]	136	-
Foundation for Future London (FFL)	-	9
London Borough of Hackney[3]	13	23
London Borough of Tower Hamlets[4]	39	39
London Borough of Newham[5]	260	1,295
Network Rail[6]	28	-
London Stadium 185[7]	12	7,663

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

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

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

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

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

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

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

8. 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 LLDC have direct control over LLDC's financial and operating policies. The total of Members' allowances paid in 2021/22 is shown in Note 6.

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

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

Organisation	Income 31 March 2022	Income 31 March 2021	Expenditure March 2022	Expenditure March 2021	Nature of Relationship
	£,000	£,000	£,000	£,000	
Deloitte	-	-	82	105	Executive Director of Development Rosanna Lawes' partner is a Director of Deloitte
Future of London	-	-	10	5	LLDC Chief Executive Officer Lyn Garner is the Chair of Future of London
MACE	-	(1)	10,829	91	LLDC Chair Sir Peter Hendy's son is an employee of Mace.
Commonplace Digital Ltd	-	-	31	18	Board Member Pam Alexander is the Chair of Commonplace Digital Ltd.

Related parties – Outstanding balances

Outstanding balances with related parties as at 31 March 2022 and 2021 are as follows:

Organisation	Debtors 31 March 2022	Debtors 31 March 2021	Creditors 31 March 2022	Creditors 31 March 2021
	£,000	**£,000**	**£,000**	**£,000**
E20 Stadium LLP	(1,727)	-	-	-
Foundation for Future London (FFL)	-	(3)	-	-
London Stadium 185	(1,126)			
London Borough of Newman	(153)	-	-	-
Network Rail	(72)	-	-	-
British Broadcasting Corporation	(8)	(1)	-	-
MACE	-	-	-	-

25. Operating leases

a) Leases as lessee

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

	31 March 2022	31 March 2021
	£'000	**£'000**
Within one year	2,108	1,471
Between 1-5 years	4,034	1,848
Over 5 years	33,085	33,446
	39,226	**36,765**

On 31 March 2015, LLDC signed the Olympic Waterways Legacy (OWL) Agreement with the Canal & River Trust. It was revised on 1 January 2022 and will be annually thereafter for the remainder of the lease period. The amount due will be based on the number of existing outfalls, taking into account the number of new, abandoned or surrendered outfalls in the year.

Amounts recognised in the Comprehensive Income and Expenditure Statement:

	31 March 2022	31 March 2021
	£'000	**£'000**
Rent payable in year	1,324	1,783
	1,324	**1,783**

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 2022	31 March 2021
	£'000	**£'000**
Within one year	3,079	3,231
Between 1-5 years	9,641	9,185
Over 5 years	426,901	428,989
	439,620	**441,404**

Amounts recognised in the Comprehensive Income and Expenditure Statement:

	31 March 2022	31 March 2021
	£'000	**£'000**
Rent receivable in year	5,079	4,557
	5,079	**4,557**

26. Capital expenditure and capital financing

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

Financial assets	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Opening capital financing requirement	**267,660**	**344,071**
Capital Investment		
Property plant and equipment	770	2,477
Investment property	21,424	19,456
Inventories	162,790	32,214
Intangible assets	321	329
Revenue expenditure funded from capital under statute	712	815
Sources of finance		
Government grants and other contributions	(170,319)	(131,702)
Closing capital financing requirement	**283,358**	**267,660**

Explanation of movement in year

Sources of finance	31 March 2022	31 March 2021
	£'000	**£'000**
Opening capital financing requirement	267,660	344,071
Increase/(decrease) in underlying need to borrow	15,697	(76,411)
Closing capital financing requirement	**283,358**	**267,660**

The Capital Financing Requirement represents the underlying need for LLDC 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.

27. Financial instruments

Categories of financial instruments

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

	31 March 2022	31 March 2021
	£'000	**£'000**
Financial assets		
Current		
Financial assets at amortised costs	10,483	11,958
Net cash and cash equivalents	66,838	62,881
Non-current		
Financial assets at amortised costs	9,630	-
Total financial assets	**86,951**	**74,839**
Financial liabilities		
Current		
Financial liabilities at amortised costs	(3,094)	(19,788)
Non-current		
Financial liabilities at amortised costs	(448,092)	(412,664)
Total financial liabilities	**(451,186)**	**(432,452)**

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

	2021/22 Financial liabilities measured at amortised costs	2021/22 Financial assets at amortised costs	2020/21 Financial liabilities measured at amortised costs	2020/21 Financial assets at amortised costs
	£'000	**£'000**	**£'000**	**£'000**
Interest expense	11,213	-	10,723	-
Interest income	-	(7)	-	(5)
Total in Surplus or Deficit in Provision of Services	**11,213**	**(7)**	**10,723**	**(5)**

Fair values of assets and liabilities

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

	2021/22 Carrying amount	2021/22 Fair value	2020/21 Carrying amount	2020/21 Fair value
	£'000	**£'000**	**£'000**	**£'000**
Financial assets				
Financial assets at amortised cost	20,113	20,113	11,958	11,958
Cash and cash equivalents	66,838	66,838	62,881	62,881
Financial liabilities at amortised costs				
Borrowings	(399,094)	(445,784)	(372,236)	(466,029)
Short-term creditors	(3,094)	(3,094)	(19,788)	(19,788)
Long-term creditors	(48,998)	(48,998)	(40,428)	(40,428)
Total financial liabilities	**(451,186)**	**(497,876)**	**(432,452)**	**(526,246)**

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.

LLDC has reviewed its Financial Instruments for impairment in line with IFRS 9 and as a result of Covid-19. LLDC has deemed the level of impairment as at 31 March 2022 as immaterial.

Nature and extent of risks arising from financial instruments

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

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

Treasury management risk

Maintaining affordability of borrowings, preserving invested principal and maintaining prudent levels of liquidity are the key treasury management objectives of LLDC. The execution and operational aspects of investment and borrowing, together with the management of external advisors, are delegated to the Greater London Authority (GLA) under a shared service agreement managed by the Deputy Chief Executive. The nature of LLDC's current funding model means treasury operations are focussed on the management of short-term cash balances. The objectives are security of capital, meeting the organisation's operational cash flow requirements and obtaining the best available yield from balances available for investment. The priorities are ranked in that order, security, liquidity then yield. A risk sharing agreement ensures risk and return relating to each instrument within the jointly controlled portfolio are shared in direct proportion to each participant's investment. LLDC has currently invested £45.7m in the GLA Group Investment Syndicate (GIS) and does not expect any losses in relation to the investments placed.

Credit risk

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

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

	As at 31 March 2022		
£'000	**Gross value**	**Impairment value**	**Net Value**
Deposits with financial institutions	66,831		66,831
Accrued interest on deposits	7		7
Debtors with subsidiary	1,126		1,126
Trade debtors	9,581	(224)	9,357
Loans to third parties	9,630	-	9,630
Total exposure	**87,176**	**(224)**	**86,951**

Liquidity risk

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

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

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

	2021/22	2020/21
	£'000	**£'000**
Maturing in 1 - 2 years	(12,021)	(12,021)
Maturing in 2 - 5 years	(43,710)	(51,348)
Maturing in 5 - 10 years	(221,167)	(158,621)
Maturing in more than 10 years	(171,653)	(190,674)
Long term financial liabilities with more than one year to mature	**(448,551)**	**(412,664)**
Total financial liabilities	**(448,551)**	**(412,664)**

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

28. Provisions

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

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

East Bank provision	Short term	Long term	Total
	£'000	£'000	£'000
Balance at 1 April 2020	**59,084**	**232,867**	**291,951**
Additional provisions made	44,931		44,931
Amounts used	(59,084)		(59,084)
Reclassifications	10,247	(10,247)	-
Balance at 31 March 2021	**55,179**	**222,620**	**277,798**
Balance at 1 April 2021	**55,179**	**222,620**	**277,798**
Additional provisions made	1,872		1,872
Amounts used	(55,179)		(55,179)
Reclassifications	222,620	(222,620)	-
Balance at 31 March 2022	**224,491**	**-**	**224,491**

As at 31 March 2022, LLDC is also recognising a provision of £0.3m in respect of residual costs relating to the Park Transformation and dilapidation costs from the office move. The total provisions are shown in the following table:

Total provisions	East Bank	Other	Total
Balance at 31 March 2021	**277,798**	**-**	**277,798**
Additional provisions made	1,872	293	**2,165**
Amounts used	(55,179)	-	**(55,179)**
Balance at 31 March 2022	**224,491**	**293**	**224,784**

29. Contingent liabilities

LLDC recognises the following contingent liabilities:

ArcelorMittal Orbit Loan

A loan of £14.2m (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. LLDC accordingly recognises a contingent liability in respect of the loan.

London Aquatics Centre incident

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

E20 Stadium LLP taxable losses

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

Group accounts

Introduction

LLDC is a member of E20 Stadium LLP, a former joint venture with Newham Legacy Investments Limited. The E20 Stadium partnership is the legal entity that holds a 102-year leasehold interest in the Stadium Island site and is responsible for the transformation works and ongoing operations of the London Stadium, which is the permanent home of West Ham United Football Club and the national competition centre for UK Athletics.

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

LLDC has another subsidiary, Stratford East London Holdings Limited, which was established on 1 December 2017, from which date it became the second member of E20 Stadium LLP. Stratford East London Holdings Limited has a 1 percent non-controlling share in E20 Stadium LLP and has undertaken no financial transactions during the reporting period. Therefore, LLDC has not consolidated any financial information in relation to Stratford East London Holdings Limited.

On 21 January 2019, LLDC acquired the Stadium operator, London Stadium 185 Limited, via its subsidiary E20 Stadium LLP. This gives LLDC full control of the London Stadium operations, enabling it to better maximise the commercial opportunities at the Stadium and further reduce its operating costs. Accordingly, the financial results of London Stadium 185 Limited as at 31 March 2021 are consolidated into LLDC'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 LLDC, and the resources used to carry out those activities.

Basis of Preparation of Group Accounts

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

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

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

Group Comprehensive Income and Expenditure Statement

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

For the year ended 31 March 2022

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

For the year ended 31 March 2021

	Notes	Gross Income (Restated) £'000	Gross Expenditure (Restated) £'000	Net Expenditure (Restated) £'000
Communication, Marketing and Strategy	2/4	(60)	1,512	1,452
Development	2/4	(37,220)	38,378	1,158
Executive Office	2/4	(185)	2,267	2,082
Finance, Commercial and Corporate Services	2/4	(709)	9,438	8,729
Park Operations and Venues	2/4	(280)	2,023	1,743
Planning Policy & Decisions	2/4	(2,019)	3,045	1,026
Regeneration and Community Partnerships	2/4	(16)	2,363	2,347
Stadium	2/4	(7,195)	(45,690)	(52,885)
East Bank	2/4	(30,000)	47,005	17,005
GLA Grant	2/4	(34,510)	-	(34,510)
Net cost of services		**(112,194)**	**60,340**	**(51,854)**
Financing and investment income	7	(11,847)	-	(11,847)
Change in fair value of investment properties	13	-	83,153	83,153
Financing and investment expenditure	8	-	28,658	28,658
Capital grants and contributions	9	(38,144)	483	(37,661)
(Surplus) or deficit on provision of services before tax		**(162,185)**	**172,633**	**10,448**
Corporation tax	10	-	1,637	1,637
Deferred tax	10	-	(2,264)	(2,264)
(Surplus) or deficit on the provision of services after tax		**(162,185)**	**172,006**	**9,821**
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		**(165,864)**	**189,230**	**23,366**

Group Balance Sheet

	Notes	1 April 2020 (Restated)	31 March 2021 (Restated)	31 March 2022
		£'000	£'000	£'000
Long term assets				
Intangible assets	G9	139	270	285
Property, plant and equipment	G10	7,329	8,309	7,703
Investment property	G11	168,559	104,663	166,732
Investment in subsidiary		-	-	-
Long term debtors	G6	1,000	-	9,630
Deferred tax asset		1,072	7,015	7,358
		178,099	**120,257**	**191,709**
Current assets				
Short term debtors	G6	25,998	23,881	37,634
Cash and cash equivalents	G7	63,989	66,953	70,576
Inventories	G17	92,123	112,208	161,871
Corporation tax asset		337	4,029	-
		182,448	**207,071**	**270,081**
Total assets		**360,547**	**327,328**	**461,790**
Current liabilities				
Short term creditors	G8	(146,639)	(133,327)	(300,738)
Corporation tax liability		0	0	(4,884)
		(146,639)	**(133,327)**	**(305,622)**
Long term liabilities				
Long term borrowing	G8	(356,386)	(373,236)	(399,594)
Long term creditors	G8	(533,831)	(500,539)	(330,830)
Deferred tax liability	G12	0	0	0
Retirement benefit obligation		(17,558)	(36,923)	(32,695)
		(907,775)	**(910,698)**	**(763,119)**
Total liabilities		**(1,054,413)**	**(1,044,025)**	**(1,068,741)**
Net assets		**(693,869)**	**(716,700)**	**(606,951)**
Reserves				
Usable reserves	G12	(5,238)	4,145	11,908
Unusable reserves	G12	699,107	712,552	595,043
Total reserves		**693,870**	**716,698**	**606,953**

Group Movement in Reserves Statement

As at 31 March 2022

	Notes	General Fund	Total usable reserve	Unusable reserves	Total unusable and other reserves	Total reserves
		£’000	**£’000**	**£’000**	**£’000**	**£’000**
Balance at 31 March 2021 (Restated)		4,143	4,143	712,611	712,611	716,755
Movement in reserves during 2021/22						
Deficit on the provision of services	From CIES	(97,893)	(97,893)	-	-	(97,893)
Other comprehensive income and expenditure	From CIES		-	(11,792)	(11,792)	(11,792)
Total comprehensive income and expenditure		**(97,893)**	- **(97,893)**	**(11,792)**	**(11,792)**	**(109,685)**
Adjustments between accounting and funding basis under regulations	G13	105,757	- 105,757	(105,757)	(105,757)	-
Transfer to reserve		(100)	(100)	-	-	(100)
Decrease/(Increase) in 2021/22		**7,764**	- **7,764**	**(117,549)**	- **(117,549)**	**(109,785)**
Balance at 31 March 2022		**11,908**	**11,908**	**595,062**	**595,062**	**606,970**

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 31 March 2020 (Restated)		(5,238)	(5,238)	699,107	699,107	693,869
Movement in reserves during 2020/21 (Restated)						
Deficit on the provision of services	From CIES	9,821	9,821	-	-	9,821
Other comprehensive income and expenditure	From CIES		-	13,545	13,545	13,545
Total comprehensive income and expenditure		**9,821**	- **9,821**	**13,545**	**13,545**	**23,366**
Adjustments between accounting and funding basis under regulations	G13	40	- 40	(40)	(40)	-
Transfer to reserve		(480)	(480)	-	-	(480)
Decrease/(Increase) in 2020/21		**9,381**	- **9,381**	**13,505**	- **13,505**	**22,886**
Balance at 31 March 2021 (Restated)		**4,143**	**4,143**	**712,611**	**712,611**	**716,755**

Group Statement of Cash Flows

	Notes	31 March 2022 £'000	31 March 2021 (Restated) £'000
Surplus/(Deficit) on the provision of services		97,893	(9,822)
Adjustments to net (deficit) for non-cash movements	G14	(18,891)	46,783
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	G14	(102,221)	(37,861)
Interest Receivable/Loan Repayment		0	1,000
Net cash flows from operating activities	G14	**(23,220)**	**99**
Investing activities	G14	(8,593)	(17,984)
Financing activities	G14	35,430	20,851
Net increase/(decrease) in cash and cash equivalents		**3,617**	**2,966**
Cash and cash equivalents at the start of the year		66,953	63,989
Cash and cash equivalents at the end of the year		**70,570**	**66,955**

Notes to the Group Financial Statements

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

G1. Group Gross Income

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Grants received	(46,418)	(34,516)
Gross disposal proceeds from the sale of inventory	(66,893)	(67,166)
Planning fees	(580)	(515)
Recharges	(612)	(5,413)
Events income (non-Stadium)	(96)	(42)
Other	(5,743)	(4,541)
Total	**(120,341)**	**(112,194)**

G2. Group Gross Expenditure

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Staff costs:		
Wages and salaries	10,794	9,230
Social security costs	943	1,101
Pension costs	4,278	2,844
Other staff costs	276	253
Grants and contributions	390	557
Consultancy and Strategy Development costs	2,400	2,517
Accommodation costs	2,266	1,603
Legal fees	1,463	1,193
Communications, events and marketing	631	383
Agency and seconded staff costs	333	778
REFCUS	417	609
REFCUS - Recharges	295	206
Insurance	516	1,794
IT and Stationery	1,236	1,019
Security	1	-
Travel	16	18
Gross costs from disposal of inventories	60,106	37,204
Net (increase)/decrease to net realisable value for East Bank inventory	(2,159)	2,074
Amortisation	305	198
Depreciation	1,376	1,521
Increase/decrease in provision for doubtful debts	114	(91)
Stamp Duty Land Tax	-	23
Impairment of financial assets	(112)	138
Increase/(decrease) in provision	21,252	(23,261)
Project costs expensed	1,225	(0)
Impairment	3,684	9,336
Other	10,373	9,094
Total	**122,419**	**60,340**

G3. Group financing and investment income

	31 March 2022	31 March 2021 (Restated)
	£'000	£'000
Interest income on deposits	(7)	(5)
Income in relation to investment property	(14,144)	(11,442)
Gross proceeds from disposal of investment property	-	(400)
Financing and investment income	**(14,151)**	**(11,846)**

G4. Group financing and investment expenditure

	31 March 2022	31 March 2021 (Restated)
	£'000	£'000
Net interest on the net defined benefit liability (asset)	745	398
Expenditure in relation to investment property	30,469	15,726
Interest costs on borrowing	11,213	10,723
Unwinding of provision discount	3,065	1,812
Financing and investment expenditure	**45,493**	**28,658**

G5. Group taxation and non-specific grant income

	31 March 2022	31 March 2021 (Restated)
	£'000	£'000
Capital grants and contributions	(102,221)	(37,661)

G6. Group short term and long-term debtors

	31 March 2022	31 March 2021 (Restated)
	£'000	£'000
Short-term		
Central government bodies	(216)	(216)
Other local authorities	290	290
Other entities and individuals	37,559	23,806
Total Short-term	**37,634**	**23,881**
Long-term		
Central government bodies	9,630	-
Total Long-term	**9,630**	**-**

G7. Group Cash and Cash Equivalents

	31 March 2022	31 March 2021
	£'000	£'000
Cash in hand and at bank	24,922	14,737
Investments	45,654	52,216
Total cash and cash equivalents	**70,576**	**66,953**

G8. Group current and non-current liabilities

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Current		
Central government bodies	5,683	(18,006)
Other local authorities	(10,766)	(11,223)
Other entities and individuals	(64,615)	(46,156)
Short term provisions	(231,040)	(57,942)
Corporation tax liability	(4,884)	-
Total current liabilities	**(305,621)**	**(133,327)**
Non-current		
Long-term borrowing	(399,594)	(373,236)
Section 106 contributions	(48,499)	(39,429)
Stadium rent premium	5	5
Deferred income	(56,642)	(37,493)
Long term provisions	(225,694)	(423,623)
Long term creditors	**(730,424)**	**(873,775)**
Deferred tax liability	-	-
Retirement benefit obligation (pension liability)	(32,695)	(36,923)
Total non-current liabilities	**(763,119)**	**(910,698)**

G9. Group Intangible Assets

	Computer Software	Licences	Total
	£'000	**£'000**	**£'000**
Cost			
At 1 April 2020	90	329	420
Additions	164	167	331
Disposals	-	-	-
At 31 March 2021	**254**	**495**	**751**
At 1 April 2021	254	495	751
Additions	149	171	320
Disposals	-	-	-
At 31 March 2022	**403**	**666**	**1,071**
Amortisation			
At 1 April 2020	44	235	279
Charged during the period	62	135	198
Disposals	-	-	-
At 31 March 2021	**107**	**370**	**477**
At 1 April 2021	107	370	477
Charged during the period	155	150	305
Disposals	-	-	-
At 31 March 2022	**262**	**521**	**782**
Net book value at 31 March 2021	**146**	**125**	**274**
Net book value at 31 March 2022	**140**	**146**	**285**

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 2020 (Restated)	-	7,987	808	4	1,828	10,627
Additions (Restated)	1,985	25	117	-	375	2,502
Disposals (Restated)	-	-		-	0	0
At 31 March 2021 (Restated)	**1,985**	**8,012**	**925**	**4**	**2,203**	**13,129**
At 1 April 2021 (Restated)	1,985	8,012	924	4	2,203	13,128
Additions	-	1	325	-	445	771
Disposals	-	-	-	-	0	0
At 31 March 2022	**1,985**	**8,013**	**1,249**	**4**	**2,648**	**13,898**
Depreciation						
At 1 April 2020	-	2,932	362	4	-	3,299
Charged during the period	-	1,273	247	-	-	1,520
At 31 March 2021	**-**	**4,205**	**609**	**4**	**-**	**4,819**
At 1 April 2021	-	4,205	609	4	-	4,819
Charged during the period	-	1,052	326	-	-	1,378
Disposals	-	-	-	-	-	-
At 31 March 2022	**-**	**5,257**	**935**	**4**	**-**	**6,197**
Net book value at 31 March 2021 (restated)	**1,985**	**3,807**	**315**	**-**	**2,203**	**8,309**
Net book value at 31 March 2022	**1,985**	**2,754**	**314**	**-**	**2,648**	**7,701**

G11. Group Investment Property

	31 March 2022	31 March 2021 (Restated)
Valuation	**£'000**	**£'000**
Opening balance at 1 April	104,664	168,560
Additions:		
Subsequent expenditure	21,050	19,456
Transfers from inventories	-	-
Disposals	0	(200)
Changes in fair value	41,020	(83,153)
Total Investment property	**166,734**	**104,664**

G12. Reserves

Usable reserves

At the end of the financial year, LLDC's Group had negative usable reserves of £11.9m in the General Fund.

	31 March 2022	31 March 2021 (Restated)
	£'000	£'000
General funds	11,908	4,145
Balance usable reserves at 31 March	**11,908**	**4,145**

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

Unusable reserves

	31 March 2022	31 March 2021 (Restated)
	£'000	£'000
Capital Adjustment Account	569,176	679,016
Pensions Reserve	25,656	33,244
Accumulated Absences Account	211	351
Balance unusable reserves at 31 March	**595,043**	**712,611**

Capital Adjustment Account

	31 March 2022	31 March 2021 (Restated)
	£'000	£'000
Balance as at 1 April	679,016	681,356
Charges for depreciation and amortisation	5,348	1,719
Capital grants and contributions applied	(102,222)	(37,661)
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	(0)	200
Amounts of inventories written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	57,948	39,277
Increase/decrease in provisions	24,358	(21,449)
Capital receipts received during the year	(66,893)	(67,766)
Capital receipts used during the year	-	-
Revenue expenditure funded from capital under statute	711	815
(Revaluation)/Impairment charged to the Comprehensive Income and Expenditure Statement	(41,020)	83,153
Deferred tax liability on revaluation charged to the Comprehensive Income and Expenditure Statement	3,017	(2,264)
Corporation Tax liability for the year	8,913	1,637
Balance at 31 March	**569,176**	**679,016**

The Local Authorities Capital Finance and Accounting Regulations permit Mayoral Development Corporations to use capital receipts to fund their Corporation Tax liabilities. It also means that any deferred tax charge (non-pension related) is recognised in LLDC's Capital Adjustment Account, rather than the General Fund.

Pension Reserve

	31 March 2022 (Restated)	31 March 2021 (Restated)
	£'000	**£'000**
Balance as at 1 April	33,244	17,558
Remeasurements of the net defined benefit liability/(asset)	(8,432)	17,224
Deferred tax (asset) on the net defined benefit liability	(3,360)	(3,679)
Reversal of charges relating to retirement benefits	5,444	3,319
Employer's pension contribution and direct payments to pensioners payable in the year	(1,240)	(1,178)
Balance at 31 March	**25,656**	**33,244**

Accumulated Absence Reserve

	31 March 2022	31 March 2021
	£'000	**£'000**
Balance as at 1 April	351	193
Settlement or cancellation of accrual made at the end of the preceding year	(351)	(193)
Amounts accrued at the end of the current year	211	351
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on a accrual basis is different from remunerations chargeable in the year in accordance with the statutory requirements		
Balance at 31 March	**211**	**351**
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from remuneration chargeable in the year in accordance with the statutory requirements	140	(158)

G13. Adjustments between accounting basis and funding under regulations

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation amortisation and impairment of non-current assets	(5,367)	-	-	**(5,367)**	5,367
Movements in the market value of investment property	41,020	-	-	**41,020**	(41,020)
Disposals of investment property	(0)	-	-	**(0)**	0
Disposals of inventories and increase/decrease to net realisable value	(57,948)	-	-	**(57,948)**	57,948
(Increase)/decrease in provisions	(24,358)	-	-	**(24,358)**	24,358
Current and Deferred tax liability movements	(11,930)	-	-	**(11,930)**	11,930
Capital grants and contributions applied	102,222		-	**102,222**	(102,222)
Revenue expenditure funded from capital under statute	(711)	-	-	**(711)**	711
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	66,893	(66,893)	-	**-**	-
Use of the Capital Receipts Reserve to finance new capital expenditure		66,893		**66,893**	(66,893)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(5,444)	-	-	**(5,444)**	5,444
Employer's pensions contributions and direct payments to pensioners payable in year	1,240	-	-	**1,240**	(1,240)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	140	-	-	**140**	(140)
Total adjustments	**105,757**	**0**	**0**	**105,757**	**(105,757)**

	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	(83,153)	-	-	**(83,153)**	83,153
Disposals of investment property	(200)	-	-	**(200)**	200
Disposals of inventories and increase/decrease to net realisable value	(39,277)	-	-	**(39,277)**	39,277
(Increase)/decrease in provisions	21,449	-	-	**21,449**	(21,449)
Current and Deferred tax liability movements	627	-	-	**627**	(627)
Capital grants and contributions applied	37,661		-	**37,661**	(37,661)
Revenue expenditure funded from capital under statute	(815)	-	-	**(815)**	815
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	**40**	**0**	**0**	**40**	**(40)**

G14. Cash Flow Notes

Adjustments to net deficit for non-cash movement

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Depreciation of property plant and equipment	1,376	1,521
Amortisation of intangibles	305	198
Movement in Pension Liabilities	5,880	3,319
Reversal of impairment on investment in joint venture	-	-
Cash Payments for employer's contributions to pension funds	(1,240)	(1,178)
(Increase)/ Decrease in trade and other debtors	(22,770)	8,451
Increase/(decrease) in trade and other creditors	8,517	(5,525)
Increase/(decrease) in deferred tax liability	3,017	(2,264)
Increase/(decrease) in bad debt provision	(113)	24
Increase/(decrease) in provisions	(30,612)	(80,938)
Net book value of non-current asset disposals	(0)	200
Property, plant and equipment assets written out	(278)	60
Changes in Fair Value of Investment Property	(41,020)	83,153
Other non-cash movements	100	486
Inventory disposals (non-East Bank)	60,106	37,204
Inventory net change to net realisable value	(2,159)	2,074
Stadium Lease Premium	-	-
Adjustment to net deficit for non-cash movements	**(18,890)**	**46,784**
Adjust for items included in the net deficit on the provisions		
of services that are investing or financing activities		
Cash received for the disposal of investment properties	-	(200)
Repayment of loan	-	1,000
Capital grants and contributions credited to the deficit on the provision of services	102,221	37,661

Investing activities

	31 March 2022	31 March 2021 (Restated)
	£'000	**£'000**
Purchase of property, plant and equipment, investment property and intangible assets	(21,861)	(22,290)
Disposal of investment properties	(0)	200
Inventory purchases not set against provision (East Bank)	(90,007)	(27,148)
Inventory purchases (Residential)	(17,605)	(32,214)
Capital grant received and other capital receipts	120,880	63,467
Net cash outflow from investing activities	**(8,592)**	**(17,985)**

Financing activities

	31 March 2022	31 March 2021
	£'000	**£'000**
Movement on Borrowings	26,358	16,850
Movement on OPTEMS fund	2	2
Movement on S106 fund	9,070	4,000
Net cash flow from financing activities	**35,430**	**20,852**

G15. Financial Instruments

Categories of financial instruments

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

	31 March 2022	31 March 2021
	£'000	**£'000**
Financial assets		
Current		
Financial assets at amortised costs	10,576	11,356
Net cash and cash equivalents	66,838	62,881
Non-current		
Financial assets at amortised costs	9,630	-
Total financial assets	**87,044**	**74,237**
Financial liabilities		
Current		
Financial liabilities at amortised costs	(8,234)	(23,819)
Non-current		
Financial liabilities at amortised costs	(448,092)	(412,664)
Total financial liabilities	**(456,326)**	**(436,483)**

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

	2021/22 Financial liabilities measured at amortised costs	2021/22 Financial assets at amortised costs	2020/21 Financial liabilities measured at amortised costs	2020/21 Financial assets at amortised costs
	£'000	**£'000**	**£'000**	**£'000**
Interest expense	11,213	-	10,723	-
Interest income	-	(7)	-	(5)
Total in Surplus or Deficit in Provision of Services	**11,213**	**(7)**	**10,723**	**(5)**

Fair values of assets and liabilities

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

	2021/22 Carrying amount	2021/22 Fair value	2020/21 Carrying amount	2020/21 Fair value
	£'000	£'000	£'000	£'000
Financial assets				
Financial assets at amortised cost	20,206	20,206	12,249	12,249
Cash and cash equivalents	66,838	66,838	62,881	62,881
Total financial assets	**87,044**	**87,044**	**75,130**	**75,130**
Financial liabilities at amortised costs				
Borrowings	(399,594)	(445,784)	(373,236)	(466,029)
Short-term creditors	(8,234)	(8,234)	(23,819)	(23,819)
Long-term creditors	(48,498)	(48,498)	(39,428)	(39,428)
Total financial liabilities	**(456,326)**	**(502,516)**	**(436,483)**	**(529,277)**

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

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

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

Credit Risk

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

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

As at 31 March 2022			
£'000	**Gross value**	**Impairment value**	**Net Value**
Deposits with financial institutions	66,831		66,831
Accrued interest on deposits	7		7
Trade debtors	9,674	(224)	9,450

Liquidity Risk

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

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

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

	2021/22	2020/21
	£'000	**£'000**
Maturing in 1 - 2 years	(12,021)	(12,021)
Maturing in 2 - 5 years	(43,710)	(51,348)
Maturing in 5 - 10 years	(221,167)	(158,621)
Maturing in more than 10 years	(171,189)	(190,713)
Long term financial liabilities with more than one year to mature	**(448,087)**	**(412,703)**

G16. Provisions

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

Total Provisions	E20 LLP Onerous Countract	Provision for East Bank grant	Other Provisions	Total
Balance at 31 March 2021	**(209,464)**	**(277,798)**	**(46)**	**(487,308)**
Additional provisions made	(50,258)	(1,872)	(250)	(52,379)
Amounts used	8,564	55,179	-	63,743
Unused amounts reversed	-	-	3	3
Reclassification	-	-	-	-
Effect of the change in discount rate	22,272	-	-	22,272
Unwinding of discount	(3,065)	-	-	(3,065)
Balance at 31 March 2022	**(231,950)**	**(224,491)**	**(293)**	**(456,734)**
Provisions- Long Term	**E20 LLP Onerous Countract**	**Provision for East Bank grant**	**Other Provisions**	**Total**
Balance at 31 March 2021	**(201,003)**	**(222,620)**	**-**	**(423,623)**
Additional provisions made in year	(43,898)		-	(43,898)
Amounts used in year	-	-	-	-
Unused amounts reversed in year	-	-	-	-
Reclassification	-	222,620		222,620
Effect of the change in discount rate	22,272			22,272
Unwinding of discount	(3,065)	-	-	(3,065)
Balance at 31 March 2022	**(225,694)**	**0**	**0**	**(225,694)**
Provisons - Short Term	**E20 LLP Onerous Countract**	**Provision for East Bank grant**	**Other Provisions**	**Total**
Balance at 31 March 2021	**(8,461)**	**(55,179)**	**(46)**	**(63,685)**
Additional provisions made in year	(6,359)	(1,872)	(250)	(8,481)
Amounts used in year	8,564	55,179	-	63,743
Unused amounts reversed in year	-	-	3	3
Reclassifications	-	(222,620)	-	(222,620)
Effect of the change in discount rate				-
Unwinding of discount	-	-	-	-
Balance at 31 March 2022	**(6,256)**	**(224,491)**	**(293)**	**(231,040)**

E20 Onerous Contracts provision

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

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

- It now uses only those revenues, costs and overheads that are directly attributable to the West Ham United Football Club and UK Athletics agreements. Revenues, costs and overheads not directly attributable to those agreements are no longer included in the calculation.
- The calculation is now based on cashflows for the remaining 93-year term of the concession agreement (note the calculation includes cashflows relating to the UK Athletics agreement up to its expiry in 41 years); previously the cashflow was calculated in perpetuity.
- A discount rate is now adopted to reflect a risk-free rate (based on Government gilt rates at the reporting date).

The has required a restatement of the provision in prior years and an increase to the provision in the year to 31 March 2022 as shown in the following table:

	Provision Total Restated £'000
As at 1 April 2020	(275,844)
Unused provisions reversed during the period	17,274
Effect of the change in discount rate	40,554
Utilised in the year	10,364
Unwinding of discount	(1,812)
Balance at 31 March 2021	**(209,464)**

	Provision Total £'000
As at 1 April 2021 (restated)	(209,464)
Increases to existing provisions	(50,258)
Effect of the change in discount rate	22,272
Utilised in the year	8,564
Unwinding of discount	(3,065)
Balance at 31 March 2022	**(231,950)**

It may also lead to increased volatility in future years if the technical assumptions upon which the provision is based change – for example, the discount rate, which is now based on the prevailing government gilt rate. Annual changes in the provision, including those in the prior year due to the change in approach, are necessarily reflected in the partnership's income statement (and, therefore, the LLDC Group Comprehensive Income and Expendiure Statement); however, these are not reflective of the underlying performance of the partnership.

The overall E20 Stadium LLP Group operating loss for the year to 31 March 2022, as shown in the earlier table, was £43.7m. This figure include amounts relating to capital items (depreciation, impairment and purchases recharged within the Group), exceptional costs (such as the UK Athletics compensation) and changes relating to the onerous contracts prevision. Therefore, once these items are excluded, the underlying partnership operating loss in the year to 31 March 2022 was £13.7m. This is shown in the following table:

2021/22	E20 Stadium LLP Group
	£'000
Operating profit/(loss) per income statement	**43,687**
Remove:	
Depreciation and impairment	(4,624)
Purchases recharged within the Group	(3,542)
Exceptional costs	(2,394)
Total net change in provisions	(19,422)
Underlying operating (loss)	**13,705**

Other provisions

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

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

East Bank provision	Short term	Long term	Total
	£'000	**£'000**	**£'000**
Balance at 1 April 2020	**59,084**	**232,867**	**291,951**
Additional provisions made	44,931		44,931
Amounts used	(59,084)		(59,084)
Reclassifications	10,247	(10,247)	-
Balance at 31 March 2021	**55,179**	**222,620**	**277,798**
Balance at 1 April 2021	**55,179**	**222,620**	**277,798**
Additional provisions made	1,872		1,872
Amounts used	(55,179)		(55,179)
Reclassifications	222,620	(222,620)	-
Balance at 31 March 2022	**224,491**	**-**	**224,491**

As at 31 March 2022, LLDC is also recognising a provision of £0.3m in respect of residual costs relating to the Park Transformation and dilapidation costs from the office move.

G17. Inventories

	31 March 2022	31 March 2021 (Restated)
Valuation	**£'000**	**£'000**
Opening balance at 1 April	104,664	168,560
Additions:		
Subsequent expenditure	21,050	19,456
Transfers from inventories	-	-
Disposals	0	(200)
Changes in fair value	41,020	(83,153)
Total Investment property	**166,734**	**104,664**

G18. Events after the reporting date

As at the reporting date, E20 Stadium LLP had commenced legal proceedings against Allen & Overy, for their role in drafting the London Stadium concession agreement. This dispute was settled in August 2022 before a court hearing scheduled in October of the same year. This is after the reporting date but before these accounts were authorised for issue. The details of the settlement are confidential and are being disclosed as a non-adjusting event within these accounts. Related transactions will be recognised in the 2022/23 Group accounts.

As at the reporting date, E20 Stadium LLP and West Ham United Football Club were in dispute over sums due to E20 Stadium LLP under the West Ham Concession Agreement in relation to a multi-faceted share transaction in WH Holdings Limited in November 2021. In December 2021, E20 Stadium LLP issued a Non-Payment Notice to the Club. On 1 August 2022, the Club paid E20 Stadium LLP £2,588,223, in full and final settlement of sums due in relation to the share transfers component of the transaction by relevant shareholders plus interest. On 7 March 2023, a further payment was made to E20 Stadium LLP in relation to other components of the transaction, though the Club continue to dispute this aspect of the matter.

These payments were made after the reporting date but before these accounts were authorised for issue and are being disclosed as a non-adjusting event within these accounts. Related transactions will be recognised as appropriate in the 2022/23 financial statements.

G19. Correction of prior period accounting errors

In addition to those set out in Note 1 to the (single entity) accounts, the prior year Group accounts were adjusted for the change to the E20 Stadium LLP onerous contracts provision, as detailed in Note G16. The impact of this is shown in the following table:

	Total per audited accounts	**PYA 1** Loan interest	**PYA 2** CFS disclosures	**PYA 3** REFCUS	**PYA 4** IP to inventories (Residential)	**PYA 5** IP to inventories (East Bank)	**PYA 6** East Bank Assets under Construction (to IP)	**PYA 7** East Bank provision	**PYA 8** East Bank deferred income	**PYA 9** Deferred tax asset	**PYA 10** Corporation and Deferred Tax	**Group PYA 1** Onerous Contracts provision	**31 March 2021 Restated**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'001	£'001	£'000	£'000
Balance at 31 March 2020	200,048	-	-	-	-	-	-	291,951	-	-	-	75,842	567,841
Additional provisions made	-	-	-	-	-	-	-	44,931	-	-	-	(17,274)	27,657
Amounts used	-	-	-	-	-	-	-	(59,084)	-	-	-	(10,364)	(69,448)
Effect of the change in discount rate	-	-	-	-	-	-	-	-	-	-	-	(40,554)	(40,554)
Unwinding of discount	-	-	-	-	-	-	-	-	-	-	-	1,812	1,812
Balance at 31 March 2021	**200,048**	**-**	**-**	**-**	**-**	**-**	**-**	**277,798**	**-**	**-**	**-**	**9,462**	**487,308**

Annual governance statement

Scope of responsibility

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

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

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

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

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

No new delegations or directions were given during 2021/22.

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

The purpose of the governance framework

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

The system of internal control is a significant part of this framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on a continuous process designed to identify and prioritise risks, to evaluate the likelihood and potential impact of those risks being realised, and to mitigate and manage them efficiently, effectively and economically.

The governance framework has been in place at LLDC for the year ended 31 March 2022 and up to the date of approval of the Statement of Accounts.

The governance framework

Board and committees

LLDC's Board and committees operate within the governance and openness framework prescribed by the Local Government Act 1972 which includes a requirement for public meetings and rights of attendance by the press and public.

At the start of the 2021/22 financial year, LLDC Board and Committees were able to meet remotely and take decisions because of flexibilities introduced in the Coronavirus Act 2020 and its associated Regulations[3] which enabled specified organisations to hold remote formal decision-making meetings. Mayoral Development Corporations had not initially been listed in these regulations. As it was not possible to hold in-person decision-making meetings due to the Covid restrictions in place, LLDC introduced a Remote Decision-Making Scheme. This enabled it to hold online proceedings to take decisions by the relevant Chair under a delegation following consultation with an Advisory Panel made up of Board or Committee members. When LLDC was subsequently included the in the Coronavirus Act flexibilities (as a result of the Business and Planning Act), it revoked the use of the Remote Decision-Making Scheme in July 2020 moved to holding online formal decision-making meetings, with members of the public being able to attend the public sessions via an online link. The Coronavirus Act flexibilities ceased on 7 May 2021 and public meetings reverted to being held in-person with only those Board and Committee members attending in-person being counted towards the quorum and being able to vote. Members are able to attend remotely and share their views but are not counted in the quorum and not able to vote. 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[4] . 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[5] , under a delegation conferred by the Scheme following consultation at a proceeding of the relevant Advisory Panel. As with the previous Remote Decision-Making Scheme (in place from April-July 2020), agendas are 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 the Chair's decisions on each of the items of business on the Advisory Panel is published on the website as soon as is practicable.

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

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

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

LLDC conducted risks assessments to enable it to hold in-person meetings in a Covid-secure way and with the facility for Members, observers, officers and members of the public to attend remotely. LLDC has been holding in-person meetings since September 2021 and the majority of Members have been able to attend Board and Committee meetings in-person so that the meetings are quorate and LLDC has improved the audio-visual quality for those accessing the meetings remotely. However, some Committee meetings have been held as online Advisory Panels when public guidance advises against travelling as a result of industrial action or adverse weather conditions.

The provisions of the Remote Decision-Making 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. LLDC continues to monitor the situation and continued use of the Remote Decision-Making Scheme (see section on significant governance changes since the reporting date).

During the year ended 31 March 2022 LLDC's committee structure was as follows:

- **Audit Committee**

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

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

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

- **Investment Committee**

  To ensure the efficient and effective discharge of the London Legacy Development Corporation's functions, through investment of public funds and use of assets and resources in a manner that achieves value for money[6].

- **Planning Decisions Committee**

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

- **Regeneration and Communities Committee**

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

- **Health, Safety and Security Committee**

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

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

Following a recommendation in the May 2016 'Governance Review - Board Information' internal audit, LLDC undertakes 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 (PDC) who were due to review their terms of reference later in 2021 - and were approved by the Board. The Board asked the Regeneration and Communities Committee to consider local authority representation as part of the terms of reference review. Representatives from the four neighbouring boroughs are 'in attendance' at meetings but are not members). Officers consulted the Borough Transition Group who refreshed the representatives they send to the meeting. In June 2021, the Committee's review of terms of reference recommended no changes to the committee membership, with the boroughs continuing to be 'in attendance'. The Committee agreed to recommend including Legacy Youth Board colleagues as attendees. In November 2021, the PDC reviewed its terms of reference and recommended amending these to allow for substitutions for the three LLDC Board members on PDC. The five Borough representatives already have substitutes. This change would provide resilience to the Committee's membership. The pool of LLDC substitute members would consist of any LLDC Board member (excluding the Corporation's Chair, the four Borough Leaders/Mayors and the Mayor of London's representative). The pool includes Investment Committee members, but they would be precluded from substituting when there is an LLDC application on the PDC agenda for decision, for conflict of interest reasons. The Board approved the revised terms of reference for the Regeneration and Communities Committee and PDC in February 2022. The next full review of the committee terms of reference will be undertaken in late 2022.

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

Executive Management Team

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

London Stadium Governance

E20 Stadium LLP is a limited liability partnership between LLDC and Stratford East London Holdings Ltd (SELH), a wholly owned subsidiary of LLDC. The E20 Board comprises three members nominated by LLDC Board[7] (Nicky Dunn, Keith Edelman and Shanika Amarasekara) and one member nominated by SELH (Gerry Murphy, LLDC's Deputy Chief Executive). The E20 Board is the formal Board of E20 Stadium LLP and also acts as an advisory Board to LLDC Chief Executive on matters pertaining to the London Stadium. Decision making in relation to LLDC's expenditure on and income from the London Stadium follows LLDC's Scheme of Delegations. The E20 Board has no delegated authority.

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

The scheme of delegation and terms of reference for the boards of E20 Stadium LLP and LS185 were approved by LLDC Board in May 2020 following consideration by the E20 Board. A revised scheme of

[7] In September 2021, at the end of their terms as Legacy Corporation Board members, Nicky Dunn and Keith Edelman were appointed as Legacy Corporation nominated members of the E20 Board until 31 March 2022. LLDC Board members Phil Mead and Gurpreet Dehal were appointed to the E20 Board from 1 April 2022.

delegation for E20 Stadium LLP and LS185 was approved by LLDC Board in May 2021 following approval by the E20 and LS185 Boards.

East Bank Governance

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

The East Bank governance structure comprises the **East Bank Board** which provides Board level leadership, collaboration, strategic direction and oversight with senior representation from LLDC, the East Bank partners, the GLA and Foundation for FutureLondon. In January 2022, UAL took over as Chair of the East Bank Board and its membership was revised to be the East Bank partners, with LLDC in attendance. The role of the **East Bank Programme Board**, which provides oversight and direction for the overall programme, resolving any escalated issues from the Stratford Waterfront and UCL East project boards, is being reviewed in light of the revised East Bank Board terms of reference. The East Bank Strategic Objectives Board oversees the Strategic Objectives delivery programme and reports to the East Bank Board. As a multi-party project, the programme governance refers decisions back to partners' corporate governance structures as required and each partner also has their own internal project or programme governance arrangements.

A **Risk and Assurance Board** (RAB) provides support to the East Bank Programme Board and LLDC Investment Committee and provides oversight of the integrated assurance programme. It has an independent Chair and representatives from LLDC, East Bank partners, the GLA and Government (represented by the Infrastructure and Projects Authority, albeit the position is 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 Risk Assurance Services LLP[8] who undertake a programme of reviews on key areas of activity, reporting to the Risk and Assurance Board.

Vision and performance

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

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

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

Standing orders, delegations and codes of conduct

Key governance documents for LLDC comprise:

- Standing Orders, which set out arrangements for the conduct of meetings, recording of decisions and managing conflicts of interest, and also include the Members' Code of Conduct and Gifts and Hospitality Code.
- Scheme of Delegations, which sets out arrangements for delegation of decisions to committees and officers.
- Scheme of Planning Delegations, which sets out how LLDC will discharge some of its town and country planning functions and responsibilities through delegation to the Planning Decisions Committee and planning officers.
- Planning Code of Conduct, which sets out the approach of planning officers and the Planning Decisions Committee Members to planning decision-making.
- Financial Regulations, which set out the framework for managing LLDC's financial affairs.
- 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 2021/22 and are available on LLDC's website.

The scheme of delegation was amended in April 2020 to enable temporary arrangements for the proceedings of LLDC 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 Boards and Committees section above).

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

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

Risk management, fraud, and corruption

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

In September 2018, the Board approved LLDC's Statement of Risk Appetite. The Statement is updated and reviewed regularly and was last reviewed by the Audit Committee in January 2022. The Statement states that LLDC has a low tolerance around financial control and process risk and does not tolerate risks where LLDC's financial stability is compromised and where activities are deemed to be unlawful

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

Corporate-level risks and issues are identified through analysing the risk register and considering any other risks and issues impacting on LLDC. These are updated, reviewed and agreed by the Executive Management Team. Updates on corporate risks and issues are reported to every Audit Committee meeting and to the Board through the corporate dashboard and discussed in an annual risk review.

LLDC has an Anti-Fraud, Bribery and Corruption Policy and a Whistle Blowing Policy, these are presented to the Audit Committee periodically. Updated versions of the Whistleblowing Policy and the Anti-Fraud, Bribery and Corruption Policy have been produced, these were reviewed by LLDC's Audit Committee at its March 2022 meeting: the Committee asked for further information about what policies they were benchmarked against and were approved at the Committee's July 2022 meeting. The revised Whistleblowing policy includes details of a new whistleblowing telephone and online reporting service which has been procured by the GLA Group. Following approval for the policy, LLDC will roll out refresher training on both policies in 2022/23. In 2021/22, no LLDC employees raised any issues under these policies.

People Strategy & Inclusion and Diversity

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

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

LLDC Inclusion and Diversity Strategy, originally agreed in 2019, sets out LLDC's approach to advancing an internal culture that genuinely values difference, and in which inclusion and diversity practices are seamlessly integrated at every step. The Inclusion & Diversity Strategy is in the process of being refreshed and will focus on creating greater diversity and maximising inclusion across the organisation through tangible and proactive activities.

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

LLDC's Modern Slavery Statement for 2021/22 was approved by the Board in September 2021 and is set out below. An updated Statement updating on LLDC's progress and priorities will be considered by the Audit Committee in late 2022 with a view for the Board approval in early 2023.

London Legacy Development Corporation Modern Slavery and Human Trafficking Statement

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

While LLDC is not a "commercial organisation" as defined by the Act, so has no requirement to publish a statement, LLDC recognises that it is good practice to ensure that the Corporation is compliant with the Act.

LLDC's structure, business, and supply chains

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

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

LLDC's policies in relation to slavery and human trafficking

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

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

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

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

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

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

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

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

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

LLDC has implemented changes to strengthen LLDC's NEC3 contracts, including on East Bank, in relation to compliance by the contractor and their sub-contractors with the Modern Slavery Act and ensure that contractors meet the requirements of a Certified Ethical Labour Scheme. The relevant clauses have been inserted into new contracts and bidders' Modern Slavery Statements are assessed as part of East Bank procurements. LLDC's East Bank Project Management Partner is responsible for ensuring that contractors are monitored in implementing these requirements. LLDC continues to work in partnership with GLA responsible procurement colleagues and have reported that other organisations are considering using similar contractual clauses as LLDC to embed the certified labour scheme in supply chains.

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

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

Effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate

The annual exercise we undertake with employers on the Park in relation to payment of the London Living Wage and the non-exploitative use of zero hours contracts is now extended to include questions about the 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 reports the status of all on site contractors at East Bank in relation to Modern Slavery to the Modern Slavery Group: The assessment by SEDEX has found that all of the contractors on site have a low-risk rating for modern slavery so no further investigations are recommended. On site awareness raising and communications around modern slavery have been implemented at Stratford Waterfront.

Training

Key employees in the Programme Management Office and Procurement team have received guidance from the GLA Group's Responsible Procurement team who have expertise in this field. Key employees have also joined webinars on the subject. Training on Modern Slavery for relevant employee was undertaken in 2018/19 and a Modern Slavery update was given to an all staff briefing, a further briefing will be given in 2022 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 transitions. As LLDC acquires knowledge and develops capability across all higher risk spend categories, the intention is to codify and communicate for wider use in the GLA Group those due diligence processes that are found to be the most successful.

In the coming year LLDC will pursue these key goals:

- Continue to deliver the Mayor's Responsible Procurement Policy.

- Ensure compliance with contractual requirements relating to modern slavery for our major construction contracts.
- Complete a further risk and opportunity assessment to identify other contracts and areas of spend, where there may be a high risk of poor working conditions, human rights abuses or negative impacts on security and crime.
- Complete an annual audit to ensure that key employers on the Park comply with the Modern Slavery Act.
- Run an online analysis of key suppliers' modern slavery compliance through The Transparency in Supply Chains Platform (Tisc) and follow up where compliance scores are low.
- Key suppliers to be risk assessed using the Cabinet Office Risk Assessment Template
- Undertake an exercise asking key suppliers to complete the Government's Modern Slavery Assessment Tool, by the end of 2021 and develop an improvement plan based on recommendations by April 2022, link here.
- Active membership of the Gangmasters and Labour Abuse Authority (GLAA)
- Further raise internal awareness of Modern Slavery through ongoing training and communication, in line with approval and publication of this statement and the roll out of the emerging Home office e-learning tool for public sector procurement.
- Enhanced modern slavery work through the construction management partner (Mace) with tier 1 contractors on Stratford Waterfront site, including: promoting a confidential speak up line for employee and operatives to report issues (including modern slavery concerns); wider workers surveys including by mobile phone and in native languages; Modern Slavery Workshops to raise awareness with direct, contracted and sub-contracted workers; audits with contractors; and rolling out Clearview recruitment labour certification.
- Ensure modern slavery requirements are built into re-procurement of operator contracts from 2022.

Progress against these actions will be reported to the Audit Committee at least twice a year.

This Statement has been produced for Audit Committee and Board approval and will be published on the Corporation's website.

LLDC has made progress in 2021/22 to deliver on the Modern Slavery action plan through its Modern Slavery Group which includes officers from LLDC's finance, regeneration, procurement and PMO teams and support from TfL's responsible procurement lead.

LLDC has worked with the GLA Responsible Procurement Team to launch the Cabinet Office Modern Slavery Assessment Tool (MSAT). The MSAT is a modern slavery risk identification and management tool which aims to help public sector organisations to understand where there may be risks of modern slavery in the supply chains of goods and services that have been procured. In order to launch the MSAT, a short risk and opportunity exercise was undertaken to identify existing and upcoming contracts and areas of spend where there may be high risk of poor working conditions, human rights abuses or negative impacts on security and crime.

The campaign has now closed, and 23 suppliers completed and submitted questionnaires. LLDC will work with the GLA Responsible Procurement team to identify areas where suppliers may have scored low as an opportunity to create a plan for improvement. Moving forward it is hoped that the MSAT will be used as a tool for all new contractors to complete so a more complete picture of how they are handling modern slavery issues in their supply chain is evident.

Financial and legal controls compliance

LLDC's financial management arrangements conform with the governance requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer in Local Government:

- The Chief Finance Officer of LLDC (designated in accordance with Section 127 of the Greater London Authority Act 1999) is Gerry Murphy, the Deputy Chief Executive and Executive Director of Finance, Commercial and Corporate Services and a member of the Institute of Chartered Accountants in England and Wales.

- The Chief Finance Officer sits on the Executive Management Team and is able to attend all Board and committee meetings. She prepares the budget and corporate plan, including leading internal review processes, and is party to all material business decisions. Financial advice is included on all Board papers and sign-off is required above the thresholds specified in the Scheme of Delegations. The execution of contracts and grant agreements is reserved to the Chief Executive, Chief Finance Officer, and any Board member, apart from the following which are under review in 2022/23 as part of a review of operating efficiency:

  - 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.

LLDC ensures compliance with relevant laws and regulations through the activities of an in-house commercial procurement team and a shared services arrangement with Transport for London’s (TfL) legal team. This shared services arrangement came into effect on 1 May 2014. Legal advice is required for all significant decisions, whether taken by the Board or under delegated authority, and is recorded in Board papers. All contracts entered into by LLDC must also be approved by the TfL legal team for signing (unless the agreement is an un-amended LLDC standard contract or have been prepared by external legal advisers) through approval of the Contact Authorisation Form. Legal advice is also sought on some Project 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 LLDC's powers, any other legal implications and any legal instruments to be entered into as a result of this project.

Compliance with other legalisation (e.g. employment or procurement) is ensured by the working policies, procedures and practice of the relevant LLDC team. Policies are approved by the Executive Management Team following consultation with the Employee Forum and Management Forum and available for staff on LLDC's intranet.

Audit Committee and internal audit

The Audit Committee helps to raise the profile of internal control and risk management within LLDC through considering a standing item on internal control and risk management at each meeting and reporting back to LLDC's Board. It raises the profile of financial reporting issues within the organisation through a report at every meeting from the Deputy Chief Executive, which reports on key activities including those relating finance and governance and reporting back to LLDC's Board. The Audit Committee also helps to raise the profile of internal control, risk management and financial reporting by requesting information on individual areas of concern and asking the internal auditors to review particular areas of risk. Audit Committee meetings are held in public, and the papers are made available on LLDC's website which helps to enhance public trust in LLDC's financial governance.

The Audit Committee is made up of members of LLDC's Board. It includes members with both public and private sector experience with expertise in areas including finance, audit, law and governance.

In April 2015, the Mayor's Office of Policing and Crime (MOPAC) were appointed as LLDC's Internal Auditors as part of the Mayor of London's shared services agenda. The internal auditors work is reported to, and monitored and reviewed by, the Audit Committee. MOPAC assist in the promotion of good governance through implementation of the Internal Audit Plan, 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. LLDC'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 2021/22 annual report is on the agenda for the first Audit Committee meeting in 2022/23.

The Head of Internal Audit's overall opinion for 2021/22 is that LLDC has an adequate internal control environment which is generally operating effectively.

The full audits carried out as part of the 2021/22 Internal Audit plan are listed below with assurance ratings[9]

- Contract Management Advisory Review – *To conclude in 2022/23*
- LS185 Finance Review – Limited Assurance
- Records Retention Review – Adequate Assurance
- Transition Advisory Review – Adequate Assurance
- Credit Cards and Expenses Review – Adequate Assurance
- East Bank – Project Management Partner (MACE) – Adequate Assurance
- Fixed Estate Charge Finance Review – *To conclude in 2022/23*

[9] 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.

- Park Venues and Operations Procurement Health Check – *To conclude in 2022/23*

Completed follow up reports are set out below:

- Health, Safety and Security Committee – Substantial Assurance
- Shared Legal Services - Adequate Assurance
- Stadium Stewarding – Adequate Assurance
- HR Policies – Adequate Assurance

Code of Corporate Governance

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

The code was updated in June 2020 with information about Inclusion & Diversity, healthy workplace, and information about LLDC subsidiaries. The code was refreshed in February 2022 with hyperlinks to specific sections or policies on LLDC website and reviewed by the Audit Committee in March 2022 and is published on LLDC website.

Performance against the code is evaluated on an annual basis and included in the Annual Governance Statement and any areas for improvement identified. Overall, LLDC performs well against the code: it is committed to the seven principles and has a framework of policies and procedures, behaviours and values in place which support good governance.

Work undertaken during 2021/22 includes:

- refreshing the links to specific sections or policies on the website

- refreshing the transparency pages and including information about LLDC subsidiaries

- working with the other functional bodies to procure a whistleblowing service provider to provide a telephone and online reporting tool for employees and updating the whistleblowing policy

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

- ongoing reviewing the corporate policies referenced in the code

- rolling out the whistleblowing service to LLDC employees

- training on new subsidy regulations

Greater London Authority (GLA) Corporate Governance

LLDC is a functional body of the GLA and complies with its annual budgeting process, engages with the London Assembly and its committees as required and also fulfils the requirements of any Mayoral directions given. There is also an on-going dialogue with the Mayor's office to ensure that the activities of LLDC are aligned with the Mayor's general policy framework. LLDC 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. The GLA updated the framework agreement with minor changes, and this was approved by the London Assembly in February 2022, and the Mayor of London in March 2022. LLDC agreed to become a signatory to the revised agreement in March 2022.

Whistleblowing and complaints

LLDC's Whistleblowing Policy is on its intranet and sets out how colleagues are able to report any issues, concerns, or wrongdoing which they believe need to be brought to the attention of the management without fear of reprisal. The policy sets the standards that apply throughout the Corporation its entities and subsidiaries and incorporates the Corporation's legal obligations. During 2021/22, LLDC worked with other GLA functional bodies to procure a whistleblowing service provider to deliver a telephone and online reporting tool for employees. The policy was updated to include information about the new employee reporting service, and also to include routes for members of the public or partners to raise any concerns. The policy was reviewed by the Audit Committee in March 2022 who requested further information about how the policy was benchmarked. The policy was approved at the July 2022 Audit Committee.

LLDC's Complaints Policy was formally adopted and added to the website in May 2013 and was last updated in May 2022. It sets out how LLDC handles complaints, the different stages of the procedure, and how complaints can be made to the Local Government Ombudsman if the complainant is not satisfied with LLDC's response. This includes a dedicated email address to receive complaints.

Meeting development needs of members and senior staff

High performing learning organisations are defined as ones that can continuously evolve, respond to change and create innovative cultures that allow people to learn and grow through modern and agile practices. Ours, like the majority of most other organisations, operates against a backdrop of a rapidly changing operating environment and newly emerging trends both externally and internally that impact the way we provide, develop and facilitate learning across the organisation.

We have therefore been developing a revised Learning & Development strategy, which recognises our agenda needs to be aligned to the Corporate and People strategies and be analytically savvy, results/outcome focused, inclusive by design and enabling by nature.

Our people are core to our success, and we want to enable our teams to perform to the best of their ability in their roles at LLDC, whilst also helping them to drive their own individual development and progress their careers, whether inside or outside of the organisation itself. We want our people to succeed, whatever form that takes, and so we have committed to supporting their career journeys over the coming few years. Our intention will always be to underpin our revised Learning & Development strategy with our purpose, our values and the key pillars of our People Strategy, and the revised strategy will aim to ensure that we match high performance with our values and culture and to create focus on maximising diversity by creating a truly inclusive approach and providing thoughtful, appropriate support to our people that will enable them to take control of their own development and future career.

Community and Socio Economic Team

LLDC's **Community programme** actively engages with local people and organisations through the delivery of; community projects and interim uses, consultation on development proposals and through participation in relevant local community forums and hosting its own local representative groups including Park Panel. These areas of work provide important ongoing opportunities for the two-way flow of information, issues and ideas between the diverse local communities around the Park. Through key local Community partners activities and events are hosted on the Park throughout the year, notably our annual community festival the Great Get Together that attracts over 10,000 local people every summer.

Young people have the most to gain from the transformation taking place on the Park, therefore, it is important that they have a voice, are involved in all future plans and we do this through the Legacy Youth Board, Legacy Youth Voice along with our youth engagement network made up of the boroughs and local youth organisations. Most recently a former member of the Legacy Youth Board Gabrielle Appiah become a full LLDC board member demonstrating the importance of youth leadership and LLDC's commitment to young people having a meaningful voice and influence into the key decisions and future plans. To bring this all together these groups host an annual youth conference 'Future Me, Future Youth' on the Park, bringing together local young people, connecting them to local institutions and providing a platform to come up with innovative solutions to some of the real issues they face.

East Education is the strategic framework that brings together creative, high tech, knowledge driven institutions that form East Bank with teachers and young people. The programme aims to address the shortage of creative and future skills in east London, and connect young people to future careers, through a series of initiatives including curriculum challenges, tutoring programmes, teacher training and engagement, and flagship events such as the East Summer School and East Careers Week.

SHIFT is the new name and brand for the Park's inclusive innovation district, programme and partnership. It is a collective partnership endeavour and is overseen by a founding partners group consisting of: UCL, UAL: LCF, Loughborough in London, Lendlease, Here East, Plexal, and LLDC. It reflects the collective shift that society needs to make to accelerate a thriving, fair and resilient future in our cities. SHIFT enables collaboration and experimentation to support better urban futures for our cities and citizens. It positions Queen Elizabeth Olympic Park as London's living testbed.

Significant changes in the Board

On 30 September 2021, Sonita Alleyne, Nicky Dunn, Keith Edelman and Tanni Grey-Thompson stood down from the Board at the end of their appointment terms. Gabrielle Appiah was appointed to the Board on 1 October 2021 following a targeted recruitment open to former and existing Legacy Youth Board members. Following an external recruitment process using an executive search agency, three further members were appointed to the Board: Gurpreet Dehal on 19 October 2021, Phil Mead on 2 November 2021 and Helene Raynsford on 22 December 2021. Cllr Clare Coghill of the London Borough of Waltham Forest stood down from the Board in September 2021 and the new Leader of Waltham Forest Council, Cllr Grace Williams was appointed to the Board on 27 October 2021.

Significant governance developments since the reporting date

Following their re-elections in the local government elections in May 2022, the Mayor of Hackney Phillip Glanville, the Mayor of Newham Rokhsana Fiaz and Cllr Grace Williams from Waltham Forest were reappointed to the board in May 2022. Cllr Rachel Blake of the London Borough of Tower Hamlets stepped down from the Board in May 2022. Following his election as Mayor of the London Borough of Tower Hamlets in May 2022, Lutfur Rahman was appointed to the Board on 12 July 2022.

At its July meeting, the Board noted that the use of the Remote Decision-Making Scheme was regularly monitored, particularly in light of the recent rise in Covid cases.

In April 2023, LLDC was very saddened to hear that LLDC Board member and former Planning Decisions Committee Chair, Pam Alexander OBE, had passed away. Please see the statement published by LLDC at this link.

Significant governance issues

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

Issue	Proposed response
Developing employee and corporate culture to respond to a changing role.	Workforce transition planning and employee engagement. Delivery of the Inclusion & Diversity action plan. Regular employee engagement surveys and consultation with employee fora.
Enabling an effective and high performing Board.	Annual meetings by the Chair with Board members. Regular Board away days to enable strategic input. Comprehensive induction for new Board and Committee members. Further consideration of the scope, format and timing of a Board effectiveness review during 2022.

	Continued succession planning for Board. 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. Enhanced focus on long term financial sustainability as part of the Corporation's Transition planning. Development of the Park Business Plan as part of wider plans to deliver financial sustainability.
Managing the risks to the successful delivery of the East Bank and ensuring that there is effective stakeholder engagement at all levels.	Integrated three lines of defence model assurance framework in place to provide assurance to funders, partners and LLDC Board that the risks to the programme are being successfully managed. 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. Project Principals meetings with LLDC and East Bank Project Management Partner senior leadership.
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 LLDC has the right skills to deliver its objectives as its purpose evolves.	Continued transition workforce planning and reviews of staff and resourcing. New programme management focus on Major Projects through Executive Management Team includes identifying resource issues. 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 LLDC executive provide oversight and monitor 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. Effective transition governance structure in place

LLDC will address these and other issues that arise, in order to enhance its governance arrangements, and will keep these under review to ensure fitness for function.

Lyn Garner	**Peter Hendy**
Chief Executive	**Chair**
28 July 2023	**28 July 2023**

Glossary of terms

Accruals basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial gains and losses

Actuaries assess financial and non-financial information provided by LLDC to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses can arise leading to a loss or gain because

- events have not coincided with the actuarial assumptions made for the last valuation; and/or
- the actuarial assumptions have changed.

Balances

The balances of LLDC represent the accumulated surplus of income over expenditure on any of the funds.

Capital Adjustment Account

The account accumulates (on the debit side) the write-down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (deferred charges). The balance on the account thus represents timing differences between the amount of the historical cost of fixed assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital expenditure

This is expenditure on the acquisition of a fixed asset, or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.

Capital financing charges

This is the annual charge to the revenue account in respect of interest and principal repayments and payments of borrowed money, together with leasing rentals.

Capital receipts

Income received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

Carrying amount

The balance sheet value recorded of either an asset or a liability.

CBE, MBE and OBE

CBE refers to the Commander of the Order of the British Empire award; MBE refers to the Member of the Order of the British Empire award and OBE to the Officer of the Order of the British Empire award.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services.

Contingent liabilities or assets

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in LLDC's accounts.

Creditors

Amounts owed by LLDC for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Current service cost

Current service cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits 'earned' by employees in the current year's employment.

Curtailment

Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

Debtors

These are sums of money due to LLDC that have not been received at the date of the Balance Sheet.

Defined benefit scheme

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Defined contribution scheme

A defined contribution scheme is a pension or other retirement benefit scheme into which an employer pays regular contributions as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Ministry of Housing, Communities and Local Government (MHCLG)

A department of central government with an overriding responsibility for determining the allocation of general resources to local authorities.

Depreciation

This is the measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset.

Exceptional items

Material items deriving from events or transactions that fall within the ordinary activities of LLDC, but which need to be separately disclosed by virtue of their size and/ or incidence to give a fair presentation of the accounts.

External audit

The independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure LLDC has made proper arrangements to secure value for money in its use of resources.

Expenditure

This is amounts paid by LLDC for goods received or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment since expenditure is deemed to have been incurred once the goods or services have been received even if they have not been paid for.

Fair value

Fair value is the price at which an asset could be exchanged in an arm’s length transaction, less any grants receivable towards the purchase or use of the asset.

Finance lease

A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term ‘financial instrument’ covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Financial regulations

These are the written code of procedures approved by LLDC, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

Fixed assets

Assets that yield benefits to LLDC and the services it provides for a period of more than one year. Examples include land, buildings and vehicles.

General fund

This is the main revenue fund of LLDC and includes the net cost of all services financed by Government and other trading income.

Impairment

A reduction in the value of a fixed asset below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a fixed asset's market value and evidence of obsolescence or physical damage to the asset.

Income

These are amounts due to LLDC for goods supplied or services rendered of either a capital or a revenue nature. This does not necessarily involve a cash payment. Income is deemed to have been earned once the goods or services have been supplied even if the payment has not been received (in which case the recipient is a debtor to LLDC).

Intangible fixed assets

These are fixed assets that do not have physical substance but are identifiable and controlled by LLDC. Examples include software, licenses and patents.

International Financial Reporting Standard (IFRS)

Defined Accounting Standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Leasing costs

This is where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist: finance leases and operating leases.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Net Realisable Value (NRV)

NRV is the open market value of the asset in its existing use (or open market value in the case of non operational assets) less the expenses to be incurred in realising the asset.

Operating lease

This is a type of lease, usually of computer equipment, office equipment, furniture, etc. where the balance of risks and rewards of holding the asset remains with the lessor. The asset remains the property of the lessor and the lease costs are revenue expenditure to LLDC.

Prior period adjustments

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Provisions

Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and/or the timing of such costs is uncertain.

Public Works Loan Board (PWLB)

An arm of central government which is the major provider of loans to finance long term funding requirements for local authorities.

Related parties

Related parties are central government, other Local Authorities, subsidiary and associated companies, Members and all Executive Management Team members. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household, and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Reporting standards

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards (IFRS), International Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (UK GAAP) and Financial Reporting Standards (FRS).

Reserves

Amounts set aside for general contingencies, to provide working balances or earmarked to specific future expenditure.

Revaluation reserve

The reserve records the accumulated gains on the fixed assets held by LLDC arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

Revenue expenditure

Expenditure incurred on the day-to-day running of LLDC. This mainly includes employee costs, general running expenses and capital financing costs.

Revenue Expenditure Funded From Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the Comprehensive Income and Expenditure Statement.

Service Reporting Code of Practice (SeRCOP)

Prepared and published by CIPFA, the Service Reporting Code of Practice (SeRCOP) replaced the previous Best Value Accounting Code of Practice (BVACOP). It is reviewed annually to ensure that it develops in line with the needs of modern local government, transparency, best value and public services reform. SeRCOP establishes proper practices with regard to consistent financial reporting for services and in England and Wales, it is given legislative backing by regulations which identify the accounting practices it propounds as proper practices under the Local Government Act 2003.

Treasury management

This is the process by which LLDC controls its cash flow and its borrowing and lending activities.

Treasury Management Strategy (TMS)

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for LLDC.