E20 Stadium LLP

Annual report and financial statements

Registered number OC376732

31 March 2022

Contents

Members report

The Board submits its report together with the audited financial statements of E20 Stadium LLP for the year ended 31 March 2022.

Legal structure

E20 Stadium LLP is incorporated as a limited liability partnership under the Limited Liability Partnerships Act 2000 and is referred to in these financial statements as the "partnership".

The partnership's registered office is Floor 9, 5 Endeavour Square, Stratford, E20 1JN.

Designated members and the Board

The designated members (Limited Liability Partnerships Act 2000) of E20 Stadium LLP during the year were:

- London Legacy Development Corporation (LLDC) – appointed 6 July 2012
- Stratford East London Holdings Limited – appointed 1 December 2017

Principal activities

The partnership was formally established between Newham Legacy Investments Limited (a wholly owned subsidiary of the London Borough of Newham) and LLDC, to deliver the post-Olympic Games transformation and operation of the London Stadium. The role of the partnership is to ensure the Stadium is integrated with the surrounding communities; contributes to local regeneration and social improvement aims; creates strong linkages with local sport clubs and educational bodies and minimises the subsidy required from public funds. Newham Legacy Investments Limited retired from the partnership on 30 November 2017.

The Stadium was permanently opened in summer 2016 following the completion of the transformation and other capital works. Since then it has hosted five seasons of Premier League football as the home of West Ham United Football Club, the IAAF World Athletics and Para Athletics Championships, major music concerts, the first Major League Baseball matches to take place in Europe and other successful events such as rugby union world cup and rugby league matches.

On 21 January 2019, E20 Stadium LLP took control of the Stadium operator, London Stadium 185 Limited, by purchasing its share capital, in full, from the previous owner, Vinci Stadium. To date, no changes have been made to the existing operator agreement; London Stadium 185 Limited have continued to deliver high-profile events at the Stadium on behalf of E20 Stadium LLP.

In October 2021, planning approval was granted to increase the stadium match-day capacity to 62,500. Licensing was granted in time for the new capacity to be utilised for the 2022/23 season.

Financial performance

The UK was emerging from the COVID-19 pandemic, at the start of the 2021/22 financial year. Fans of West Ham United were able to return to the stadium in May 2021, with a crowd of 10,000 watching West Ham's last home game of the season. The venue also hosted a mass vaccination centre in June 2021 and thousands received their first COVID-19 vaccination at London Stadium. However, the summer programme of concerts and other events had to be postponed, resulting in a loss of planned income for the year.

Capital

During the year, the partnership incurred £7.2 million on Stadium capital works in relation Stadium enhancements, including upgrading access control systems and installing LED floodlights. However, the Stadium fair value at 31 March 2022 is held at nil due to the partnership's financial forecasts, particularly in relation to the cost of hosting West Ham United Football Club and the cost of moving the relocatable seats between pitch (football) and athletics modes. Accordingly, the partnership has recognised a loss of £7.2 million being the impairment of the capital works to 31 March 2022. Additional information in respect of the impairment measurement can be found in note 4.

Revenue

Income of £4.5 million was generated in 2021/22, which largely relates to operating income derived from the West Ham concession. The Group generated £8.0m of revenue, which includes partnership, catering and other event income.

The partnership incurred £12.6 million relating to costs of sales, which includes amounts paid to London Stadium 185 Limited for their operator fees, with West Ham United matches returning to full capacity for the 2021/22 season. Costs to relocate the seating between pitch (football) and athletics mode were not incurred as the summer programme was cancelled; note that compensation of £1.8 million was paid to UK Athletics their annual 2021 event to an alternative venue (this is included within Exceptional Costs). The Group cost of sales figure of £10.9m is net of intracompany transactions. Other operating expenses include professional fees, rates, insurance, direct staff costs, general overheads and member recharges.

The partnership has two contracts– the West Ham United Football Club concession agreement and UK Athletics access agreement – that are deemed to be onerous (loss making) under International Accounting Standard (IAS) 37. Consequently, E20 Stadium LLP recognised a provision of £200m for these contracts in its 2016/17 financial statements. This year, following an update to IAS 37, the partnership has undertaken a fundamental review of the accounting and presentation of the onerous contracts provision resulting in changes to how it is calculated.

The revised approach 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; however, these are not reflective of the underlying performance of the partnership.

The overall operating loss for the year to 31 March 2022, as shown in the income statement, was therefore £40.5 million (£43.7 million for the Group); this compares to a restated profit of £50.9 million (£50.1 million for the Group) in the year to 31 March 2021. These figures 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 (as above). Therefore, once these items are excluded, the underlying partnership operating loss in the year to 31 March 2022 was £11.4 million (£13.7 million for the Group). A reconciliation, including the prior year, is shown in the following table:

	Group 2022	**Entity 2022**	**Group 2021**	**Entity 2021**
	£'000	**£'000**	**£'000**	**£'000**
Operating profit/(loss) per income statement	**(43,687)**	**(40,453)**	**50,121**	**50,941**
Remove:				
Depreciation and impairment	4,624	7,226	10,382	11,387
Purchases recharged within the Group	3,542	-	1,600	-
Exceptional costs	2,394	2,394	435	435
Total net change in provisions	19,422	19,422	68,192	68,192
Increases to existing provisions	50,258	50,258	-	-
Unused amounts reversed during the period	-	-	(17,274)	(17,274)
Effect of the change in discount rate	(22,272)	(22,272)	(40,554)	(40,554)
Utilised in the year	(8,564)	(8,564)	(10,364)	(10,364)
Underlying operating (loss)	**(13,706)**	**(11,412)**	**(5,654)**	**(5,429)**

Going concern

The fundamentals of the agreements entered into in 2013 continue to present significant challenges for the long-term future financial performance of the Stadium. Accordingly, the provision for onerous contracts continues to be recognised at 31 March 2022, noting that the methodology for calculating the provision was revised this year following an update to IAS 37 and a fundamental review of the accounting and presentation of the identified onerous contracts within the partnership (see Note 16 for details).

The partnership is dependent on funding provided by LLDC for its working capital (see Note 1.10). The Directors have an expectation based on discussions with LLDC and the Greater London Authority that further funding will be made available for a period of at least one year from the date of approval of these accounts. For these reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Individual members' remuneration

The allocation of profits to those who were individual members of the partnership during the financial year occurs at the discretion of the Board. If the Board decides after the finalisation of these financial statements that an allocation of profit should take place, the division among the members is in accordance with the Members' agreement.

Disclosure of information to auditor

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the partnership's auditor is unaware; and each member has taken all the steps that he ought to have taken as a member to make himself aware of any relevant audit information and to establish that the partnership's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the Board

Phil Mead
Chair
Date: 29 March 2023

Shanika Amarasekara
Board member
Date: 29 March 2023

Statement of members' responsibilities in respect of the Report to the members and the financial statements

The members are responsible for preparing the Report to the members and the partnership's financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year and under that law the members have elected to prepare the financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under Regulation 8 of the 2008 Regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period.

In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with UK-adopted international accounting standards, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business

Under Regulation 6 of the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the partnership and to prevent and detect fraud and other irregularities.

On behalf of the Board

Phil Mead
Chair
Date: 29 March 2023

Shanika Amarasekara
Board member
Date: 29 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E20 STADIUM COMPANY LIMITED LIABILITY PARTNERSHIP ('LLP')

Opinion

We have audited the financial statements of E20 Stadium Company LLP (limited liability partnership**)** and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the group and limited liability partnership Income Statement, the group and limited liability partnership Statement of Financial Position, the Group Statement of Changes in Equity, the group Statement of cash flows, and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as regards to the limited liability partnership, as applied in accordance with section 408 of the Companies Act 2006 as applied to limited liability partnerships.

In our opinion:

- the financial statements give a true and fair view of the state of group's and the limited liability partnership's affairs as at 31 March 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the limited liability partnership financial statements have been properly prepared in accordance with UK adopted International Accounting Standards as applied in accordance with section 408 of the Companies Act 2006 as applied to limited liability partnerships; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

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

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 members' 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 limited liability partnership'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 members 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's and limited liability partnership's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, 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 this gives rise to 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 are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the limited liability partnership financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group and limited liability partnership'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 members either intend to liquidate the group or the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant are Companies Act 2006 in compliance with IFRS, Income and Corporation Taxes Act 1988 and Taxation of Chargeable Gains Act 1992.

- We understood how E20 Stadium LLP is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance.
- We assessed the susceptibility of the limited liability partnership'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) and management override of controls to be our fraud risks.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations.
- 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 management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal tagged and 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.

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Andrew Brittain (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
30 March 2023

Income statement
for the year ended 31 March 2022

	Note	Group 2022	Entity 2022	Group 2021 Restated	Entity 2021 Restated
		£'000	£'000	£'000	£'000
Revenue	2	8,007	4,510	7,335	6,806
Cost of sales	3	(10,943)	(12,649)	(1,558)	(10,854)
		(2,936)	**(8,140)**	**5,778**	**(4,048)**
Other operating expenses	3	(10,771)	(3,272)	(11,432)	(1,381)
Depreciation and impairment	3	(4,624)	(7,226)	(10,382)	(11,387)
Exceptional costs	3	(2,394)	(2,394)	(435)	(435)
Purchases recharged within the Group	3	(3,542)	-	(1,600)	-
Provisions:					
Increases to existing provisions	3	(50,258)	(50,258)	-	-
Unused amounts reversed during the period	3	-	-	17,274	17,274
Effect of the change in provision discount rate	3	22,272	22,272	40,554	40,554
Provision utilised in the year	3	8,564	8,564	10,364	10,364
Total related to provisions		(19,422)	(19,422)	68,192	68,192
Operating expenses Total		**(40,752)**	**(32,313)**	**44,343**	**54,989**
Operating profit/(loss)		**(43,687)**	**(40,453)**	**50,121**	**50,941**
Financing costs - interest payable	3	(7,133)	(7,133)	(6,712)	(6,712)
Financing costs - provision (unwinding the discount)	3	(3,065)	(3,065)	(1,812)	(1,812)
Profit/(Loss) for the financial year - attributable to members		**(53,885)**	**(50,651)**	**41,598**	**42,418**
Total comprehensive profit/(loss) for the year - attributable to members		**(53,885)**	**(50,651)**	**41,598**	**42,418**

Statement of financial position

for the year ended 31 March 2022

	Note	Group 2022 £'000	Entity 2022 £'000	Group 2021 Restated £'000	Entity 2021 Restated £'000	Group 2020 Restated £'000	Entity 2020 Restated £'000
Assets							
Non-current assets							
Property, plant and equipment	4	2,770	-	3,710	-	4,212	-
		2,770	-	3,710	-	4,212	-
Current assets							
Trade and other receivables	5	8,151	9,833	6,150	8,956	6,465	4,622
Cash and cash equivalents	6	3,737	1,441	4,071	1,866	4,870	1,378
		11,889	11,274	10,221	10,822	11,335	6,000
Total assets		**14,658**	**11,274**	**13,931**	**10,822**	**15,547**	**6,000**
Equity and liabilities							
Equity attributable to members, as owners							
Individual members' capital		-	-	-	-	-	-
Other reserves classified as equity		(328,728)	(322,803)	(295,801)	(293,012)	(359,556)	(357,485)
Total equity		**(328,728)**	**(322,803)**	**(295,801)**	**(293,012)**	**(359,556)**	**(357,485)**
Liabilities							
Current liabilities							
Trade and other payables	7	8,733	3,681	5,166	2,922	5,166	5,166
Provisions	16	6,256	6,258	8,461	8,461	10,300	10,302
Deferred income	7	18,548	15,324	17,256	15,475	17,256	17,256
Amounts due to members	14	2,279	2,279	2,263	2,263	2,263	2,263
		35,815	27,542	33,145	29,121	34,985	34,987
Non-current liabilities							
Provisions	16	225,694	225,694	201,003	201,003	265,542	265,542
Long Term Borrowings	8	80,844	80,844	73,710	73,710	66,999	66,999
Long Term Creditors	8	1,033	-	1,875	-	2,921	-
		307,571	306,538	276,589	274,713	335,462	332,541
Total liabilities		343,386	334,080	309,734	303,835	375,103	363,487
Total equity and liabilities		**14,658**	**11,274**	**13,933**	**10,822**	**15,547**	**6,000**
Total members' interests							
Individual members' capital		-	-	-	-	-	-
Other reserves classified as equity		(328,728)	(322,803)	(295,801)	(293,012)	(359,556)	(357,485)
		(328,728)	(322,803)	(295,801)	(293,012)	(359,556)	(357,485)
Amounts due to members	14	2,279	2,279	2,263	2,263	1,960	1,960
		(326,448)	**(320,523)**	**(293,538)**	**(290,748)**	**(357,596)**	**(355,526)**

Phil Mead
Chair
Date: 29 March 2023

Shanika Amarasekara
Board member
Date: 29 March 2023

Statement of changes in equity
for the year ended 31 March 2022

	Note	Individual members' capital Restated £'000	Members' other reserves Restated £'000	Group Restated £'000
Balance at 1 April 2020			**(357,485)**	**(359,556)**
Capital introduced by members	9	22,057	-	-
Repayment of capital		-	-	-
Members remuneration charges as an expense		-	-	
Profit for the financial year 2021		-	42,418	41,598
Members interest after allocation of profit/(losses) for the year		**22,057**	**(315,068)**	**(317,958)**
Profits/(losses) allocated to members during the year	9	(22,057)	22,057	22,157
Other transactions with members		-	-	-
Balance at 31 March 2021		-	**(293,012)**	**(295,801)**
Balance at 1 April 2021			**(293,012)**	**(295,801)**
Capital introduced by members	9	20,859	-	-
Losses for the financial year 2022		-	(50,651)	(53,885)
Members interest after allocation of profit/(losses) for the year		**20,859**	**(343,662)**	**(349,687)**
Profits/(losses) allocated to members during the year	9	(20,859)	20,859	20,959
Balance at 31 March 2022		-	**(322,803)**	**(328,728)**

Statement of cash flows
for the year ended 31 March 2022

	Note	Group 2022 £'000	Entity 2022 £'000	Group 2021 Restated £'000	Entity 2021 Restated £'000
Cash flows from operating activities					
Loss for the financial year		**(53,885)**	**(50,651)**	**41,598**	**42,418**
Adjustments for					
Depreciation and impairment	4	4,626	7,226	10,382	11,387
		(49,260)	**(43,425)**	**51,979**	**53,805**
(Increase)/decrease in trade and other receivables		(2,002)	(877)	315	(4,334)
Increase/(decrease) in trade and other payables		1,204	(762)	(4,267)	522
Increase/(decrease) in amounts due to members		(1,640)	(1,640)	225	225
Increase/(decrease) in provisions		22,486	22,488	(66,380)	(66,380)
Cash generated from operations		**(29,211)**	**(24,216)**	**(18,127)**	**(16,162)**
Net cash flows from operating activities		**(29,211)**	**(24,216)**	**(18,127)**	**(16,162)**
Cash flows from investing activities					
Acquisition of property, plant and equipment	4	(3,684)	(7,226)	(9,880)	(11,387)
Increase/(decrease) in payables from investing activities		1,521	1,521	531	(1,056)
Increase/(decrease) in amounts due to members from investing activities		1,656	1,656	78	78
Increase/(decrease) in deferred income		1,392	(152)	(2,170)	248
Net cash flows from investing activities		**885**	**(4,200)**	**(11,441)**	**(12,118)**
Cash flows from financing activities					
Capital introduced by individual members		20,859	20,859	22,057	22,057
Increase/(decrease in borrowing)		7,133	7,133	6,711	6,712
Net cash flows from financing activities		**27,992**	**27,992**	**28,768**	**28,769**
Net increase/(decrease) in cash and cash equivalents		(335)	(424)	(799)	489
Cash and cash equivalents at the beginning of the year	6	4,071	1,866	4,870	1,378
Cash and cash equivalents at the end of the year		**3,737**	**1,441**	**4,071**	**1,866**

Notes
(forming part of the financial statements)

1 Accounting policies

E20 Stadium LLP (the "partnership") is a partnership incorporated and domiciled in the UK.

The partnership financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 14.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the property, plant and equipment are stated at their fair value.

1.2 Property, plant and equipment

Property, plant and equipment are stated at fair value.

Property, plant and equipment are measured initially at cost, including transaction costs, and subsequently measured at fair value with any change therein recognised in profit or loss.

An external, independent valuer, having an appropriate recognised professional qualification, values the property, plant and equipment every year.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Property, plant and equipment are classified as Assets under Construction during the course of construction.

Depreciation is not being charged on the Stadium asset whilst it is revalued on an annual basis.

1.3 Expenses

Lease payments

Lease payments are recognised in accordance with IFRS 16, in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. The interest expenses associated with borrowings to fund working capital are not capitalised and are expensed through the income statement.

1.4 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the partnership expects to be entitled in exchange for those goods or services. The partnership has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. This includes:

- Revenues generated from the organisation of events, which are recorded as deferred income until the event occurs.
- Revenues from the Stadium operator, at entity level, which are recognised at the point the partnership becomes contractually obliged to those revenues.
- Revenues generated from other sources (such as recharges), which are recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

1.5 Taxation

Taxation on all partnership profits is solely the liability of members. Consequently, neither taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

1.6 Financial instruments

Trade and other receivables

Trade and other receivables due in less than 12 months are recognised at their nominal amount less impairment losses. Subsequent to initial recognition, trade and other receivables are valued at amortised cost less impairment losses.

Cash and cash equivalent

The cash and cash equivalents are stated at their nominal values, as this approximates to amortised cost.

Trade and other payables

Trade and other payables are initially recognised at fair value, based upon the nominal amount outstanding. Subsequent to initial recognition, they are recorded at amortised cost.

1.7 Provisions

A provision is recognised when the partnership has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle its obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money.

A provision is also recognised when the partnership is deemed to have a contract that is onerous as defined by IAS 37. Note that during 2021/22 there were amendments to IAS 37 that have a material impact upon the partnership's accounting for onerous contracts – see Note 16 for further details.

1.8 Allocations of profit or loss

The allocation of losses to those who were members of the partnership during the financial year occurs at the discretion of the Board. Unallocated profits or losses are shown in equity as "Other reserves".

1.9 Members' contributions

Contributions made by members of the partnership are recognised in the accounts at the point a sales invoice is presented for payment or cash settlement of the invoice is received, whichever is later.

1.10 Going Concern

The partnership is currently dependent for its working capital on funds provided by LLDC. The Directors have an expectation based on discussions with LLDC and the Greater London Authority that further funding will be made available for a period of at least one year from the date of approval of these accounts.

For these reasons, the directors have concluded that it is appropriate to prepare the accounts on a going concern basis.

1.11 Basis of consolidation

The consolidated financial statements comprise the financial statements of E20 Stadium LLP and its subsidiary as at 31 March 2022.

Subsidiaries are all entities over which the partnership has power, i.e. it has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the subsidiary's returns), exposure or rights, to variable returns from its involvement with the subsidiary and the ability to use its power over the subsidiary to affect the amount of the partnership's returns. The partnership normally obtains and exercises control through voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the partnership controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the partnership. They are de-consolidated from the date that control ceases.

During the 2018/19 financial year, E20 Stadium LLP took control of the Stadium operator, London Stadium 185 Limited, by purchasing, in full, its share capital from the previous owner, Vinci Stadium. Accordingly, the financial results of London Stadium 185 Limited are consolidated within these financial statements.

2 Revenue

	Group 2022 £'000	Entity 2022 £'000	Group 2021 £'000	Entity 2021 £'000
Operating income	6,082	4,054	5,596	6,792
Other recharges	1,925	456	1,739	14
Other	-	-	-	-
Total revenue	**8,007**	**4,510**	**7,335**	**6,806**

Within operating income is £3.7m in fees received from West Ham United Football Club for their use of the Stadium during the 2021/22 financial year; these fees are subsequently passed on to the Stadium operator, London Stadium 185, by E20 Stadium LLP as reflected within 'cost of sales - other' (see note 3). Also in the Entity operating income are revenues received from London Stadium 185; these are eliminated when consolidated in the Group accounts. Other income recognised for the Group includes grant releases, events revenue and income from commercial partnerships.

3 Cost of sales, expenses and auditor's remuneration

	Group	Entity	Group Restated	Entity Restated
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Cost of sales	(10,944)	(12,650)	(1,559)	(10,855)
Other operating expenses	(10,771)	(3,272)	(11,432)	(1,381)
Depreciation and impairment	(4,624)	(7,226)	(10,382)	(11,387)
Purchases recharged within the Group	(3,542)	-	(1,600)	-
Exceptional costs	(2,394)	(2,394)	(435)	(435)
Provisions:				
Increases to existing provisions	(50,258)	(50,258)	-	-
Unused amounts reversed during the period	-	-	17,274	17,274
Effect of the change in provision discount rate	22,272	22,272	40,554	40,554
Provision utilised in the year	8,564	8,564	10,364	10,364
Operating expenses Total	**(40,752)**	**(32,313)**	**44,343**	**54,989**
Financing costs - interest payable	(7,133)	(7,133)	(6,712)	(6,712)
Financing costs - provision (unwinding the discount)	(3,065)	(3,065)	(1,812)	(1,812)
	(61,892)	**(55,160)**	**34,262**	**35,611**

Cost of sales includes amounts paid to London Stadium 185 for their operator fees (eliminated in the Group accounts) and fees received from West Ham United Football Club. It also includes costs associated with moving the relocatable seating between pitch (football) and athletics mode.

Other operating expenses include professional fees, direct staff costs, general overheads, rates, insurance and member recharges.

Financing costs refer to the interest charge that E20 Stadium LLP accrues on the working capital loan from its parent (LLDC). Since 1 April 2020, working capital has been funded by way of Members Contributions from LLDC.

Purchases recharged within the Group refer to asset purchases made by the operator, London Stadium 185 Ltd, on behalf of the landlord, E20 Stadium LLP. These purchases are recharged, in full, to the landlord and are capitalised in E20 Stadium LLP's accounts. London Stadium 185 Ltd recharge these costs in full, so the net cost to the company is zero, but the initial expense is shown as Group level.

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 loss.

The increase/decrease in provisions represents the change in the onerous contract provision and the provision finance cost reflects the unwinding of the discounting in the provisions balance. Note that the prior year increase/decrease in provisions is restated due to a change in the methodology for calculating the provision following an update to IAS 37 and a fundamental review of the accounting and presentation of the identified onerous contracts within the partnership (see Note 16 for details).

Auditor's remuneration	**Group 2022 £'000**	**Entity 2022 £'000**	**Group 2021 £'000**	**Entity 2021 £'000**
Audit of the financial statements	(68)	(38)	(71)	(38)
	(68)	**(38)**	**(71)**	**(38)**

4 Property, plant and equipment

	Stadium £'000	**Entity Total £'000**	**Group Total £'000**
Balance at 1 April 2020	-	-	**4,212**
Additions	11,387	11,387	9,880
Net losses in fair value adjustment	(11,387)	(11,387)	(10,382)
Balance at 31 March 2021	**(0)**	**-**	**3,710**
Balance at 1 April 2021	-	-	**3,710**
Additions	7,226	7,226	3,684
Depreciation	-	-	(940)
Net losses in fair value adjustment	(7,226)	(7,226)	(3,684)
Balance at 31 March 2022	**(0)**	**-**	**2,770**

Property, plant and equipment

Capital costs are incurred in relation to Stadium enhancements, including changes to the seating configuration and lifecycle works. The closing balance relates only to assets held by the stadium operator, as E20 Stadium LLP assets are fully impaired, per the revaluation note below.

Revaluation

The fair value of the Stadium is determined by external, independent property valuers (Jones Lang Lasalle Limited), having appropriate recognised professional qualifications. The independent valuers provide the fair value of the partnership's property, plant and equipment portfolio annually.

The fair value of the Stadium was determined by considering what market value a hypothetical purchaser would be willing to pay. This assessment considered the level of income that the Stadium can generate in excess of operating expenditure, as well as market data of the performance of other European Stadium developments. Accordingly, all of the property, plant and equipment have been categorised as a Level 3 fair value (see Note 10 for definition) based on the inputs to the valuation technique used.

Forecasts of the partnership's financial outlook, particularly in relation to the cost of hosting West Ham United Football Club and the cost of moving the relocatable seats between pitch (football) and athletics modes, has resulted in the fair value of the Stadium as at 31 March 2022 to be nil (31 March 2021: nil); accordingly, the value of the capital works on the Stadium up to 31 March 2022 are impaired in the partnership's accounts. As the valuation is based upon the partnership's business plan forecasts this carries an element of uncertainty and changes to business plan assumptions could result in a material adjustment to the Stadium's valuation in the coming years. The impairment is recognised in the Income Statement.

Additional information on the assumptions used to revalue the property, plant and equipment can be found in note 14.

Notes *(continued)*

5 Trade and other receivables

	Group 2022 £'000	Entity 2022 £'000	Group 2021 £'000	Entity 2021 £'000
Prepaid Expenses	2,405	1,592	2,376	1,596
Trade debtors	4,963	4,106	2,894	3,635
Other debtors	813	4,134	879	3,724
	8,151	**9,833**	**6,150**	**8,956**

Prepaid expenses includes the Stadium lease prepayment in relation to the rent premium of £0.5 million paid at the inception of the lease of the Stadium. The rent premium will be expensed to the income statement over the term of the lease (102 years) in line with the partnership's accounting policies.

Trade debtors consist mainly of balances owed by London Stadium 185 Limited (eliminated in the Group accounts) and West Ham United Football Club.

6 Cash and cash equivalents

	Group 2022 £'000	Entity 2022 £'000	Group 2021 £'000	Entity 2021 £'000
Cash held in bank accounts	3,737	1,441	4,071	1,866
Cash and cash equivalents per the cash flow statements	**3,737**	**1,441**	**4,071**	**1,866**

There are quarterly payments associated with some of the Group's key contracts, which results in a relatively high cash balance at each quarter-end. This balance is utilised during each quarter, with only a relatively small cash float retained.

7 Current liabilities

	Group 2022 £'000	Entity 2022 £'000	Restated Group 2021 £'000	Restated Entity 2021 £'000
Current				
Trade payables	6,530	9	3,960	622
Accruals	2,202	3,671	1,205	2,300
Deferred income	18,548	15,324	17,256	15,475
Provisions	6,256	6,258	8,461	8,461
	33,536	**25,262**	**30,882**	**26,858**

Deferred income of £15.3 million relates mainly to the one-off usage fee from West Ham United Football Club paid during 2016/17, which will be recognised in the income statement over the lifetime of the concession agreement. There is also a deferral of an element of the annual usage fee, relating to the number of matches played in an event year, which will be released in the year the matches are played or after four years.

Notes *(continued)*

8 Non-Current liabilities

	Group	Entity	Restated Group	Restated Entity
	2022	2022	2021	2021
Non-Current	**£'000**	**£'000**	**£'000**	**£'000**
Long Term Provisions	225,694	225,694	201,003	201,003
Borrowings	80,844	80,844	73,710	73,710
Long Term Deferred Income	1,033	-	1,875	-
	307,571	**306,538**	**276,589**	**274,713**

9 Individual members' capital and other interests

The partnership is financed partly by members' capital. The partnership's capital structure is regularly reviewed to ensure it remains relevant for the business. No distribution is made to members that could prevent the partnership meeting its financial requirements.

No capital contributions were made by Stratford East London Holdings Limited during the year, the balance solely relates to contributions from LLDC.

	£'000
Balance at 1 April 2020	-
Capital introduced by members	(22,057)
Repayments of capital	-
Profits/(losses) allocated to members during the year	22,057
Balance at 31 March 2021	-
Balance at 1 April 2021	-
Capital introduced by members	20,859
Repayments of capital	-
Profits/(losses) allocated to members during the year	(20,859)
Balance at 31 March 2022	-

Amounts due to members are related to recharges of costs from the members in relation to support services.

Within the amounts due to London Legacy Development Corporation is £80.8m of loan funding provided by the Corporation up to 2019/20. This sum includes interest, which accrues annually.

	Group	Entity	Group	Entity
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
London Legacy Development Corporation	83,123	83,123	75,974	75,974
Total amounts due to members	**83,123**	**83,123**	**75,974**	**75,974**

Notes *(continued)*

10 Financial instruments

The fair values of all financial assets and financial liabilities together with their carrying amounts shown in the balance sheet are disclosed in the table below. This table analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

31 March 2022		Entity Carrying amount £'000		Entity Fair Value £'000	
	Note	Loans and receivables	Total	Level 3	Total
Financial assets					
Trade and other receivables	5	4,106	4,106	4,106	4,106
Cash and cash equivalents	6	1,441	1,441	1,441	1,441
		5,547	**5,547**	**5,547**	**5,547**
Financial Liabilities					
Trade and other payables	7	80,853	80,853	80,853	80,853
		80,853	**80,853**	**80,853**	**80,853**

31 March 2021		Carrying amount £'000		Fair Value £'000	
	Note	Loans and receivables	Total	Level 3	Total
Financial assets					
Trade and other receivables	5	3,635	3,635	3,635	3,635
Cash and cash equivalents	6	1,866	1,866	1,866	1,866
		5,501	**5,501**	**5,501**	**5,501**
Financial Liabilities					
Trade and other payables	7	73,608	73,608	73,608	73,608
		73,608	**73,608**	**73,608**	**73,608**

31 March 2022		Group Carrying amount £'000		Group Fair Value £'000	
	Note	Loans and receivables	Total	Level 3	Total
Financial assets					
Trade and other receivables	5	4,963	4,963	4,963	4,963
Cash and cash equivalents	6	3,737	3,737	3,737	3,737
		8,700	**8,700**	**8,700**	**8,700**
Financial Liabilities					
Trade and other payables	7	87,065	87,065	87,065	87,065
		87,065	**87,065**	**87,065**	**87,065**

31 March 2021		Carrying amount £'000		Fair Value £'000	
	Note	Loans and receivables	Total	Level 3	Total
Financial assets					
Trade and other receivables	5	2,894	2,894	2,894	2,894
Cash and cash equivalents	6	4,071	491	4,071	4,071
		6,966	**3,385**	**6,966**	**6,966**
Financial Liabilities					
Trade and other payables	7	76,738	76,738	76,738	76,738
		76,738	**76,738**	**76,738**	**76,738**

Notes *(continued)*

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.

Credit risk

Financial risk management

Credit risk is the risk of financial loss to the partnership if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the partnership's receivables from customers.

The partnership has some credit risk, particularly through the Stadium operator; however, this is considered to be low and is monitored regularly at a management and director level.

Liquidity risk

Financial risk management

Liquidity risk is the risk that the partnership will not be able to meet its financial obligations as they fall due.

The partnership is reliant on committed funding from its members to meet the anticipated needs of the Partnership for the period covered by the Partnership's budget.

The partnership forecasts on a regular basis the expected cash flows that will occur on a monthly basis to calculate the level of funding that will be required in a short or medium term.

Market risk

Financial risk management

The partnership has limited exposure to market risk. The partnership is not exposed to currency fluctuation risk or commodity risk as a result of its operations. The partnership has no exposure to market risk for changes in interest rates as it has no external borrowing.

Notes *(continued)*

11 Leases

The partnership has a lease with London Legacy Development Corporation for the Stadium Island site, which includes the Stadium itself, up to 1 September 2115. The partnership has paid an upfront payment of £0.5 million which is recognised in the income statement on straight line basis over the term of the lease. The annual rent is a peppercorn and therefore the partnership has no further non-cancellable operating lease rentals obligation in respect of this lease.

During the year £4,900 was recognised as an expense in the income statement in respect of lease costs, in accordance with IFRS 16.

12 Commitments

Capital commitments

At the year ended 31 March 2022, the partnership had commitments to pay of £14.4 million (2020/21: £2.9 million), largely in respect of seating enhancements. These commitments are expected to be settled in the financial year 2021/22.

13 Related Parties

Other related party transactions

In December 2013, the partnership entered into an agreement with London Legacy Development Corporation for the lease of the Stadium (see note 12 for more information).

The cost of the Stadium transformation scope (as defined by the Members' agreement) and other enhancements were funded mainly by the partnership members.

In the years up to and including 2019/20, London Legacy Development Corporation provided loan funding to the partnership – this amounts to £80.8m, including accrued interest. Since then funding has been provided through Member's Contributions from LLDC, though interest continues to accrue annually on the existing loan balance.

London Legacy Development Corporation, a functional body of the Greater London Authority, is the parent of E20 Stadium LLP.

	Capitalised cost 2022	**Expense cost 2022**
	£'000	**£'000**
Members and Subsidiary	4,016	22,524
	4,016	**22,524**

	Receivables outstanding 2022	**Payables outstanding 2022**
	£'000	**£'000**
Members and Subsidiary	6,351	81,638
	6,351	**81,638**

Notes *(continued)*

14 Accounting estimates and judgement

The partnership prepares its consolidated financial statements in conformity with the requirements of the Companies Act 2006, which require management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods.

The following area is considered to involve a significant degree of judgement or estimation:

Revaluation reviews

The fair value of the Stadium was determined by external, independent property valuers (Jones Lang Lasalle Limited), having appropriate recognised professional qualifications. The independent valuers provide the fair value of the partnership's property, plant and equipment portfolio annually.

The fair value of the Stadium was determined by considering what market value a hypothetical purchaser would be willing to pay. This assessment considered the level of income that the Stadium can generate in excess of operating expenditure, as well as market data of the performance of other European Stadium developments. Accordingly, all of the property, plant and equipment have been categorised as a Level 3 fair value (see Note 10 for definition) based on the inputs to the valuation technique used.

Forecasts of the partnership's financial outlook, particularly in relation to the cost of hosting West Ham United Football Club matches and the cost of moving the relocatable seats between pitch (football) and athletics modes, have resulted in the fair value of the Stadium as at 31 March 2022 to be nil (31 March 2021: nil); accordingly, the value of the capital works on the Stadium are impaired in the partnership's draft accounts. As the valuation is based upon the partnership's business plan forecasts this carries an element of uncertainty and changes to business plan assumptions could result in a material adjustment to the Stadium's valuation in the coming years. Changing the assumptions selected by management could significantly affect the partnership's impairment evaluation and results.

Provisions (onerous contracts)

The onerous contracts provision is based on a variety of assumptions and estimates regarding the cashflows associated with the West Ham United and UK Athletics agreements and discount rates, all of which are subject to change. Any changes to the assumptions and estimates (including the discount rate) used by management in determining the value of the provision could significantly affect the partnership's provision value and financial performance. See Note 16 for further details on the onerous contracts provision, including the methodology adopted by management to determine the value at the reporting date. The following sensitivity analysis has been performed based on reasonably plausible outcomes regarding the possible changes in discount rate (which follows the Government gilt at the reporting date).

Year	**Provision Balance**	**Discount rate reduces by 0.2% (change in balance)**	**Discount rate increases by 0.2% (change in balance)**	**Net cashflows increase by 5% (change in balance)**
	£m	**£m**	**£m**	**£m**
31-Mar-20	**(275.8)**	(17.5)	15.7	(11.0)
31-Mar-21	**(209.5)**	(11.6)	10.7	(8.7)
31-Mar-22	**(231.9)**	(12.9)	11.7	(9.6)

15 Service concession agreements

The partnership entered into a 25-year service concession arrangement with London Stadium 185 Limited (now owned by E20 Stadium LLP) on 30 January 2015. The agreement relates to the operation of the Stadium and grants the operator sole and exclusive rights to promote, sell and manage events in the Stadium and South Park. Under the agreement the partnership makes defined payments to the operator, including a quarterly fixed-fee; the operator pays to the partnership net commercial revenues depending upon their performance according to the agreement. The partnership retains liability for the structure of the Stadium and in particular lifecycle costs. The agreement may be terminated by either party after 20 years by giving not less than 3 years' notice. No changes were made to the terms of the agreement following the acquisition of London Stadium 185 Limited by E20 Stadium LLP on 21 January 2019.

16 Provisions

Since its opening in 2016/17, the London Stadium has successfully hosted five full seasons of Premier League football as the home of West Ham United Football Club, the IAAF World Athletics and Para Athletics Championships, major music concerts, Major League Baseball and other successful events such as rugby union matches, confirming its position as the centrepiece of the Queen Elizabeth Olympic Park and as a major London attraction.

However, despite these successes, forecasts of the partnership's financial outlook, particularly in relation to the cost of hosting West Ham United Football Club and the cost of moving the relocatable seats between pitch (football) and athletics modes, has required an assessment of whether any of its contracts are deemed to be onerous. An assessment of its main contracts (in line with IAS 37) in 2016/17 concluded that two of these are deemed to be onerous – the West Ham United Football Club concession agreement and UK Athletics access agreement. Consequently, E20 Stadium LLP recognised a provision for these contracts, adversely impacting its reported position for the year. The provision, which was previously calculated based upon E20 Stadium's forecasts as contained within its business plan, contains a variety of assumptions and estimates that are subject to change.

In 2021/22, the methodology for calculating the provision was revised following an update to IAS 37 and a fundamental review of the accounting and presentation of the identified onerous contracts within the partnership. The updated methodology, which is retrospectively applied in these accounts, 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).

Based on the above, the provision, including the prior-year restated balances, are as follows:

	Provisions 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)**

The short-term element of the provision as at 31 March 2020 was £10.3m and as at 31 March 2021 was £8.5m

	Provisions Total Restated £'000
As at 1 April 2021	(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)**

The short-term element of the provision as at 31 March 2022 is £6.3m

Note that the changes in the provision balances do not reflect any substantial change to the underlying business of E20 Stadium LLP but rather is due to the change in methodology.

The provision movement in the year is as a result of:

- **Increases to existing provisions –** Higher matchday costs and utilities, which had an adverse effect on forecasts in 2022, increasing the provision balance
- **Effect of the change in discount rate** – The discount rate for 31 March 2022 was 1.56%, based on the prevailing government gilt rate
- **Utilised in the year –** The in-year release of the provision (to offset the in-year operating loss) as estimated in the prior-year provision calculation
- **Unwinding of discount –** The provision is discounted across the life of the contracts; this entry reflects the ‘unwinding’ of that discount, with a charge applied each year

Maturity analysis of the provision is as follows:

	£'000
Less than one year	(6,256)
Between one and five years	(23,958)
Between five and ten years	(28,051)
More than ten years	(173,685)
Total	**(231,950)**

17 Taxation

Following changes to the onerous contracts provision in 2020/21 (see Note 16), E20 Stadium LLP Group now has reported a profit of £41.6 million. The notional effect of taxation is shown below based on the corporation tax rate of the time; however, this is fully offset by prior-year losses.

	2021/22 Group £'000	**2020/21 Group £'000**
Profit/(loss) in ordinary activities before tax	**(53,885)**	**41,598**
Profit on ordinary activities multiplied by standard date or corporation tax in the UK of 19%	**-**	**7,904**
Use of prior year losses	**-**	**(7,904)**
Tax payable	**-**	**-**

18 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 financial statements.

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.

19 Prior Period Adjustments

As set out in Note 16 (Provisions), E20 Stadium LLP has restated the onerous contracts provision as at 1 April 2020 and 31 March 2021 due to a change in the methodology for calculating the provision following an update to IAS 37 and a fundamental review of the accounting and presentation of the identified onerous contracts within the partnership. These adjustments affect the Income Statement (2020/21 only), the Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows and Note 16 as shown in the following tables:

Income Statement 2020/21

	Original	Original	Adjustments	Adjustments	Restated	Restated
	Group 2021	Entity 2021	Group 2021	Entity 2021	Group 2021	Entity 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Provisions:						
Unused amounts reversed during the period	-	-	17,274	17,274	17,274	17,274
Effect of the change in discount rate	-	-	40,554	40,554	40,554	40,554
Utilised in the year	-	-	10,364	10,364	10,364	10,364
Unwinding of discount	-	-	(1,812)	(1,812)	(1,812)	(1,812)

Statement of Financial Position as at 31 March 2020

	Original	Original	Adjustments	Adjustments	Revised	Revised
	Group	Entity	Group	Entity	Group	Entity
	2020	2020	2020	2020	2020	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Equity attributable to members, as owners						
Other reserves classified as equity	(283,717)	(281,646)	(75,839)	(75,839)	(359,556)	(357,485)
Current liabilities						
Provisions	31,167	31,169	(20,867)	(20,867)	10,300	10,302
Non-current liabilities						
Provisions	168,835	168,835	96,706	96,706	265,542	265,542
Total members' interests						
Other reserves classified as equity	(283,717)	(281,646)	(75,839)	(75,839)	(359,556)	(357,485)

Statement of Financial Position as at 31 March 2021

	Original Group 2021 £'000	Original Entity 2021 £'000	Adjustments Group 2021 £'000	Adjustments Entity 2021 £'000	Revised Group 2021 £'000	Revised Entity 2021 £'000
Equity attributable to members, as owners						
Other reserves classified as equity	(286,341)	(283,552)	(9,462)	(9,462)	(295,803)	(293,014)
Current liabilities						
Provisions	22,597	22,599	(14,136)	(14,138)	8,461	8,461
Non-current liabilities						
Provisions	177,405	177,405	23,598	23,598	201,003	201,003
Total liabilities	300,273	294,376	9,462	9,460	309,734	303,834
Total members' interests						
Other reserves classified as equity	(286,341)	(283,552)	(9,462)	(9,460)	(295,803)	(293,012)

Statement of Changes in Equity as at 31 March 2021

	Original Individual members' capital £'000	Original Members' other reserves £'000	Original Group £'000
Balance at 1 April 2020	-	(281,646)	(283,717)
Profit for the financial year 2021	-	(23,963)	(24,782)

	Adjustments £'000	Adjustments £'000	Adjustments £'000
Balance at 1 April 2020	-	(75,839)	(75,839)
Profit for the financial year 2021	-	66,380	66,379

	Restated £'000	Restated £'000	Restated £'000
Balance at 1 April 2020	-	**(357,485)**	**(359,556)**
Profit for the financial year 2021	-	**42,418**	**41,598**

Statement of Cash Flows 2020/21

	Original	Original	Adjustments	Adjustments	Restated	Restated
	Group	**Entity**	**Group**	**Entity**	**Group**	**Entity**
	2021	**2021**	**2021**	**2021**	**2021**	**2021**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash flows from operating activities						
Loss for the financial year	**(24,782)**	**(23,963)**	66,380	66,380	**41,598**	**42,418**
Increase/(decrease) in provisions	-	-	(66,380)	(66,380)	**(66,380)**	**(66,380)**